

OUR HERITAGE

THE FALCON FOUNDATION

A History of Service, Dedication and Giving

1957-2002

By

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RECOGNITION

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FOREWORD

This story of The Falcon Foundation is oriented toward the Foundation support goals for the Air Force Academy, the programs created to accomplish those goals and the senior leadership who led the efforts from 1957 to 2002. The accomplishments were not the work of only the leadership but also the hundreds of individuals who served as Active Members, Honorary Members, members of the Board of Directors (later Trustees) and Senior Members of the Board. The significant accomplishments of the various committees under the strong leadership of their chairmen are not included because of the large amount of detail they would require. Most of these actions were ratified by the Board and are described in this manner. The whole program was successful only because of the support of senior officers on active duty with the U.S. Air Force.

During the early days of the Falcon Foundation, the program was successfully led and strongly supported by individuals who had served in the Air Service of the Signal Corps and later in the Army Air Corps, the Army Air Forces and finally the U.S. Air Force. Many of these individuals served our country in World War I, World War II, the Korean War, the Vietnam War and many other military actions undertaken by our country during

these years. In the later years of this span, the new leadership and strong support started to come from graduates of the U.S. Air Force Academy who had served in the U.S. Air Force. The experience levels of each of these individuals are many and varied but dedication to service to our country and strong support for the U.S. Air Force and the Air Force Academy are uppermost in the minds of all of those who have become involved.

This story tracks the minutes of the Active Members meetings, the minutes of the Executive Committee and, more importantly, the minutes of the semi-annual meetings of the Board of Directors (later Trustees). During the early years, the three member Executive Committee ran the day to day activities of the Foundation and their actions and decisions were ratified at each following Board meeting. Fortunately, the minutes are detailed and the actions duly recorded. This information was augmented with the information from interviews and discussions with individuals who lived the experience.

The large numbers of repetitive activities that took place in running this very successful program through the years are not recorded in this story. The volume of data is just too extensive. The significant changes, the growth of the program through the years and the decision making process of the senior leaders is what this story is about.

WE HOPE YOU ENJOY THIS BRIEF REVIEW OF A LIMITED PART OF OUR HISTORY.

THE FALCON FOUNDATION 1957 – 2002

The United States Air Force Academy exists to educate and prepare young Americans for service and careers as officers in the Air Force. In order to maintain the required high standards, the Academy sets very high and demanding entrance requirements, particularly in academics. To draw young people from across the spectrum of American society, the Academy conducts a rigorous recruiting and preparation program to help candidates gain the academic skills they need to get into the Academy and eventually graduate. The United States Air Force Academy Preparatory School is probably the better known effort but it is only a part of a larger network that also involves civilian academic preparatory schools all across the United States to help young people qualify and succeed at the Academy. The key element in making these preparatory schools, other than the USAF Academy Prep School, a possibility for students who do not qualify for direct entry into the Academy is the Falcon Foundation.

Founded in 1958, the Falcon Foundation earnestly and immediately began to fulfill its mission and in 1959 three Falcon scholars entered the Academy with the class of 1963. The Foundation has made it possible for more than 2398 scholars to complete prep school programs and enter the Academy with the required academic skills, and more than 1532 have graduated from the Academy and gone on to serve in the Air Force. The foundation eventually established working relationships with five civilian preparatory schools and every year they provide as many as 100 scholarships at a cost of \$300,000.

This is the story of the Falcon Foundation from its beginnings in 1957 to 2002, oriented toward the leaders who created, chartered, developed and matured the program

through those years. It is truly about dedication, consideration, love of our country and strong support for the air arm of the military services that protect our freedom.

During 1957, at the urging of Colonel George Simler (later General), Air Force Academy Director of Athletics, and with strong legal support from Colonel Christopher H. Munch (later Brig. General), Academy JAG and Head of the Department of Law, Maj. General James E. (Buster) Briggs, Superintendent of the Air Force Academy initiated efforts to start a foundation in support of the Air Force Academy and created and operated by non-members of the active Air Force establishment. He contacted individuals in the Dallas, Texas area who were strong supporters of the USAF Academy and were retired or associated with the Air Force Reserve.

Under the leadership of Maj. General Robert J. Smith (a Director of the Federal Reserve Bank of Dallas), Colonel LaVergne F. (Larry) Guinn (a very prominent Dallas attorney) and Major Troy V. Post (a successful insurance executive) there was an enthusiastic, immediate and positive response. General Briggs requested that Colonel Guinn take action to incorporate the new foundation in the State of Texas. Lt. General Laurence C. (Bill) Craigie, who headed the Air Force Institute of Technology, attended many early organizational meetings and contributed many ideas regarding selection of members. Maj. General John Alison, Smith, Guinn and Post discussed funding, organization, eligibility and the selection procedures. They sought a balance between recruiting athletes and other candidates who, for whatever reason, were not qualified to enter the Academy. At the end of these meetings, the group decided on the structure and mission and called their organization the Mitchell Foundation in honor of General Billy Mitchell, early air power pioneer.

Now the real work began. One would think that all such an organization had to do was line up donors and keep records about how the money was spent. There was much more to it than that. Fortunately, these founding members were energetic and knowledgeable men who believed in this cause. Colonels Chris Munch and Larry Guinn worked all of the issues regarding donor incentives. They had to get approval from the Internal Revenue Service for The Foundation to become a 501 (c) 3 tax exempt foundation and allow donors to write their contributions off of their income taxes. This involved several trips to Washington, D.C. and other cities to collect the numerous signatures of approval.

Colonel Guinn, at his own expense and with legal support from Colonel Munch, incorporated the new organization in the State of Texas as "The Mitchell Foundation" with the effective date of 7 April 1958. The charter members were: Maj. General Frederick L. Anderson; Maj. General John H. McCormick; Maj. General Robert J. Smith; Major Troy V. Post; Colonel LaVergne F. Guinn; Brig. General (later Maj. General) John R. Alison; Mr. C. R. Smith, President & CEO of American Airlines; Mr. Henry Alexander, a New York Investment Banker; and Maj. General John B. Montgomery. On 8 September 1958 the Internal Revenue Service approved the Mitchell Foundation as covered under IRS code 501(c) 3.

There was a strong initial orientation of the Foundation toward aiding recruited athletes to become academically qualified to enter the Academy, although the athletic perspective was only a part of the program. General Curtis LeMay, then the Air Force Vice Chief of Staff, along with his Deputy Chief of Staff Personnel Lt. General (later General) Emmett (Rosie) O'Donnell, strongly supported the new Foundation. General LeMay stated that he was not only trying to build a good football team, but he was trying to broaden the pool of prospective cadets and strengthen the recruiting program in order to increase the Academy's chances of getting the kind of people it needed to lead the Air Force of the future.

Bob Smith, Larry Guinn and Troy Post did the yeoman's work of getting the new Foundation out of the conceptual and planning stages and into the functioning mode. The Mitchell Foundation consisted of three separate groups: the Active Members, the Board of Directors and the Executive Committee. Initially, the active members and the Board of Directors were the same individuals. It appears this dual organization was required for a charter in the state of Texas.

The first formal meeting of the Incorporators and Active Members of the Mitchell Foundation convened at Troy Post's lodge just outside Dallas, Texas, on 24 May 1958, with Colonel Larry Guinn acting as Chairman and Maj. General Bob Smith acting as Secretary. It was announced that C.R. Smith and Henry Alexander had resigned because they were unable to properly support the Foundation due to other commitments. Lt. General Ira Eaker and Mr. Thomas E. Millsop, President of the National Steel Corporation, were elected to fill the two vacancies. Guests at the first meeting included: General Curtis E. LeMay, Vice Chief of Staff; Lt. General Emmett O'Donnell, DCS Personnel; Maj. General James E. Briggs, Superintendent USAF Academy; Colonel Christopher H. Munch, JAG USAF Academy; and Colonel George B. Simler, Director of Athletics USAF Academy.

