



May 11, 2010

Dear Ms. Parthemos:

We thank you, Mayor Rawlings-Blake and your staff for meeting with us to discuss The Senator Theatre and its uncertain future.

The Mayor's pronouncements regarding transparency and ethics in government are inspiring. Her advocacy for raising ethical standards has engendered a hopeful optimism among the citizens that Baltimore's embedded culture of corruption has been rejected by a new generation of enlightened leadership, with emphasis on openness and integrity. The Friends of The Senator (FOTS) group is aligned with Mayor Rawlings-Blake with a stance that reflects and reiterates her public pronouncements, that ethical breeches and violations of the public's trust in their government cannot be tolerated.

The FOTS is an advocacy organization founded in 2007, and its mission is to assist in the protection, enhancement and preservation in perpetuity of Baltimore's renowned and irreplaceable Senator Theatre.

The role of the FOTS is currently a transitional one, and its efforts are directed towards assisting The Senator's day to day operation as volunteers. The FOTS group is also seeking to facilitate the theatre's optimal evolution, along with the city, and the surrounding business and residential communities in collaboration with experienced historic theatre redevelopment professionals in their specialized field of expertise. The FOTS are not seeking, however, to maintain any continuing operational role once the theatre's redevelopment process comes to successful fruition.

FOTS is focused on an exciting and sustainable, multi-purpose future for "The People's Theatre." In that light, we were reticent to rehash the past by refuting a number of statements and beliefs expressed in our recent meeting. We assumed that Mayor Rawlings-Blake and her senior staff were somewhat aware of the improprieties at the BDC surrounding its orchestrated acquisition of The Senator at auction, under Andrew Frank's direction during the Dixon administration, as well as the BDC's blatant mishandling of the RFP process. We assumed, perhaps naively, that we would not be compelled to cite or comment on these troubling issues, and move beyond them instead by highlighting The Senator's extraordinary, multi-purpose destiny that will eclipse any need to discuss and characterize the BDC's unethical RFP fiasco.

It's clear to us now, however, that issues regarding the BDC's RFP process require clarification.

Assertions were made at our meeting supporting the legitimacy of the BDC's RFP process and the supposed transparent manner in which it was planned and conducted. This is not the case.

The FOTS participated in the process, and our organization's research and investigation has documented numerous violations of the public trust by the BDC, some quite egregious. Our research also confirms the deeply flawed nature of the process, which ultimately degenerated into an unethical sham, intended to produce a preordained result, reflecting the agency's culture of manipulation, concealment and deceit.

Our first-hand knowledge of deception at the BDC, and the documentation provided to the FOTS by others aware of the apparent corruption of the process, have become a burden. There is a crucial difference between an open and transparent endeavor and one that was designed to appear as such to the public, while surreptitiously planning to produce results decided over a year ago. FOTS extended its good faith, benefit of the doubt at every turn of events, yet in retrospect, we can only describe the BDC's RFP process to determine The Senator's future as an illegitimate fraud.

It was disheartening to hear Mr. Cusack of The Charles Theatre incorrectly referred to as an "expert" in the film exhibition industry. While FOTS is an advocacy organization and not experts, we have enjoyed many direct candid interactions with bona fide experts in film exhibition. The experts all concur that Mr. Cusack's experience and knowledge of the film exhibition industry and its arcane vagaries is actually quite limited, an assessment also acknowledged on occasion by Mr. Cusack himself.

Please refer to the attached page, "Notations on the Cusack plan viability." We believe that the information listed helps reveal the Cusack RFP for what it is, a fundamentally flawed plan that will not hold up under objective professional analysis – scrutiny that the BDC ensured it did not receive. The fact that BDC President Brodie recommended Cusack's plan to his board and the Mayor's office is appalling.

In addition, you will find attached, questions posed by the BDC to League of Historic American Theatres (LHAT) board members (*after* the BDC's citizen advisory panel finally demanded input from film exhibition industry experts to help them evaluate the Cusack RFP because first-run film exhibition is an insular field of endeavor, little understood by outsiders).

