



Cornell University Student Assembly

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Type of Action:	Recommendation
Status/Result:	New Business

S.A. Resolution #28

Mandating Cornell's Commitment to the Economic Justice of Puerto Rico and the Operational Transparency of its Investments

ABSTRACT: This resolution recommends that Cornell University investigate its holdings and divest from any and all Puerto Rican debt obligations. Additionally, Cornell should create a fair investment policy in regard to government debt as well as disclose its investment partnerships in yearly tax filings.

Sponsored by: Zachary Schmetterer '18

Whereas, a letter signed by 28 organizations was sent to President Pollack on October 16, 2017 regarding the university's endowment holdings in Seth Klarman's Baupost Group, which owns \$911.6 million worth of Puerto Rican debt bonds;

Whereas, in said letter, Hedge Clippers and its partner organizations outlined that Baupost purchased large portions of Puerto Rico's debt at a steep discount and demands that the island enact "extreme austerity measures" in order to repay its creditors in full;

Whereas, the Intercept and CNBC found that Baupost purchased \$469 million senior and \$442 junior COFINA bonds through shell company Decagon Holdings LLC to shield the hedge fund from public scrutiny;

Whereas, Cornell University has not publicly disclosed its holdings in the Baupost Group, and the Office of the University Treasurer "is bound by confidentiality agreements with its investment managers that prevent Cornell from publicly disclosing a manager's investment strategy or investment holdings" as of December 22, 2017;

Whereas, the University Tax Office fails to disclose any of Cornell's investment partnerships relating to "investment income information provided by the endowment's investment managers" on its Form 990 and Form 990-T;

Whereas, Cornell's disclosure policies represent a significant departure from that of peer institutions such as Harvard, Yale, and Princeton; for instance, Princeton's 2015 Form 990 clearly lists the University's partnerships and investments in funds managed by the Baupost Group;

Whereas, Cornell has previously shown its commitment to the welfare of Puerto Rico and its people with its offer of a free semester of study to 62 students from Universidad de Puerto Rico;

Be it therefore resolved, that Cornell University makes a strong commitment to economic justice and operational transparency as well as execute the following remedies;

Be it further resolved, that Cornell University conduct a due diligence investigation of its holdings with the Baupost Group and divest from any and all Puerto Rican debt obligations;



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45 **Be it further resolved**, the Office of University Investments evaluate the holdings with other investment
46 partnerships for Puerto Rican debt and likewise divest from such investments;

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48 **Be it further resolved**, the Cornell Board of Trustees Investment Committee create distressed
49 government debt investment guidelines for the Office of University Investments to effectively review
50 existing investments and partnerships as well as guide subsequent investments in order to prevent and
51 mitigate exploitative creditor relationships such as a situation of coerced repayment above the market
52 terms offered to all investors;

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54 **Be it finally resolved**, Cornell University's Office of the University Treasurer, University Tax Office, and
55 all other relevant entities explicitly list investment partnerships in their yearly tax filings in terms of both
56 the initial investment amount, the fund's name, and affiliation.

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58 **Respectfully Submitted,**

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60 Zachary Schmetterer '18
61 *Parliamentarian, Student Assembly*
62 *Ex-President Cornell Roosevelt Institute*

63
64 *Rahul Mukherjee '20*
65 *President, Cornell Impact Investing*

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67 Christopher Arcé '19
68 *Co-President, Puerto Rican Students Association*
69 *Vice-President, Cornell Welcomes Refugees*
70 *Executive Board, Christian Union*

71
72 Aman Banerji
73 *Senior Program Associate, Roosevelt Institute*

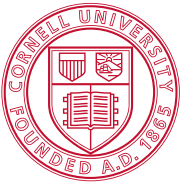
74
75 Elizabeth Parisian
76 *Hedge Clippers*

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78 Ademali Sengali
79 *Columbia University, Roosevelt Institute*

80
81 Michael Charles '16
82 *Former President, American Indian Science and Engineering Society*

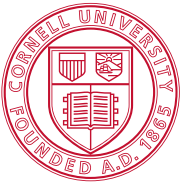
83
84 Shivani Parikh '19
85 *President, South Asian Council*
86 *Presidential Task Force, Campus Response Sub-Committee Member*

87
88 Anne Riley '18
89 *Treasurer, Cornell Welcomes Refugees*
90 *Chief Administrative Officer, Kappa Alpha Theta, Iota*