General Briggs thanked Colonel Guinn for the incorporation efforts and restated the urgent need for the Foundation to be created and operated by non-members of the active Air Force establishment. General Briggs then presented a draft of bylaws that he requested be considered for use by the Mitchell Foundation. Colonel Chris Munch had prepared the bylaws in coordination with Colonel Larry Guinn. These bylaws were accepted and later formalized by the Board of Directors.

The Republic National Bank of Dallas was designated as fiscal agent for the Mitchell Foundation and the Board of Directors was requested to formalize the agreement. The Board later ratified this request.

Generals LeMay, O'Donnell and Briggs informally expressed thanks for the efforts to date and pledged their continuing support. Colonel Munch was given the additional task of making sure their efforts did not compromise the National Collegiate Athletic Association (NCAA) rules. As Colonel (now Brig. General) Munch recalls; General LeMay pointed at Munch and charged; "You lawyers listen. Don't you do one thing or permit one thing to happen that will reflect badly on the Air Force". With that, according

to Munch, General LeMay bit down on his cigar, left the meeting and flew back to Washington, D.C.

The meeting of the Board of Directors followed. The following officers were elected:

Maj. General Bob Smith, Chairman and President
Maj. General Fred Anderson, Vice President
Colonel Larry Guinn, Vice President-General Counsel
Maj. General John B. Montgomery, Secretary
Major Troy Post, Treasurer

An Executive Committee was established to run the Foundation activities when the Board was not in session. It was decided that the committee members should be from the Dallas area. The following were elected to the committee:

Maj. General Bob Smith, Chairman
Colonel Larry Guinn, Member
Major Troy Post, Member

Major Troy Post's office was designated as the Foundation address for official charter registration. This organization of three groups (Active Members, Board of Directors and Executive Committee) remained in effect for the next 22 years with very little change in the leadership. The very dedicated founders remained as the active leaders.

The following additional membership categories were authorized:

A. Honorary Members: \$100 contribution. (Literally hundreds of individuals became Honorary Members. The administrative load became so great that this program eventually just faded away.)

B. Corporate, Associations, Organizations and Partnerships: \$25,000 Contribution. (This program had very limited success.)

Since the Foundation had no assets, the Board authorized the Executive Committee to borrow \$16,000 from the Republic National Bank. As a result, the first Falcon Foundation Scholarships were funded with borrowed money. Three Falcon Scholars completed that first academic year and entered the Academy in 1959.

Lt. General Ira Eaker accepted the offer to become a member of the Board of Directors and at a later date was designated a Founding Member. Mr. Thomas Millsop declined to become a member of the Board due to ill health.

Shortly after this first meeting, the heirs of General Mitchell objected to the use of his name for this purpose. Immediate action was taken to seek a new name. In coordination with Maj. General Briggs it was determined the new name should be "The Falcon Foundation". At a special meeting of the Board of Directors the new name "The Falcon

Foundation” was accepted and action directed to amend the Articles of Incorporation and the Internal Revenue Service approval.

On 11 October 1958, the Board of Directors met at Lowry AFB near Denver, Colorado, where the first Air Force Academy classes were being trained while the permanent site of the Academy was being constructed. A major policy was established. The Board decided not to invade principal funds for payment of scholarship and administrative costs. Only income from investments and funds from annual sponsors would be used. General Carl A. (Tooe) Spaatz, the first Chief of Staff of the U.S. Air Force, was elected to be a member of the Board and accepted. The membership of the Board of Directors was now established.

It was also noted that Mr. Harold Stuart, an Attorney from Tulsa, Oklahoma, and a former Assistant Secretary when the Air Force was first established, was interested in establishing a scholarship program similar to the Falcon Foundation. It was to be funded by his mother-in-law and known as the Gertrude Skelly Trust.

Soon thereafter, Mr. Thomas Millsop contributed \$100,000 in National Steel stock to the Foundation. This was later increased to a total of over \$162,000. This contribution created an initial fiscal foundation for this fledgling organization. Mr. Millsop requested that the Foundation establish a “Memorial Scholarship” in honor of his son-in-law, Colonel James D. Garcia, who was a pilot in the Army Air Forces and was killed in World War II. He also requested that his contribution be the basis for funding this scholarship in perpetuity. The Foundation agreed to both requests. This was the beginning of two strong and continuing programs. One was the program to name the Falcon Foundation Scholarships in “Honor” of or in “Memory” of individual leaders involved in Air Power. The second was to seek to fund the scholarships in perpetuity in order to have a stable and reliable program. Annually funded scholarships were used extensively but were a significant administrative load and very unreliable.

For the next 22 years, the Falcon Foundation consisted of the three organizations: Active Members, the Board of Directors and the Executive Committee. The leadership remained with the initial founders. Maj. General Bob Smith retained the two leadership positions of Chairman and President for 17 years and continued as Chairman for an additional six years. He was also Chairman of the Executive Committee for 23 years. Colonel Larry Guinn continued as the Vice President-General Counsel and member of the Executive Committee for 16 years until his death in 1974. Major Troy Post was Treasurer for over 40 years.

For over 20 years, the membership of the Board of Directors was restricted to inactive Air Force Officers either retired or associated with the Reserve Forces. Through the years new members of the Board were selected only from individuals who had served in positions of a high level of responsibility. Some of the more notable individuals were: General Nathan Twining, the first Air Force Officer to be Chairman of the Joint Chiefs of Staff; General Carl (Tooe) Spaatz, the first Air Force Chief of Staff, and all of the Chiefs of Staff who followed him (at the time of their retirement); General Bob Herres,

the first officer to be selected as Vice Chairman of the Joint Chiefs of Staff when that position was created. A special membership category was eventually created for individuals who had served in these positions. It was designated as Senior Member of the Board. Beginning with Lt. General Briggs, all former Superintendents of the Air Force Academy have become members of the Board of Directors (or Trustees) at the time of their retirement. In addition, many of the former National Presidents of the Air Force Association have become members of the Board of Directors (or Trustees).

Through the years, the Board of Directors has met in cities across the country including Dallas, San Antonio, Berkeley, California, Baltimore, Chicago, Denver, and Colorado Springs. Eventually the meeting place was established as the Air Force Academy. Two meetings a year became the routine. A Spring Meeting was held in conjunction with the date of the end of spring football practice and the Blue-Silver football game. The Fall Meeting eventually was held in conjunction with the CORONA conference. This is the Chief of Staff's meeting with senior Air Force Commanders from around the world. The CORONA members are invitees to the annual Falcon Foundation Reception and Banquet held in conjunction with the Fall Board of Directors Meeting. As the years went by cadets at the Academy who were former Falcon Scholars were also invited to be guests at the annual banquet. The Air Force football games with either Army or Navy were later coordinated to be part of the weekend events.

Three years after the Falcon Foundation was established, the USAF was authorized to establish the USAF Academy Preparatory School. It was determined at a very early date that there was a definite need for both programs. The new Academy Preparatory School was similar to the schools that had been established and proven successful in support of the Army program at West Point and the Navy program at Annapolis. Through the years, very compatible programs have been developed between the two organizations. However, significant differences remain. The cadets at the Academy Prep School become enlisted personnel in the USAF and are paid while they attend the school. They are also eligible to be nominated to one of the enlisted appointments that were authorized by Congress. On the other hand, Falcon Scholars receive scholarships but must supplement those funds to meet the total cost of the civilian prep schools. In addition, the Falcon Scholars must compete for the standard Congressional, Presidential, or Vice Presidential nominations that are open to all Academy applicants. These differences have not hindered either program.