We are compelled to note at this point that two expert evaluations of the Cusack RFP were solicited from LHAT and received by the BDC. It should be noted that both LHAT board members graciously responded despite the raised eyebrows triggered at LHAT the previous spring, when the BDC rejected The League's timely, generous offer to assist the BDC with its mission to determine The Senator's future by applying the League's cumulative body of knowledge and expertise from 30 years of historic theatre redevelopment.

LHAT board member and film exhibition expert John Bell, Executive Director of The Tampa Theatre, was one of the two respondents. While Mr. Bell was not provided the Cusack RFP itself, his answers to the questions posed describe Cusack's plan as unrealistic and regressive, calling any BDC recommendation to the Mayor of the Cusack RFP into question.

That said, of the two evaluations, John Bell's is the least damning. The second expert assessment received by the BDC from LHAT was apparently deemed so antithetical to the agency's predetermined RFP outcome that they simply never acknowledged its existence and buried it. The missing second expert evaluation of the Cusack RFP was quickly concealed from the BDC's own RFP citizen advisory panel and from everyone else to date.

We note with interest that your duties at City Hall include oversight of the BDC. That authority may empower you to request access to the hidden second LHAT expert analysis of the Cusack RFP plan. Viewing the concealed contents may reveal why such bold violation of the public trust took place at the BDC to prevent its contents from being known to those charged with evaluating the Cusack plan.

In relation to the mysteriously hidden second expert evaluation of the "winning" RFP chosen by the BDC leadership, you should know that Jayne Miller of WBAL TV is aware of its existence and may also be seeking its release. We note, regarding this odd circumstance, that it is often a foolish cover-up that reveals the moral failings and arrogance of those who violate ethical boundaries with seeming impunity.

Another strange interlude may help you and your colleagues, on behalf of Mayor Rawlings-Blake, to better understand the behind-the-scenes intrigue surrounding The Senator's acquisition and hand off to the BDC for disposition by Mr. Frank. It would be enlightening to inquire as to what city business transpired in a recent closed-door meeting between Mr. Brodie, Mr. Embry, and President Caret at

Towson University, shortly before Towson University's shockwave withdrawal of its clearly superior, multi-faceted RFP proposal for The Senator, citing unconvincing financial concerns.

In concluding this communication, we note that the FOTS organization has progressed beyond the extensive research required to document a revealing timeline of events from 2007 to the present. The results of those initial investigations indicated that three individuals who represent Baltimore's power elite, Andrew Frank and M.J. Brodie of the BDC, and Abell's Robert C. Embry, have also been enmeshed in the convoluted civic machinations over The Senator Theatre and its former owner for over 15 years.

It's not a subtle realization as it virtually leaps from page after page of documents, correspondence, news articles and media reports. It also emerged quite dramatically from subsequent in-depth interviews we have conducted. There seems to be a great disparity between what we've learned from these ongoing investigations, and what the public has been consistently conditioned to believe regarding Mr. Kiefaber through repeated false representations made to the media by representatives of Baltimore City government. There have been unconscionable repeated attacks and smears and subsequent retractions, using the same false information for years, until great damage was done to the personal and professional reputation of a civic hero.

Although we do not claim yet to have the irrefutable evidence required to prevail in a court of law, we are none the less convinced that what is playing out at The Senator today results from Mr. Embry's decade long agenda that reflects his personal antipathy towards Mr. Kiefaber and his ownership of The Senator Theatre. Although the specific reasons for this remain unclear, the pattern of what has occurred is apparent, and it has led to numerous ethical breeches that have compromised the BDC. It's a troubling pattern of disingenuous statements, actions and manipulation.

