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June 3, 2013

Representative W. Bruce MacDonald
656 Back River Road
Boothbay, Maine 04537

Re: *St. Andrews Hospital*

Dear Bruce:

Thank you for your strong advocacy on behalf of your constituents with regards to Maine Health's reduction of medical services for your community.

My staff and I have now received and reviewed voluminous documents. We have met with members of the St. Andrews Task Force and with other concerned individuals a number of times. Clearly, St. Andrews is a very important and beloved community asset, and many members of the local community are genuinely upset with the proposed changes.

After a thorough review, however, I have concluded that there are no legal grounds for the Attorney General to change the decision to close St. Andrews Emergency Room.

In the realm of nonprofit governance and charitable asset stewardship, the Attorney General is not allowed to second guess the judgments of properly constituted boards or to determine the best use of charitable assets. We are authorized to ask a court to intercede relative to board activities only on very narrow grounds, such as a conflicted board (more than 49% financially interested), or the diversion of charitable assets for unlawful purposes. We can neither compel a change in articles of incorporation nor remove board members or substitute other board members without establishing a violation of law.

We have carefully reviewed all governance documents, including the original and all amended articles of St. Andrews Hospital and the definitive agreement establishing the initial relationship between St. Andrews Hospital and MaineHealth's predecessor. We have found no violation of Maine law in the composition or decision-making process of either the St. Andrews Board or the Lincoln County Healthcare Board. We found no indication that anyone is improperly benefiting from charitable assets or that anyone is applying those assets in contradiction to the corporation's charitable purposes, as determined by the governing articles and amendments. In short, there is no legal basis for us to challenge the process or decisions of the St. Andrews Hospital board of directors or Lincoln County Healthcare's board.

The Task Force at one point was interested in obtaining the bylaws of St. Andrews Hospital. I have obtained the bylaws from MaineHealth and am pleased to enclose them herewith.

I appreciate all the efforts you have undertaken on behalf of your constituents in this important matter. I know that your constituents will continue to benefit from your dedicated service.

Sincerely,

A handwritten signature in black ink, appearing to read "Janet T. Mills", with a stylized, flowing script.

Janet T. Mills
Attorney General