After four years of operations, the Board of Directors determined the Foundation had to expand its financial asset base if it was to survive with a strong scholarship program. A fund raising program was needed. On 1 June 1963, the Chief of Staff of the USAF, with approval of the Secretary of the Air Force, authorized a fund raising drive within the active Air Force in support of the needs of the Foundation. This drive resulted in an addition to the Foundation Trust Fund of \$341,926. This amount, plus the gift of Mr. Thomas Millsop and other smaller contributions, resulted in a total Trust Fund value of \$543,245 as of 2 November 1963. The Falcon Foundation program was now on a more stable footing. It was also determined the Board should be expanded to include more of the new leadership that had become available to the Foundation. The membership was

expanded to 17. The forecast was that within 5-10 years the program could expect annual costs to reach \$85,000 per year.

During the early years, the Director of Admissions at the Academy carried out a large part of the administrative load of the scholarship program. The administrative functions for the Gertrude Skelly Trust scholarship program were handled in a similar manner. In the fall of 1960, the Superintendent of the USAF Academy recommended that the Falcon Foundation confer with Mr. Harold Stuart of the Gertrude Skelly Trust and see if there could be a way in which both scholarship programs could be administered through one organization in a more formal and efficient manner. This resulted in a proposal being presented at the Fall 1969 Board of Directors meeting by Mr. Harold Stuart which would result in many of the dual administrative functions being merged into the Falcon Foundation. It was understood that this would result in a salaried administrative staff. This proposal was approved and Mr. Stuart became a member of the Board and a member of the Executive Committee. The Executive Committee was expanded to include Maj. General Bob Smith, Chairman, with members including Colonel Larry Guinn, Major Troy Post, Maj. General Charles Born, Maj. General Stewart Wright and Mr. Harold Stuart. It was agreed that the Foundation and the Skelly Trust would jointly try to offer 60 scholarships each year.

As the two organizations tried to work out the operating details of the joint program, it became obvious there were significant differences on how the program should be organized and operated. The negotiations resulted in a stalemate. At the 2 May 1970 Board of Directors meeting Mr. Stuart moved that the two organizations discontinue the consolidation efforts. The motion was approved and Mr. Stuart resigned from the Falcon Foundation. The Falcon Foundation continued to assume more of the administrative functions but with an unpaid voluntary staff. The Gertrude Skelly Trust continued to rely on the Academy staff for their total administrative requirements.

When Maj. General Born moved to Scottsdale, Arizona, in 1970, he resigned from the Executive Committee because he fully supported the position that the members of this committee should all be from the Dallas area. Brig. General Herb Bench became a member of the Board of Directors and a very active member of the Executive Committee.

Also in the Fall of 1970, Maj. General Wright died and Major Troy Post asked that he be relieved from being a member of the Executive Committee. The committee was back to three members; Maj. General Bob Smith, Chairman, Colonel Larry Guinn and Brig. General Herb Bench as members.

By the Spring Meeting on 1 May 1971, it had become very obvious that depending almost totally on annually funded scholarships was a very unreliable approach and lacked the needed stability. It was decided to expand and formalize the scholarships funded in perpetuity approach that had been started by Mr. Thomas Millsop in the beginning of the program. It was decided to start a program aimed at converting annually funded scholarships into ones funded in perpetuity. The scholarship sponsor

would pay \$25,000 and the Foundation would assume the responsibility to fund the scholarship in perpetuity. This program proceeded at a very slow pace but in the right direction.

That fall, the Directors decided they should visit the Prep Schools and meet with both the institution officials and the Falcon Scholars who were enrolled in the schools. This practice was an immediate success. The school officials became more understanding and responsive to the scholarship needs. The academic courses became more oriented to the scholars needs. The Falcon Scholars responded in a very positive and productive manner.

At the 16 September 1972 Board Meeting, it was decided there was a need for backup positions in the senior leadership. The position of Vice President was created and Maj. General J. B. Montgomery was elected to that position in addition to serving as Secretary. The next year the position of Vice Chairman was created and Brig. General Herb Bench was elected to that position. However, the functional operations of the Falcon Foundation were still run by the Executive Committee made up of Bob Smith, Larry Guinn and Herb Bench.

Change was in the wind. At the 11 May 1974 meeting, Lt. General A.P. (Bub) Clark, Superintendent of the USAF Academy, briefed the Board that it appeared almost certain that female cadets would become members of the Cadet Wing. General Clark was concerned that there would be insufficient numbers of qualified applicants without a significant recruiting program. He stated he would probably need help from the Falcon Foundation to obtain sufficient female applicants. The Board agreed they would help where possible.

Another significant change was proposed at that meeting. The Board was requested to change the bylaws in a manner that would allow civilians, such as former Secretaries of the Air Force, to become members of the Board. The request was tabled and forwarded to the Executive Committee for review and a recommendation.

At that time, the Trust Fund value was rather stable at \$790,315. An investment policy was approved to invest 40% of fund value in fixed income instruments (primarily bonds) and 60% in equity assets (primarily stocks).

For the first 15 years of the scholarship program, the Foundation used primarily two schools, the Millard Preparatory School, formerly in Washington, D.C. and now in Oregon, and Northwestern Preparatory School in Minnesota. Both of these schools ran very successful programs. However, for the first few years the Academy Admissions Office would only accept for appointment the top 2/3 of the Falcon Scholars who finished the program. This required a review of the program with Academy officials and it was agreed to recognize the actual success of the Falcon Scholars as cadets at the Academy. This review resulted in the Falcon Scholars being given extra credits in the selection process. This was a major recognition of the actual success of the Falcon

Foundation program and the success of the former Falcon Scholars as cadets at the Academy.

At the Fall Meeting of the Board held on 14 September 1974, the Board of Directors voted to significantly expand the Executive Committee and, for the first time, to include members who did not live in the Dallas, Texas, area. This was a major change in Board membership philosophy. Three new members were elected to the committee; Lt. General Bill Craigie, Lt. General Tom Moorman and Maj. General J.B. Montgomery.

At the Spring Meeting on 10 May 1975, a number of additional major changes were adopted. These changes took place in the following order:

1. Maj. General J. B. Montgomery resigned as Vice President and Secretary of the Board.
2. Due to the death of Colonel Larry Guinn, Colonel Chris Munch (now retired) was elected as a Director, Vice President-General Counsel, and Secretary of the Board.
3. Maj. General Bob Smith announced his desire to relinquish the position of President of the Foundation effective in September 1975. Bob had served in this position for 17 years, volunteered his services and personally paid the administrative expenses for all those years.
4. The Board decided to pay the new President \$12,000 per year and pay \$4,000 per year for office expense and secretarial assistance. It was also decided that the General Counsel and Secretary would be compensated \$250 per month to assist in overhead expenses.
5. Maj. General J. B. Montgomery was elected to the position of President of the Falcon Foundation.
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These changes resulted in a completely new way of operating for the Falcon Foundation. Maj. General Montgomery moved all of the operating records from Dallas to his residence in Beverly Hills, California, and for the next seven years the Foundation scholarship program was run from Montgomery's residence. He hired a part time secretary who worked in the evenings so as not to interfere with her daytime job.

However, the Foundation was still chartered in Texas and the office of registry was still Troy Post's office in Dallas. Troy Post was still the Treasurer and he handled all financial matters. Maj. General Bob Smith was still Chairman of the Board and Chairman of the Executive Committee. The Executive Committee, which had oversight responsibility met in Dallas but three of the members did not live in that area. The stage was set for significant problems.