As an organization, we are exploring with counsel any legal obligations we may have to act overtly as whistleblowers in these matters that involve considerable sums in public funds. The opinion so far is that we are not obligated to take action. Regardless, the FOTS leadership is frankly outraged at what has occurred at the BDC, the planning department's CHAP commission, and the Abell Foundation. The patterns of these transgressions reveal overt abuses of power and shadow government control that may include actionable elements and trigger requests for documents and records through the Freedom of Information Act.

Perhaps it may help facilitate these matters and assist the call for greater transparency and ethical integrity from City Hall for FOTS to "go there" in a high-profile, public denouncement of the BDC's Senator RFP process as flawed and invalid based on its research to date. The FOTS can do so in alliance with the prestigious local, regional and national preservation organizations that recently sent open letters to the Mayor expressing serious concerns over the validity of the BDC's Senator RFP process and the agency's insular and opaque methodologies.

A FOTS whistleblower approach may help increase public awareness of the BDC's attempt to fix the results of the Senator RFP and benefit a crony, with pivotal, eliminate-the-competition assistance by Robert C. Embry of Abell. It may also provide you and your colleagues at City Hall welcome justification to thwart the corrupt agendas of a rogue agency and a notoriously imperial foundation head that both wield great power and influence over what takes place in Baltimore City. We are ready and willing to take those actions, if doing so may help to release shackles that may currently be binding City Hall, as they have in the past.

FOTS remains optimistic in working with you and your colleagues to ensure that an optimal future for The Senator is achieved in a professional, transparent process. It should be understood, however, that our tolerance of the offensive and fraudulent manner in which the BDC conducts the public's business, particularly in regard to "The People's Theatre," truly owned by the citizens, who have invested over a million dollars in scarce public funds in its purchase, is at an end.

Please let us know if we can provide you additional information and how you may wish to proceed.

Sincerely,

Tom Harris and Laura Perkins  
Friends of The Senator

P.S. We wish to note that while we have issues with the leadership of the BDC, our experience with Kristen Mitchell has been one in which she has consistently conducted herself in a professional manner.

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### Notations regarding the Cusack plan viability

- "I always sort of felt like we would get it." Buzz Cusack said. "Maybe it doesn't work. But why shouldn't we try?" - Daily Record, April 22: BDC picks Charles owner for Senator
- Multi-screen operation is the key to survival in the movie-theater business, Mr. Cusack said, a lesson he learned soon after he took over the Charles in 1994. Without the current expansion, his business would have failed, he said. "With one screen, you're putting all your eggs in one basket to carry the business," he said. "You don't have a move-over house to shift a movie." -New York Times, March 1999
- "The single-screen problem is a very serious problem," said Buzz Cusack, an owner of the Charles Theatre on North Charles Street. "Every time you pick a film, you have to pick it right, because the film companies require you to keep the movies for at least four weeks. And so if your film doesn't draw good crowds, you can really be hurt." -Baltimore Sun, August 2000
- "The Senator has a 900-seat theater, which is difficult to operate because it is a single-screen theater, Cusack said. There are only three or four movies a year that work for that theater and the rest of the time they are struggling to get people in the door. -The Daily Record, June 2004
- "It's a difficult thing to open a single-screen theatre and make it work financially," Cusack said. - Baltimore Brew, July 2009
- "We were losing money [at the Charles] as a one-screen theater. By expanding to five, the costs didn't go up as much in proportion to revenue. It worked out," said Cusack, whose proposal to buy the Senator Theatre and maintain it as a first-run movie venue — adding updated seating, a restaurant and crepe shop — is considered a top contender. -Baltimore Business Journal, February 2010
- Cusack, of the Charles Theatre, predicted that the next [Senator] owner will have to pour money into the building, fixing a leaky roof, replacing seating and stucco on the exterior. "By the time you renovated it, you'd have the same [financial] problems Tom had," Cusack said, who added that \$800,000 was well above what he could have afforded to pay. -Baltimore Sun, July 2009
- When asked (by an attendee at the public RFP Meeting) can you cite anyplace else in the country where the plan you propose has worked, he reply was, "No."
- When asked by (another attendee) if he could explain how he thought his plan could work when historic theatre experts overall say that the best chance of survival is that the buildings be owned by non-profits with an array of programming, he responded, "I don't know."
- When asked about their plans for The Senator, the Charles Theater posted on their Facebook page "We believe it should remain a movie theater. Full time. Period."
- Now, consider the following opinion from John Bell of the renowned historic Tampa Theatre, who responded to a BDC email inquiry (as an expert from the field) with the following assessment (see attached for Mr. Bell's complete set of responses – we strongly encourage reading these in their

