

## **Blandin Foundation media statement on petition filing**

For 85 years, the Blandin Foundation has addressed rural challenges and empowered resiliency, resourcefulness, and long-term sustainability in the Grand Rapids area and other rural communities.

As stewards of our founder Charles Blandin's vision to create resilient rural communities, the Foundation must ensure strong, sustainable funding from the assets managed separately in the C.K. Blandin Residuary Trust. The Foundation is the sole beneficiary of this Trust, and relies on the Trust to have a modern, accountable structure to fund most of our rural community-centered grants and programs in the Grand Rapids area and rural Minnesota.

The Foundation has taken a closer look at our ability to provide impactful grants in recent years, staying true to our founder's vision. It became clear that weak investment performance and rising inflation have reduced the value of the Trust's annual distribution to the Foundation. This led the Foundation to question how Wells Fargo manages the Trust's assets. Despite ongoing underperformance, Wells Fargo currently has the luxury of continuing to manage the Trust's investments because Wells Fargo also oversees the Trust, which essentially means Wells Fargo is its own boss. This conflict of interest only came about when Wells Fargo, a multinational corporation based in California, inherited its oversight role after acquiring the Minnesota-based bank Charles Blandin named in his will. Wells Fargo then chose its own affiliates to handle the investments.

The Foundation has raised questions about changes that would address this conflict of interest and create more accountability to ensure the best management of resources in support of community wealth building and scholarships in the Grand Rapids area. Unfortunately, neither direct discussions nor voluntary mediation have resolved these critical concerns.

The needs of rural communities have never been more urgent. We must do everything we can to maximize our impact, and so the Foundation is seeking court assistance to address some of these concerns. This is a necessary step for the Blandin Foundation to sustain our community-centered work in the Grand Rapids area and rural Minnesota for generations to come.