The Board ended the 10 May 1975 meeting with a formal tribute to Colonel LaVergne (Larry) Guinn and his major contributions to the Falcon Foundation. The tribute read in part:

By formal resolution of the Board of Directors it was determined:

“Whereas, LaVergne Guinn, more than any other person, was responsible for the creation of the Falcon Foundation in 1958; and

Whereas, he personally arranged and brought together the parties at interest for the purpose, including the Superintendent of the Air Force Academy, Maj. General James E. Briggs, the Judge Advocate of the Air Force Academy, Colonel Christopher H. Munch, the Director of Athletics, Colonel George Simler....and reserve former Air Force personnel including Maj. General Charles Lawrence, Major Troy V. Post, Maj. General Robert J. Smith and himself for the purpose of the original formative development of plans, and subsequently, the formative meeting including General Curtis E. LeMay, Vice Chief of Staff, Lt. General Emmett O'Donnell, Jr., DCS/P at which meeting held in May 1958 the plans were finalized”.

The tribute further noted Colonel Guinn's activities in drafting and securing the Texas Charter for the Foundation, securing tax exempt status from the Internal Revenue Service and serving as a Director, Vice President-General Counsel and Secretary until his death.

Very little change took place in the Foundation scholarship program during the years of 1976,1977 and 1978. In 1976 Troy Post asked that the Board pick up the expenses associated with keeping the financial records and preparing the Federal Tax Returns. Mr. Jerry W. Peoples, (CPA) was hired for \$200 per month to perform this function under Troy Post's supervision.

During this period, school visits became an important part of the President's report to the Board of Directors. Millard and Northwestern Prep Schools were the main institutions used for the Falcon Scholars. However, two or three scholars were also sent to Marion Military Institute in Marion, Alabama, in order to expand the location of the schools being used to other parts of the country. In 1978 two women were chosen as Falcon Scholars. There were 39 scholarships authorized. Four of these scholarships were funded in perpetuity and the rest were annually funded. Five of the annually funded scholarships were funded by Troy Post as they had been for many years.

In addition, the formal agreement with the Republic National Bank of Dallas was extended to 1988. General Nathan Twining was appointed as the Foundation's first Senior Director and each scholarship was increased to \$2,000. Of note, at the Air Force Academy five female cadets had achieved All-American athletic status. The acceptance of women as cadets at the Academy had been quickly completed with fewer problems than had been expected.

At the Fall Meeting held on 11 October 1980, more major changes took place. Maj. General Bob Smith resigned as Director, Chairman of the Board and Chairman of the Executive Committee. Bob had held these positions for 22 years. Colonel Chris Munch also asked that he be relieved of his duties as Secretary. A major era in the Falcon Foundation leadership was coming to an end. Maj. General J. B. Montgomery was appointed as acting Chairman of the Board and, once again, one individual occupied

both the positions of Chairman and President at the same time. At a later date Bob Smith was re-instated as a Director and was elected to the position of Chairman Emeritus.

Another change took place at this meeting. The bylaws were changed to include the new Director category of Honorary Director (a non-voting category). Mrs. George S. (Skip) Brown, widow of General George S. Brown, who was the second Air Force Officer to become Chairman of the Joint Chiefs of Staff, became the first Honorary Director and the first female member of the Board.

At the Spring Meeting on 2 May 1981, the Board recommended that a committee be appointed to consider candidates for the position of Chairman of the Board. The Board also directed that a new permanent location be considered as the official office of the Falcon Foundation. It was recommended that Colorado Springs, Colorado be actively considered. A long-range planning committee was appointed to consider these actions. The committee consisted of General Bob Lee, Chairman and Lt. General Tom Moorman, Lt. General Bub Clark and Colonel Chris Munch as members.

At the Fall Meeting in October 1981, the Long-range Planning Committee recommended Maj. General Wendell B. Sell be elected to the position of Chairman of the Board of Directors. His election began a new era of leadership for the Foundation. General Sell was a West Point graduate and a Battalion Commander of an Air Defense unit near Pearl Harbor when the Japanese attacked on 7 December 1941. He later resigned his Army commission and became very successful in the electronics industry. He also joined the Air Force Reserve becoming a Major General. In addition, he also became a Trustee of the Association of Graduates at West Point.

It was also announced at this meeting that Mrs. Esther Millard was closing the Millard Preparatory School. The Falcon Foundation had used Millard as the major Prep School for the Falcon Scholars for 23 years. Esther had run the school for a number of years following the death of her husband. This would be another significant change in the Foundation's scholarship program.

At the Spring Meeting on 1 May 1982 major changes continued to take place. Maj. General J. B. Montgomery indicated he planned to resign as President effective 1 September 1982. Lt. General Ben Bellis became a member of the Board of Directors.

Northwestern Preparatory School became the main school for Falcon Scholars with a few at Marion and Kemper Military Academies. The Headmaster at Northwestern proposed a new payment program for Falcon Scholars, since the Falcon scholarship was not adequate to fund the school needs for the Falcon Scholars. The Board approved in principal the following combination of payments:

1. \$2,500 Falcon Foundation Scholarship
2. \$500 contribution by the school
3. \$1,500 contribution by the scholar's family

Generals Clark and Bellis were requested to visit the Naval Academy Foundation in Annapolis, Maryland, to see if we could learn anything from their operation that would help the Falcon Foundation program.

At a special meeting of the Board on 17 July 1982, Lt. General Ben Bellis was elected President of the Falcon Foundation and directed to move the offices to Colorado Springs, Colorado. General's Clark and Bellis reported on their visit to the Naval Academy Foundation where they were fully briefed by the Executive Director, Rear Admiral Elliot Laughlin. The following highlighted the Naval Academy Foundation review:

1. Their Board of Trustees had 100 members with a waiting list. The Trustees were primarily retired Navy Flag Officers.
2. There was an Executive Committee to oversee the program.
3. The staff consisted of the Executive Director, 2 full time secretaries and 1 part time secretary.
4. They had a \$3,000,000 capital fund and offered 84 scholarships each year.
5. They rented office space in Annapolis.
6. Their administrative expenses ran approximately \$118,000 per year.

The Board agreed that the Falcon Foundation should not attempt to implement any of the significant features of the Navy's program until the 1983-84 school year.

At this time, the Falcon Foundation/Skelly Trust issue was again raised with the recommendation that General Bellis contact Harold Stuart and see if the two programs could cooperate more closely. A significant discussion took place concerning parental cost sharing and payback for those scholars who voluntarily drop out of the program. In addition, the Board decided to drop the organization of Active Members and continue only with a Board of Directors. Action needed to be taken to proceed with this new type of organization. This recommendation was to be voted on at the Fall 1982 Meeting.

At the Fall Meeting held on 8 October 1982, the new President reported that the Falcon Foundation office had been moved to Colorado Springs. However, as a matter of record, the Foundation was still chartered in Texas and the office of registry was still Troy Post's office in Dallas. Office space in Colorado Springs was furnished by Mr. John Olive, an Academy graduate and a successful Colorado Springs developer. John Olive continued to furnish office space for the next ten years and sponsored a Falcon Foundation scholarship in perpetuity. The last nine of the ten years the office space was in the penthouse of the new Colorado Springs Technical Center - truly first class quarters.

President Bellis also reported that Mrs. Pearl Swofford had been hired as Administrative Assistant to the President and the Foundation's first full time employee. It was announced that Colonel Chris Munch's resignation as Secretary took effect on 8 October 1982. Lt. General A.P. (Bub) Clark was elected as the new Secretary. Maj. General Bob Smith was re-activated as a Director and served until his death as

Chairman Emeritus. Mrs. George S. (Skip) Brown was elected as the first female director

Chairman Sell stated that he felt it was important to expand the Board now that there would no longer be the category of Active Members. He stated that he felt it would be advantageous to the future of the Foundation to include as directors leaders from the civilian community. The Board voted to expand the Board to 150 and to include selected civilian leaders who were strong supporters of the U.S. Air Force and the Air Force Academy. The Chairman also asked the Board to authorize him to establish several committees, including a Finance Committee, in order to strengthen the Foundation. It was his intention to work through a committee structure in giving policy direction to the Foundation. The Board approved the establishment of a committee structure. General Lew Allen, Jr., recently retired Chief of Staff and General David C. Jones, recently retired as Chairman of the Joint Chiefs of Staff, were elected to be Senior Directors.