entirety):

- BDC: What are some examples of successful single-screen movie theatres?  
Bell: If by successful you really mean profitable without subsidy, I cannot think of a single one. The odds are just too long... Remember that before it closed, the Senator was operated by a man who was an extremely experienced, savvy film exhibitor. It wasn't because of managerial ineptitude that the Senator closed, it was most likely because the odds of making it as a viable profit-making entity in today's world finally caught up with the theatre.
- Cusack refused to provide his existing theatre's past 5 years of film grosses to the BDC Advisory Panel as requested, claiming the information was "irrelevant," which is not the case. In the film industry, annual grosses are not proprietary and they are compiled for each theatre in the nation. The grosses are reviewed regularly by the production, distribution and exhibition branches of the industry as the most relevant data available to identify trends and ascertain the general financial status of individual theatre locations nationwide.
- A relative late-comer to the film exhibition industry who has enjoyed significant financial and logistical support from city government, the BDC, the Abell Foundation, and the State of Maryland. "Standiford and Cusack took over the Charles in 1994, when it was a single-screen theater. The pair expanded the business in 1999 with \$2 million in loans from the city, state and local philanthropic organization the Abell Foundation." – Baltimore Business Journal, August 2008
- In August 2008, told the Baltimore Business Journal that he was seeking to sell The Charles operation and retire. When The Senator opportunity arose he was encouraged by the BDC to compete. Now the story is that he'll postpone retirement a few years, then hand the business to his daughter, an attorney with no evidence of experience in historic theatre operation or exhibition.
- A return to a first-run, for-profit, single-screen, film-only policy at The Senator would likely place Cusack in a detrimental position with an undesirable, outmoded business model. It's a scenario similar to the circumstances in which Kiefaber was mired, and which made Kiefaber vulnerable to a municipal takeover of his family's private property after 70 award-winning years of day to day operation. The solution then to the antiquated, single-screen business model was the same as it is now: to embark on a costly and time consuming expansion of the historic facility to a multi-screen configuration, incorporating the residential land that abuts the rear of the theatre site.
- To do so requires further public subsidy of the type that Mr. Cusack enjoyed in 1999 when The Charles' multi-screen expansion received supplemental financing and grant funds from the city. The FOTS note that Mr. Kiefaber proposed similar expansion plans to the BDC at regular intervals in the past 15 years, and was rejected by Mr. Frank on each occasion. Now that the City has acquired site control of The Senator, and it is no longer owned by Mr. Kiefaber, a multi-award winning film exhibition expert, the city is now backing a niche operator with far less experience and accomplishments in the motion picture industry than The Senator's prior owner? The FOTS must ask the question, what is really going on here?
- The Cusack plan endorsed by the BDC requires The Senator to be closed and shuttered, in this economy, for 9 months to a year, although this critical aspect is not yet understood by the general public or the area business owners. Closing the theatre will be a substantial blow to the already struggling, surrounding businesses in the Belvedere Square commercial district. FOTS believe that a lengthy period of closure must be avoided, perhaps altogether, by working with historic theatre redevelopment experts and the current operator to enhance the theatre's present multi-purpose, community-oriented operation, in synergy with the surrounding businesses, until a smooth transition to an optimal new ownership/operational model can occur through the active participation and guidance of historic theatre redevelopment professionals.