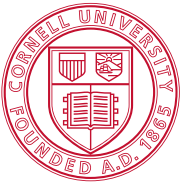
Cornell University Student Assembly

- 91 *Director of Recruitment, Cornell International Business Association*
92
93 Adriana Herrera '20
94 *Chair, MEChA de Cornell*
95 *President, Sabor Latino Dance Ensemble*
96
97 Zachary Aleksandur de Stefan '18
98 *Co-Facilitator, Amnesty International at Cornell University*
99
100 Paul Russell '19
101 *President, Interfraternity Council*
102
103 Jeremy Gartland '18
104 *Executive Board, Christian Union*
105
106 Andrew Peterson '18
107 *Co-president, Cornell Coffee Club*
108
109 Robert Hendricks '17 JD '19
110 *President, Christian Legal Society*
111
112 Tarannum Sahar '20
113 *President, Cornell Welcomes Refugees*
114 *Vice President, Bengali Students Association*
115
116 Micah Wallingford '20
117 *Brotherhood Chairman, Phi Kappa Tau Fraternity*
118
119 Nayara Luna Guzmán '19
120 *Student Staff, Latina/o Studies Program*
121
122 Michael Sarkis '20
123 *Vice President of Programming, Interfraternity Council*
124
125 Venus Dulani '19
126 *Co-President, Big Red Bikes*
127 *Advocacy, International Students Union*
128
129 Natalie Brown '18
130 *President, Cornell University Democrats*
131
132 Winnie Ho '19
133 *Cornell Tradition Fellow*
134
135 Jenise Carter '19



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- 136
137 Piragash Swargaloganathan '19
138 *Member SJP*
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140 Kimberly St Fleur '21
141 *Cornell Tradition Fellow*
142 *Member, Christian Union*
143
144 Faith Slaughter '20
145 *Treasurer, The Black Women's Support Network*
146
147 Dennis Delasi Nyanyo '18
148 *Vice President of Funding, International Student Union*
149 *Co-President, Ghanaians at Cornell*
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151 Lavanya Aprameya '19
152 *President, Haven: Cornell's LGBTQ Student Union*
153
154 Omar Din '19
155 *Board Member, Muslim Educational & Cultural Association*
156 *Human Ecology Rep, Student Assembly*
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158 Christopher Schott '18
159 *Executive Board, International Students Union*
160 *International Students Liaison At-Large, Student Assembly*
161
162 Mark Svenjak '18
163 *President, American Hotel & Lodging Association*
164 Drew Lord '18
165 *President, Interfraternity Council*
166
167 Ian Wallace '20
168 *LGBTQ+ Liaison At-Large, Student Assembly*
169 *Board Member, Cornell Welcomes Refugees*
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171 Kyjana Barnett '18
172 *President, Cornell Students for Animal Rights*
173
174 Alex Santoriello '19
175 *House Manager, Sigma Pi Fraternity*
176
177 Daniela Manzano '19
178 *Executive Chairperson, Cornell University Program Board*
179 *Director of Corporate Relations, Society of Hispanic Professional Engineers*
180
181 Elton Munoz '19



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- 182 *Community Service Associate, Society of Hispanic Professional Engineers*
183
184 Cristian Alonso '18
185 *Treasurer, Society of Hispanic Professional Engineers*
186
187 Maame Akosua Ohemeng-Tinyase '20
188 *Director of Internal and External Affairs , Ghanaians@Cornell*
189 *Secretary, Baraka Kwa Wimbo*
190
191 Tasnuva Ferdous Ming Khan '18
192 *President, Bengali Students Association*
193
194 Anuush Vejalla '20
195 *Vice President, South Asian Council*
196 *Secretary, Hindi Student Council*
197
198 Syed Samin '19
199 *President, Muslim Educational and Cultural Association*
200
201 Abraham Araya '19
202 *President, Multicultural Greek Letter Council*
203
204 Evan Shapiro '19
205 *College of Arts and Sciences Representative, Student Assembly*
206 *Productions Chairperson, Cornell University Program Board*
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208 Aaron Gottesfeld '19
209 *Executive Vice President, Roosevelt Institute*
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211 Stephannie Chen '19
212 *President, Roosevelt Institute*
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215 *(Reviewed by: Executive Committee, 4-0-0, 02/07/2018)*