With the Foundation's move to Colorado Springs, there was also a major change in the leadership. The following officers were elected:

Chairman Emeritus, Maj. General Robert J. Smith
Chairman of the Board, Maj. General Wendell B. Sell
President, Lt. General Benjamin N. Bellis
Vice President, Lt. General Laurence C. Craigie
Vice President-General Counsel, Colonel Christopher H. Munch
Treasurer, Major Troy V. Post
Secretary, Lt. General A. P. Clark
Assistant Secretary, Mrs. Pearl L. Swofford

For 17 years General Smith had been Chairman, President and Chairman of the Executive Committee. He then had been Chairman and Chairman of the Executive Committee for an additional six years. Major Post was the only founding member to still hold an active leadership position.

Key elements of the Falcon Foundation program in 1982 were:

1. Scholarships were valued at \$2,500
2. There were now only 35 scholarships with funding support (12 were funded in perpetuity).
3. Scholarship sponsor charges for annually funded scholarships were raised to \$3,000 annually.
4. The Air Force Academy removed the limit of 45 scholarships.
5. The Academy expressed the desire to have all Falcon Scholars to be physically qualified to be pilots (the Air Force was seeking to have 70% of the Academy graduates qualified to be pilots).
6. The Foundation Trust Fund value stood at \$1,306,387.

On 30 April 1983, President Bellis traveled to Tulsa, Oklahoma, to meet with Mr. Harold Stuart, Executive Director of the Gertrude Skelly Trust. This Trust was offering scholarships similar to the Falcon Foundation but administered by the Director of Admissions at the Air Force Academy. The Trust had a restriction that scholarships were to be awarded only to young men or women who were military dependents. The program was also designed to eventually expend all of the Trust assets.

At this meeting, Mr. Stuart and President Bellis agreed the Gertrude Skelly Trust program would become formally associated (but not combined with) the Falcon Foundation. General Bellis would become the Executive Director of the Gertrude Skelly Trust, the Trust would pay 1/5 of the administrative costs of the Falcon Foundation and the Falcon Foundation would administer the Trust scholarship program. In return, Mr. Stuart would become a Director, be elected to the position of Vice Chairman and become a member of the Executive Committee. Mr. John Marsh, a Trustee of the Gertrude Skelly Trust, would become a Director and a member of the Finance Committee. This proposal was ratified at the Spring Board Meeting held in May 1983.

This Board meeting was also critical in several other respects. The Long-range Planning Committee recommended that action be taken to re-charter the Falcon Foundation in the State of Colorado, The Board approved this recommendation.

It was agreed that at each Spring Board Meeting, the top graduating former Falcon Scholar be recognized. Mrs. Jean Snodgrass (daughter of Bob Smith) later became the financial sponsor of an award. Mr. Harold Stuart joined in this recognition and became the sponsor of a similar award to the top graduating former Gertrude Skelly scholar. The Board agreed with President Bellis that the Falcon Foundation should show support to the Academy Military Prep School by making four awards each year at their graduation ceremonies. These awards were to be presented to the top overall cadet, the top cadet in leadership, the top cadet in academics, and the top cadet in athletics. General and Mrs. P.K. Carlton volunteered to underwrite these awards.

The Board approved a requirement to payback the amount of the scholarship for those Falcon Scholars who voluntarily left the program or received an appointment to the Academy and declined that appointment. This would have to be formalized when the scholarships were awarded. At the request of President Bellis, the Board established a near term goal to establish 100 scholarships to be awarded each year with the additional goal to get them funded in perpetuity when they were initially established. Later the Air Force Academy agreed to support the Falcon Foundation goal of awarding 100 scholarships

The Board also formally decided that there no longer would be any group known as Active Members and that the name for members of the Board of Directors be changed to Trustees. This action would be reflected in the new charter and the resulting rewrite of the bylaws. It was also agreed that all living former Air Force Secretaries be invited to become Trustees. A majority of these former Secretaries accepted the invitation. In addition, Mrs. Carl A. (Ruth) Spaatz and Mrs. Ira C. (Ruth) Eaker were invited to join

Mrs. Skip Brown as Trustees. Their husbands had both been Board Members from the early days of the Foundation.

Soon after the Spring 1983 Meeting, Mr. Stuart contacted President Bellis and recommended that the Gertrude Skelly Trust program be actually combined with the Falcon Foundation program. President Bellis concurred with the proposal and secured Executive Committee approval to proceed with the necessary actions. The Board of Trustees later ratified this agreement.

As a result of this action, all assets (10,500 shares of Mobil Oil Stock) were transferred to the Falcon Foundation Trust Fund Account. These assets were valued at approximately \$695,000. It was agreed that the Falcon Foundation would support 22 scholarships funded in perpetuity and sponsored by the Gertrude Skelly Trust. Each would honor former Secretaries of the Air Force. It was also agreed that these stock holdings would not be sold or liquidated in any way without the prior approval of Mr. Stuart. Mr. Stuart later personally sponsored two additional scholarships in perpetuity and funded in perpetuity the newly established lecture program for the Academy cadets honoring former President Harry S. Truman. (Approximately \$82,000 was contributed which was established as a sub-account to the Falcon Foundation Trust Fund).

Mr. Stuart felt very strongly that the Falcon Foundation should support programs that helped Air Force Academy cadets better understand the importance of civilian leadership in the U.S. military establishment. The Executive Committee approved a "Gallery of the Secretaries" being established at the Academy. The Academy agreed to have the Falcon Foundation procure and hang portraits of each former Air Force Secretary in a suitable location at the Academy. As part of the 28 October 1983 meeting, the "Gallery" was dedicated with portraits hanging in the Cadet Library. Many former Secretaries (including the first Secretary, Stuart Symington) were in attendance. Air Force Chief of Staff, General Charles Gabriel and his wife participated in the ceremony. Fifty of the 89 Board members attended this Fall Meeting and four other members joined the Board for other activities.

Additionally, the Board authorized that 85 Falcon Foundation Scholarships could be awarded for the 1983-84 academic year. The Board also noted that there had been over 260 Lifetime Foundation memberships established for individuals who had made contributions during the early capital campaign. It was agreed this program would remain closed and no further action would be taken.

Following the October 1983 meeting, Brig. General Charles E. (Chuck) Yeager notified President Bellis that he had made arrangements for the Falcon Foundation to sponsor the premier of the movie "The Right Stuff". The income (\$8,162) was used in conjunction with funds from Mrs. Jackie Cochran's estate to sponsor a new scholarship in honor of the Women Air Service Pilots (WASPS) of World War II fame. Jackie had been the founder and the commander of the WASPS. At the time of her death, Jackie Cochran had over 15,000 hours flying time as a pilot and held more flying awards than

any other person. This new scholarship had an added significance with the addition of females to the scholarship program.

With the help of Mrs. Ruth Spaatz, Mrs. Ruth Eaker and Mrs. Skip Brown, President Bellis met in Washington, D.C. with Mrs. Charles A. (Mia) Wood. This meeting resulted in Mrs. Wood establishing in her will and later into a Trust Fund certain assets to be passed upon her death to the Falcon Foundation. When she passed away, approximately \$200,000 was passed to the Falcon Foundation. In accordance with her wishes, a scholarship was established honoring General Thomas D. White, a friend of hers, funded in perpetuity and also a sub-account to the Trust Fund was established with the income to be used to fund cadet programs. In addition, Colonel Don Ross, a long time Trustee, transferred ownership of an insurance policy in the amount of \$75,000 to the Foundation. Upon his death that money was transferred to the Foundation Trust Fund.

