

STATE OF SOUTH CAROLINA)
)
COUNTY OF PICKENS)

AFFIDAVIT OF SCOTT LUDLOW

PERSONALLY APPEARED BEFORE ME, Scott Ludlow, who upon being duly sworn,
deposes and states as follows:

1. I am a citizen and resident of South Carolina. My permanent home is 1434
Melton Road, Liberty, South Carolina 29657.

2. I am a graduate of the University of Montana with a degree in Accounting. I am a
licensed Certified Public Accountant. I was previously employed by the State of Montana as an
auditor of higher educational institutions funded by the state. I later took a position as Controller
of Northern Montana College. After that, I took a position at Kansas State University where I
was the Associate Controller. From there, I moved to West Virginia University where I served
as the Controller. My next employer was Clemson University, where I served for approximately
eight and a half years as the Chief Financial Officer and Chief Business Officer. I resigned from
that position in October, 2004.

3. It is my understanding Gene Troutman, while he worked as Executive Secretary
to the Clemson University Board of Trustees, spoke out either orally or in writing expressing his
concerns about the frequency and the rate of tuition increases. It is my understanding that he
also expressed his critical views about how the money collected from tuition and fee increases
was not being utilized. While he may have had these views as an alumnus or as a concerned
citizen, I would not consider those subjects to be part of or related to his job responsibilities.

4. While I served as the Chief Financial Officer of Clemson University, I expressed similar concerns about decisions to raise tuition and fees. The unpopularity of my views within the administration on this and other subjects ultimately led to my forced resignation as Chief Financial Officer.

5. The responsibility of the Chief Financial Officer at Clemson University included oversight of the utilization of resources. I was required annually to sign the University's financial statement verifying what Clemson planned to do and what Clemson, in fact, had done with the funds generated from its various revenue sources.

6. The job of the Executive Secretary to the Board of Trustees while I was at Clemson did not include responsibility to ensure that resources collected were used in accordance with the publicly announced purposes for which they were collected. It was the responsibility of the Chief Financial Officer and staff reporting to this position to ensure resources were collected, controlled and spent in accordance with law and public policy.

7. The Executive Secretary to the Board of Trustees had only an advisory role, as did all members of the Administrative Council, in decisions about increases of tuitions and fees paid by students. The process used in determining the level of tuitions and fees was to allow all members of the Administrative Council, who represented the upper management of the University's operational departments, to present their respective needs for their departments. The Chief Financial Officer was responsible for then reconciling available resources to the needs as presented by these members of the Administrative Council. If resources were not sufficient to meet all these needs, discussion ensued at the Administrative Council to prioritize the needs. The President had the final say on the priorities. After priority needs were established, the Chief Financial Officer calculated the amount of increased tuition and fees which would be required to


meet each additional priority. Consideration was to be given to the impact on the students compared to what the University would be able to do with those funds. When the priorities were brought into balance with a proposed tuition increase, the Chief Financial Officer, up until 2004, was responsible for presenting the case for the proposed increase to the Board. In 2004, I, as the CFO, was removed from the presentations to the Board because I did not agree that a tuition increase was appropriate given the accumulated financial resources the University had on hand. That year, which was my last at Clemson, the presentation to the Board of Trustees was made by representatives of the Academic Affairs Office and Development Office of the University. The Executive Secretary had no role in that presentation.

8. As I understand it, the duties of the Executive Secretary to the Board of Trustees are set forth in the Trustee Manual. A copy of those responsibilities is attached to this Affidavit as Exhibit A. It states the Executive Secretary to the Board has oversight responsibility for administrative matters related to the Internal Audit Department. The Internal Audit Department was headed, at that time, by Michael Hughey. I am not aware that the Internal Audit Department was ever given the task of examining, evaluating or auditing Clemson University's cash resources and its fund balances. This was the responsibility of the CFO, not the Internal Audit Department. Auditing the unrestricted cash fund balance is not one of the responsibilities or tasks of the Executive Secretary. To my knowledge, there has never been an audit of the unrestricted cash balances maintained by the University at the South Carolina State Treasurer's office. I believe that responsibility fell on the Chief Financial Officer. The Executive Secretary could not and did not direct an audit of the unrestricted cash fund balance.

9. By the Spring of 2004, I had become frustrated about the growth of the unrestricted cash balances of Clemson University. It appeared to me the University was


increasing tuition and fees, collecting the money and then merely sitting on it instead of utilizing it for valid needs. To the best of my knowledge and belief, others came to share my views. These others included Alan Godfrey and later, Gene Troutman.

FURTHER, YOUR AFFIANT SAYETH NAUGHT.


SCOTT LUDLOW

SWORN to and SUBSCRIBED before me

this 19th day of June, 2008


PATRICIA C. DARNALT (L.S.)
NOTARY PUBLIC for South Carolina
My Commission Expires: 1-28-14