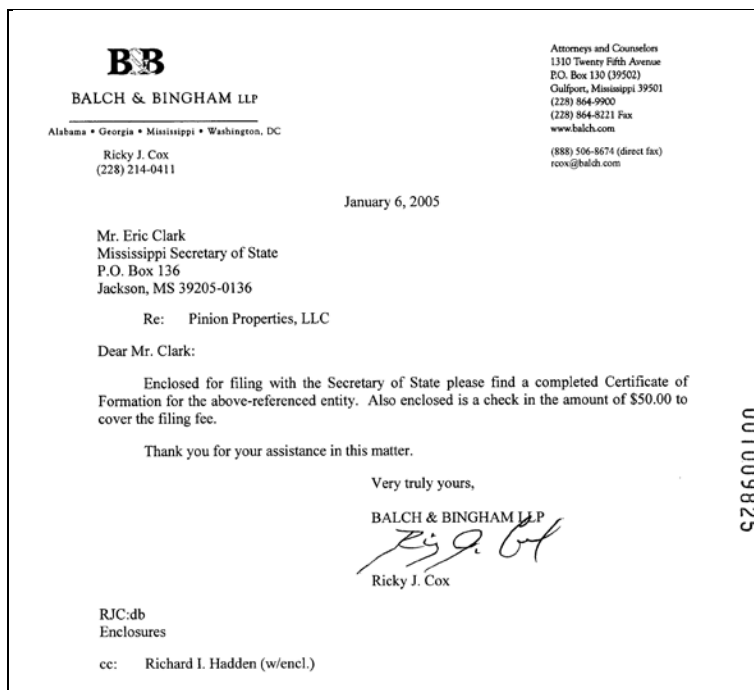


USM Research Foundation Scandal Becoming Clearer?

Sun Herald Reports that Pinion Properties at Center of Situation

According to Melissa Scallan's 22-Apr-2010 [story](#) for the *Sun Herald* newspaper, former USM employees Richard and Helene Hadden and the USM Research Foundation's Pinion Properties are at the [center](#) of the recent [scandal](#) involving the USMRF. And, the details uncovered by Scallan show the obvious flaws in Mississippi Governor Haley Barbour's idea that the state's public institutions of higher education should be economic gold mines. According to Scallan's report entitled "USM firm sues over purchase of \$860K in stock," former USM employee Richard Hadden once managed the USMRF's Pinion Properties, and while holding that position PP spent \$860,000 on 245,000 shares of stock in another company – Saone Corporation. Saone, however, is owned by Hadden (50% interest) and his wife, Helene (50% interest). A lawsuit filed recently by PP alleges that there was never any authority for the stock purchase, and PP is seeking an accounting of the money, as well as for it to be repaid to PP, along with attorneys' fees and interest. According to Scallan's report, USM president Martha Saunders has replaced the members of the USMRF Board who hired Hadden. Sources tell USMNEWS.net that Hadden was brought on board during the Shelby Thames administration of USM (2002-07) as part of a wave of new company formations/affiliations related to product innovations, etc., during that time. USMNEWS.net has obtained incorporation paperwork regarding Pinion Properties. This is inserted below.



As the insert above shows, PP's incorporation request was made by Ricky Cox, the firm's legal counsel. Cox is affiliated with Balch & Bingham LLP. Cox's letter is copied to Richard Hadden, along with enclosures. The next insert provides more details.

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OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
P.O. BOX 136, JACKSON, MS 39205-0136 (601) 359-1333
Certificate of Formation



The undersigned, pursuant to Senate Bill No. 2395, Chapter 402, Laws of 1994, hereby executes the following document and sets forth:

1. Name of the Limited Liability Company

Pinion Properties, LLC

2. The future effective date is
(Complete if applicable)

3. Federal Tax ID

Applied for

4. Name and Street Address of the Registered Agent and Registered Office is

Name Ricky J. Cox

Physical Address 1310 25th Avenue

P.O. Box 130

City, State, ZIP5, ZIP4 Gulfport MS 39502 -

5. If the Limited Liability Company is to have a specific date of dissolution, the latest date upon which the Limited Liability Company is to dissolve

6. Is full or partial management of the Limited Liability Company vested in a manager or managers? (Mark appropriate box)

Yes No

7. Other matters the managers or members elect to include

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P.O. BOX 136, JACKSON, MS 39205-0136 (601) 359-1333
Certificate of Formation



By: Signature

Ricky J. Cox

(Please keep writing within blocks)

Printed Name

Ricky J. Cox

Title

Attorney

Street and Mailing Address

Physical Address 1310 25th Avenue

P.O. Box 130

City, State, ZIP5, ZIP4 Gulfport MS 39502 -

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The insert above shows that Cox is the Registered Agent for Pinion Properties. Cox also answered "No" to the question: "Is full or partial management of the Limited Liability Company vested in a manager or managers?"