A milestone was reached at the Spring 1984 meeting when President Bellis announced that we would be able to offer 100 scholarships for the 1984-85 academic year (57 of these scholarships were funded in perpetuity). It was also announced that when the President and Board Members would visit the Prep Schools each year to award scholarship certificates to the Falcon Scholars small Falcon pins would be presented to each scholar. All of the Prep Schools agreed that these small Falcon pins could be worn with their uniforms and civilian clothing. The new addition proved to be very successful. For the first time the Falcon Scholars had an identity that associated them with the Air Force Academy.

President Bellis proposed that no new scholarships be authorized if they were to be funded annually. Only new scholarships being funded in perpetuity would be accepted. The Board approved this new approach. This move continued to add stability to the Foundation Scholarship program.

At the Fall Board Meeting on 1 October 1984 another change was authorized. The Long-range Planning Committee had reviewed the various approaches that could be taken to change the Falcon Foundation Charter from Texas to Colorado. With the help of Colonel Chris Munch and the advice of local attorneys in Colorado Springs, it was proposed the following steps be taken:

1. Incorporate an organization known as "The Falcon Foundation of Colorado" in the State of Colorado.
2. Seek Internal Revenue Service approval for 501(c) 3 tax status for this new entity.
3. Take action with the States of Texas and Colorado to combine the two Foundations into the Colorado organization.
4. Change the name of the resulting Colorado organization to "The Falcon Foundation".

This very conservative approach prevented us from jeopardizing the tax-exempt status if some problem or delay should arise. The Board approved this proposal. Action was initiated and finally, in 1986, the Falcon Foundation was chartered in Colorado with full Internal Revenue Service approval.

At the May 1985 Spring Meeting, President Bellis proposed that the Foundation take on the responsibility of an additional program in support of the Air Force Academy. The scholarship program had grown to 100 scholarships to be awarded each year and the number of scholarships funded in perpetuity was growing each year. The Trust Fund capital had more than doubled in the last three years to \$3,099,408. It appeared time to expand the Foundation program. There are a number of programs at the Academy that the Superintendent believed would significantly help the cadets but did not qualify for public funds. He formalized these needs in what became known as the "Superintendent's Gift Needs List". President Bellis proposed that the Foundation begin an effort to selectively fund some of these programs each year. The amount of support would be established each year at the Spring Meeting and the Long-range Planning Committee would be directed to select specific programs to be supported each year within the funding limits authorized. The Board authorized the president to pursue this new program and also authorized the sum of \$20,000 to be funded for the academic year of 1985-86. This program proved to be very successful and by the school year of 2001-2002 was being funded at the level of \$100,000 per year. Through the years, the combined efforts of the Association of Graduates (AOG) and the Falcon Foundation funded a major part of the "Gift Needs List".

At the Fall Meeting held on 8 November 1985 the Association of Graduates (AOG) reported they had decided to build their office building and name it "Doolittle Hall." A majority of the Board Advisors to the AOG leading to that decision were Trustees of the Falcon Foundation. Maj. General William Lyon, a Trustee, gave the AOG a big boost by committing to match contributions up to \$600,000. The building program was limited to finishing the first floor only.

With the Falcon Foundation now located in Colorado Springs, something new and unexpected began to happen. People who wanted to make gifts to the Academy but were having difficulty working out the procedures found they could make such gifts through the Falcon Foundation. Some of the more notable gifts include:

1. Two large bronze flying falcons that are now flying in the Cadet Library.
2. A 15' bronze flying falcon that is installed near the Visitors Center beside the walkway to the Cadet Chapel.
3. A group in the Los Angeles area commissioned an internationally known artist to paint a series of religious paintings to cover the walls of the Cadet Jewish Chapel. Since the walls are all curved, the artist had to install the paintings on curved mountings. He completed these tasks and accompanied the completed work to the Academy where he oversaw the installation. A large book was published showing pictures of these paintings and included stories of each

painting. Picture post cards of each of these nine paintings are sold at the Visitors Center. The book explains the Falcon Foundation part in this endeavor.

The Foundation was also able to play a key role in a very different type of project. Early in his career, Lt. Colonel Jim Hargrove, a Trustee, had been the Administrative Assistant to Secretary Symington and later Secretary Zuckert. During his time in the Pentagon he had become a friend of Dr. Murray Green, a well-known historian. Dr. Green spent many years researching and documenting the life and career of General of the Air Force H.H. (Hap) Arnold, the only air officer five star General of the Army and the only five star General of the Air Force. Dr. Green had documented General Arnold's life with hundreds of oral, taped interviews and 36 large boxes of detailed written reviews. This research effort was well known among Air Force historians, and the Air Force Historical Foundation tried many times to secure this very valuable collection. Because of personality conflicts among some of the individuals involved, Dr. Green refused to respond to these overtures and was planning to turn this documentation over to Columbia University in New York City. Jim Hargrove felt it might be possible to obtain this very important historical collection for the Academy. In consultation with President Bellis, a plan was worked out whereby the Foundation would offer to pay Dr. Green for the collection but it would remain in his possession for three years so he could use the information to write some magazine articles and also finish a book he was writing. Jim Hargrove contacted Dr. Green and, after many phone calls and an exchange of proposals, Dr. Green agreed to turn the Arnold collection over to the Falcon Foundation to be transferred to the Cadet Library.

At the Fall Meeting of the Board in October 1986, it agreed to pay Dr. Green \$15,000 over three years and, at that time, take possession of the collection. The agreement was finalized, Dr. Green wrote his articles and three years later Lt. Colonel Shafer, the librarian at the Academy, and Don Barrett, one of his assistants, traveled to Martha's Vineyard near Boston to take possession of these very valuable documents. The collection was then deposited in the Special Collections Branch of the Cadet Library. Later it was found that most of the oral interview tapes were becoming brittle and could soon be lost if prompt action was not taken. Under the direction of Lt. General A. P. Clark, "The Friends of the Library" undertook to transfer all of these tapes to a more survivable medium. This effort was performed under the direction of "The Friends" but funded by the Falcon Foundation.

After over three years of operating in Colorado Springs, it had become evident that going through Troy Post's office in Dallas and to the bank for a check to cover paying for small items, such as office supplies and utility bills was very time consuming. Jim Hargrove, who had recently retired as the Executive Vice President of the Air Academy Bank, proposed that a small sub-account be established at the Air Academy Bank to expedite the payment of these small bills. Jim reached an agreement with the bank and the Board approved the new procedure. As Assistant Treasurer of the Foundation, Jim oversaw all of the transactions.

In 1986 a proposal was submitted to Chairman Sell to also consider moving the Trust Fund Account from Dallas to Colorado. The Chairman asked the Finance Committee to study the matter and report back to the Board. After an extensive review of the experience and service the Foundation had received for nearly 30 years with the Dallas Bank and reviewing this experience (cost and service) with four very comprehensive proposals that were received from financial institutions in Colorado, the Finance Committee recommended the Trust Fund remain in Dallas. The Board approved.

At the Fall Board Meeting held in 1987, it was noted that the Trust Fund capital value had risen to \$4,878,999. As a result, It was proposed and later approved by the Board that all scholarships be increased to \$3,000 per year. This was to be the last increase of the 20th century.

At the 1988 Academy graduation, the Falcon Foundation received a very pleasant surprise. The Outstanding Cadet in Academic Performance Award for the four years at the Academy was presented to a Falcon Scholar, Ronald J. Simmons, who attended Northwestern Preparatory School. There had been significant indications through the years that the former Falcon Scholars were doing very well at the Academy, especially in leadership, but this was a graphic demonstration that the young people sponsored by the Foundation could excel in all facets of the Academy program.

But success can also bring problems at times and it had become evident that attendance at our Fall Banquets was about to exceed the space available. The Board decided that for all future banquets the only guests would be members of the CORONA conference and former Falcon Scholars who were cadets at the Academy.

