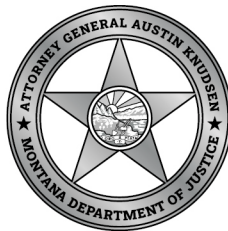

AUSTIN KNUDSEN



STATE OF MONTANA

February 8, 2023

Mr. Brane Kane
Executive Director
National Association of Attorneys General
1850 M Street Northwest
Washington, D.C. 20036
bkane@naag.org

Sent via email

Dear Brian:

As you know, in withdrawing from NAAG last year, I explained that we would eventually need to discuss “the administrative and financial details involved in extracting ourselves from NAAG.” That time has come.

Over the last six-plus months, the disheartening revelations about NAAG have confirmed the wisdom of extricating Montana from NAAG activities. We all saw the news that NAAG lost \$37 million or more last year on a coterie of esoteric investments in private equity and foreign stocks.¹ We have seen NAAG spend money on trips to Europe for member AG’s and their families.² And now we have learned that, while states like Montana are pushing back against the use of ESG in so many other areas of our citizens’ lives, NAAG is investing its money in ESG-linked investments.³ That is patently unacceptable.

On top of this damning evidence of daily mismanagement, I have also recently come into possession of tax documents and other internal documents that call NAAG’s entire financial structure into question. From what I have seen, it appears the entire NAAG arrangement is premised on a series of arrangements that do not square with the law works in Montana, or maybe in any other state.

Enough is enough. I have come to the conclusion that NAAG can no longer be trusted

¹ <https://www.foxnews.com/politics/republican-attorneys-general-ditch-association-over-alleged-liberal-bias-financial-questions>

² <https://tennesseestar.com/2022/06/06/naag-hosting-globalist-getaways-to-london-and-berlin/>

³ <https://www.breitbart.com/politics/2023/01/30/exclusive-naag-invests-taxpayer-money-in-esg/>

DEPARTMENT OF JUSTICE

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to hold assets on behalf of Montana, assets that are meant to benefit the people of Montana, or any other Montana-linked money. There is no doubt in my mind now that NAAG is an unreliable and improper financial steward, and that Montana's share of the money at NAAG needs to come home. Return the money in your accounts that belongs to Montana within 90 days or I will go to court and sue to ensure that the money is safely and legally brought back within the four corners of Montana law.

Make no mistake, at this point litigation is reasonably likely between my office and your organization, which is a legally distinct entity under the laws of Washington, D.C. As such, consider this letter to be a litigation hold notice: you must preserve all documents and other potentially relevant information within the possession of NAAG and NAAG staff, including communications about the state of Montana, the investments held by NAAG, the fees NAAG has paid for the management of its investments, and other financial details. I remind you that your actions with respect to this money is the core issue between us, and spoliation of relevant evidence would have serious consequences.

I hold out hope that you will return Montana's money without the need for litigation. But if not, I expect to be seeing you in court. The choice is yours.

Sincerely,

A handwritten signature in blue ink, appearing to read "Austin Knudsen".

Austin Knudsen
ATTORNEY GENERAL OF MONTANA

CC:

Attorney General Dave Yost, President

Attorney General William Tong, Finance Committee Chair