On a sadder note, with a moment of silence followed by a number of remembrances, the Board noted that Maj. General Bob Smith had passed away. A founding member and long time leader, Bob Smith had left a "True Heritage" that will be long remembered.

In another desire to remember a true heritage of demonstrated leadership, Maj. General Bob Landry recommended that a life sized bronze statue of General "Hap" Arnold be commissioned by the Foundation and erected at an appropriate place on the Academy grounds. Initially the proposal did not receive an enthusiastic response from the Academy leadership because other proposed fund raising campaigns were being considered at the time.

In early 1991 however, Lt. General Brad Hosmer, the first Academy Graduate to become the Superintendent, agreed to support the General Arnold statue project. He felt it would become a strong symbol of dedicated, enlightened leadership. The Board responded in a very positive manner and authorized the Chairman to proceed with the project. Chairman Sell selected a committee to direct the project and directed the committee to proceed with a two pronged effort. The first was to pick a sculptor, determine how General Arnold should be depicted and where the statue should be located. The second project was to establish a capital fund raising campaign to fund the

program. The Board agreed to underwrite the costs up to \$100,000 in case the capital campaign was unable to cover the total program. The members of the committee were: Mrs. Ruth Eaker, Honorary Chairman; Maj. General Slade Nash, Chairman; Lt. Colonel Jim Hargrove, Treasurer and Capital Campaign Director; Lt. General Ben Bellis, Ex-officio; Maj. General Paul Bacalis, Maj. General Bus Humfeld, Brig. General Mark Kinevan and Mr. Ed Honnen, a civilian from Colorado Springs who had considerable experience in commissioning and erecting a number of statues in the Colorado Springs area.

Requests for bid were sent out to 14 of the top sculptors in the country. Twelve responded with formal proposals; some accompanied by small models (up to 3 feet tall). The stage was set for the very difficult task of selecting the winner from among the many outstanding proposals. The process was taken in two steps. First, there was an elimination process to select the top four proposals. Extensive contact was made with these four sculptors to more fully understand the specifics of each proposal. Four of the original proposals had shown General Arnold standing in his Army Air Forces uniform (General Arnold never served in the U.S. Air Force) with one hand on a large world globe. This general depiction seemed appropriate to all of the committee members because General Arnold's book was titled "Global Power". Details were discussed with the four sculptors and Ms. Glenna Goodacre from Santa Fe, New Mexico, one of the top sculptors in the world, was chosen. She was a Colorado College graduate and has significant sculptures located throughout the United States and the world, including several in the Colorado Springs area. (She is also the sculptor of the Vietnam Women's Memorial and the Sacajawea Dollar). She also had a strong desire to present a strong, dedicated military leadership in a bronze statue. It was quite an interesting challenge to get all of the details exactly correct. Pictures of General Arnold in various poses were needed. An officer's uniform with the appropriate insignias and awards was obtained. General Arnold's West Point ring became a notable item and the fact that he should be pointing at the English Channel area of the Globe instead of the Middle East was noted. Ms. Goodacre was able to start work immediately because the Board had agreed to underwrite any funding shortfall.

Parallel to the selection process, Jim Hargrove initiated the fund raising efforts. Members of the Board made significant contributions and the El Pomar Foundation, as well as a number of corporations made generous contributions. A campaign aimed toward all living retired General Officer's who had served in the Army Air Forces during World War II was also initiated and was quite successful.

At the Spring Board meeting held in April 1992, Jim Hargrove reported that the desired \$150,000 had been raised and it appeared this would cover all of the costs. A key part of this had been that the Academy had agreed to cover the site preparation costs due to the large number of utility lines under the site and the need for periodic access to those lines. The site in front of Arnold Hall was agreed upon and a plan to site the statue and design the nearby items and landscaping was initiated.

The Arnold statue plan was certainly the high point for this meeting but everyone was saddened by the death of our Chairman, Maj. General Wendell B. Sell. General Sell had been a strong leader who had created and actively supported many of the major accomplishments during his term in office. Maj. General Bill Lyon was elected to be the new Chairman of the Board of Trustees. President Bellis reported that 101 scholarships had been awarded and the Trust Fund capital value had increased to \$6,076,168.

The AOG reported that they had partially completed their new building but had left the second floor unfinished due to a shortage of funds. The main floor was sufficient for the AOG to move their offices into the new building. They mentioned the fact that someday they hoped to be able to accommodate the Falcon Foundation offices in Doolittle Hall.

At the Spring Meeting on 24 April 1993, the Board approved a proposal made by President Bellis to move the Foundation office to Doolittle Hall. The AOG had offered to convert a storage room near the front door into interim office space until the second floor of the building was completed. To aid in this effort, the Board agreed to contribute \$100,000 to pay the Foundation portion of the second floor construction. Mr. and Mrs. Stuart and Lt. General and Mrs. Bellis agreed to contribute \$50,000 each to fund the two Grand Staircases to the second floor. These contributions were sufficient for the AOG to begin finishing the second floor.

A formal letter of appreciation was sent to Board Member John Olive. John had furnished office space to the Foundation for over ten years and also sponsored a scholarship funded in perpetuity.

At the 5 November 1993 meeting, Jim Hargrove reported that all bills had been paid for the Arnold Statue and \$300 remained to prepare an appropriate book to identify all contributors. This book resides in the Foundation Office. No funds were required from the Foundation Trust Fund. After lunch the Arnold statue was formally dedicated and presented to the Superintendent as a gift to the Academy. Mrs. Barbara Arnold and her son, Robert, represented the Arnold Family.

The Spring 1994 Board Meeting brought some very bad news from the Superintendent. Congress had voted that a three year test be conducted to determine if the military prep schools at the Academies should be closed and the students transferred to civilian prep schools. This action presented the Foundation with some significant problems. The military prep cadets are all enlisted personnel in their corresponding service. As such they come under Uniform Code of Military Justice jurisdiction, receive military hospital medical treatment and are paid as enlisted personnel. In addition, the military prep school students are eligible for the approximately 165 enlisted appointments authorized each year at each Academy. The Falcon Scholars, on the other hand, are civilian students, have none of the above benefits and are not eligible to compete for these appointments. If these students were to be assigned to the same prep schools where Falcon Scholars were assigned there would be the probability of major problems. The scholars would be selected from the same set of applicants by the office of the Director of Admissions, their status at the schools would be completely different and one group

would be paid while the other was not. Further, the military prep school students are usually below the academic qualification of the Falcon Scholars. A major special endeavor at the military prep schools is to qualify a significant number of minority students to meet the qualification standards at the Academies. There was also a potential for lawsuits from those students who did not get Academy appointments. The stage was set for a major problem. Surprise! At the next election for the U.S. Senate there was a major change and Congress voted to cancel the program. Although the program had been developed and actions were underway to implement it, these efforts were quickly halted and everyone breathed a sigh of relief.

General "Hap" Arnold had a hobby that few of his military comrades knew about. He liked to write books for young boys. He authored a series of six books called the Bill Bruce series (his youngest son was named Bruce).

Don Malvern, a Board member, announced that he and his wife, Ruth, had the entire series of the six books in mint condition. They have placed in their will that upon their deaths the books will be donated to the Falcon Foundation for use in the Academy Library. The books are: Bill Bruce and the Pioneer Aviators; Bill Bruce the Flying Cadet; Bill Bruce Becomes an Ace; Bill Bruce on Border Patrol; Bill Bruce in the Transcontinental Race; Bill Bruce on Forest Patrol.

At the Fall Meeting held in October 1994 it was reported to the Board that after five major drafts the new bylaws had been completed. Colonel Chris Munch had performed the major effort with periodic support from President Bellis and members of the Long-range Planning Committee. We were now chartered in Colorado and the bylaws fully complied with the laws of Colorado and the rules of the Internal Revenue Service. The Board directed that a full outside audit be performed each year and a copy of the audit be made available to each board member.

It was announced that a new lecture program was being established at the Academy in honor of President Harry S. Truman. The lecture would be presented to the cadets each year by a nationally known figure selected by the Academy senior staff. The program is sponsored by the Falcon Foundation and funded in perpetuity by Harold Stuart. A special sub-account to the Foundation Trust Fund was established with the income from this fund to be used to pay the costs of the lecture program. An initial contribution of approximately \$82,000 was used to initiate the program.

At the April 1995 Spring Meeting, President Bellis reported that the Foundation offices had moved into their beautiful new offices on the second floor of Doolittle Hall. The Foundation finally had a permanent home. This location facilitated a close association between the Foundation and the AOG. The close proximity to the administrative offices at the Academy, especially the Admissions Office, helped in coordinating the details of the scholarship program and establishing close personal ties which significantly increased the efficiency of all of the efforts involved

During the summer of 1995, Troy Post stopped by the new Foundation offices. Troy had never been able to travel to Colorado and actively participate in the activities since the offices had been moved from California. However, through all of these years he had continued to perform the functions of Treasurer of the Foundation. Troy notified President Bellis that he was closing his offices in Dallas and he felt the time had come for him to retire as Treasurer. He proposed the Treasurer's operating functions be transferred to the Foundation offices. Troy Post resigned as Treasurer, a position he had held for 37 years.

The Finance Committee, with approval from the Executive Committee, initiated the actions to make the changes. All of the financial records were moved from Dallas to the Foundation offices. Direct financial operating contacts were established between the Foundation and the Bank in Dallas. (The bank was now known as NCNB but would later become the Bank of America). President Bellis initiated a review of various options that were available to increase the efficiency of all of the Foundation's financial transactions and yet retain the checks and balances that had been a part of the program since its inception. Jim Hargrove, who had been the Assistant Treasurer, was elected as interim Treasurer.

The Spring Board Meeting held on 3 May 1996 had an unusually full agenda. Troy Post was elected to the position of Treasurer Emeritus, effective 1 July 1996. A contribution of \$100,000 was received from the Ruth Eaker Estate of which \$50,000 was to be used to establish a scholarship in Ruth's honor and \$50,000 for the Ruth Eaker Honor's Program. A sub-account was established to the Trust Fund with the income each year to be used for cadet programs.

President Bellis announced that Mrs. Esther Millard had decided to dissolve the Millard Foundation. The Foundation had been created from the sale of the assets of the Millard Preparatory School. Through the years Esther and the Board of Directors of the Millard Foundation had used the income from the Foundation to eventually fund seven Falcon Foundation Scholarships in perpetuity. Esther and President Bellis reached an agreement that she would transfer the Millard assets to the Foundation and these assets would be deposited to a new sub-account in the Falcon Foundation Trust Fund. The income from this account (estimated to be about \$45,000 per year) would be used to support the Millard Honors Program that helped cadet activities. The Board of Trustees approved this program and elected Esther a member of the Board of Trustees. A check for \$600,000 was received from Esther Millard to start the program. With this contribution and the seven scholarships, Esther Millard became the largest financial contributor to the Falcon Foundation. Later friends of Esther's have made additional contributions to this fund.

It was announced that Mr. Jim Hoiby, the founder and Headmaster of Northwestern Preparatory School, had passed away. The Falcon Foundation had over 25 years of close working relationships with Jim. The Northwestern Board notified the Falcon Foundation that Mrs. Suzanne Durbeck would take over as Headmistress of

Northwestern Preparatory School. The Foundation had worked with Mrs. Durbeck for over 13 years and welcomed the choice.

President Bellis proposed that the Board adopt a new set of management procedures in handling Foundation financial transactions. These included:

1. All deposits and asset income from investments go directly to the Falcon Foundation Trust Fund account in Dallas.
2. The small account at the Air Academy Bank would be used to make disbursements authorized by the Foundation office.
3. Funds for approved disbursements would be transferred from Dallas to the Air Academy Bank electronically as authorized in writing by Fax from the Falcon Foundation office.
4. All disbursement transactions would be supervised by Mr. Hal Littrell, President of the Air Academy Bank and a member of the Finance Committee of the Foundation.
- 5.

This new procedure retained appropriate checks and balances, created a very good audit trail and increased the financial management efficiency for the Foundation. The Board approved the change and the new procedures were established. Asset value of the Foundation Trust Fund had now reached \$8,214,373 (this amount did not include any of the funds obtained and disbursed for the Arnold Statue).

At the Fall Board Meeting held on 11 October 1996, General Jim Dalton was elected as Treasurer and Mr. Hal Littrell was elected Assistant Treasurer and disbursement agent for the Foundation.

At the Spring 1997 Meeting, the Board approved a proposal to fix the dates for the Spring Meeting as the first Friday in May each year. It had become increasingly difficult to schedule the Spring Meetings to be in conjunction with the end of the Academy spring football practice and the Blue/Silver football game. This action established firm dates for both our Spring and Fall Meetings. It was also decided to hold the Spring Meetings in Doolittle Hall and the Fall Meetings, which generally had larger attendance, would continue to be held in Mitchell Hall. It was also noted that the Trust Fund asset value had now reached \$9,508,808.

During the Fall Board Meeting held on 7 November 1997, there were no significant changes proposed or decisions rendered. The time was spent reviewing the scholarship program and the accomplishments of the scholars and the cadets who were former Falcon Scholars. President Bellis reported that the Trust Fund asset value had passed the 10 million-dollar mark and stood at \$10,426,305.

At the Spring Board meeting held on 1 May 1998, Mrs. Jean Snodgrass (Bob Smith's daughter) announced that, based on Board approval the previous year, she had financed and commissioned a new Falcon Foundation Board Member Blazer Patch. She suggested that they only be presented to Board Members who attend a meeting

and that they be worn at all subsequent meetings. President Bellis reported that the Trust Fund continues to grow and, in the last six months, has increased in value to \$11,715,011.

Another milestone was announced at the Fall Meeting held on 9 October 1998. Cadet Matt Jones, a former Falcon Scholar at Northwestern Prep School, had been named to the top leadership position at the Academy as the Cadet Wing Commander. President Bellis also pointed out that at the next leadership level, three of the eight Cadet Group Commander positions had gone to former Falcon Scholars.

In addition, President Bellis noted that three new significant contributions to the Foundation had been received:

1. The Gene Raymond Estate sent \$35,000 to be applied to the Foundation Scholarship Fund. Gene was a member of the Board before his death.
2. The Mrs. Charles A. (Mia) Wood Estate sent \$235,000. This was in accordance with an agreement reached a number of years before when she established a Trust Fund with the Falcon Foundation as the beneficiary.
3. Mrs. Gerhard (Clarice) Neumann contributed \$35,000. Mrs. Neumann was concerned that the scholarship honoring her husband was funded annually by The General Electric Company and that at some time that funding support might be cancelled. It was agreed that a sub-account would be created so the identity of this funding would not be lost. If General Electric ever stops funding the Neumann Scholarship these funds would be used to fund it in perpetuity. In the meantime, the income was to be used to support cadets who are involved in the advanced class in jet propulsion at the Academy, to enable them to visit a company involved in jet engine design and production in order to get hands on experience. Gerhard Neumann had been the Senior Vice President at General Electric in charge of the jet engine division.

After negotiations with President Bellis, Maj. General Harry Evans and his wife Dixie notified the Falcon Foundation that they had established a trust fund, which, upon their deaths, will transfer approximately \$750,000 to the Falcon Foundation. No change will be made to the value of the Foundation Trust until such funds are actually received.

Living members of the Women Air Service Pilots of World War II (WASPS) ask if they could participate in our scholarship presentation program at the Prep Schools. They were invited and are now actively participating. The WASPS sponsor a scholarship honoring their Commander, Jackie Cochran and the Cochran Estate sponsors a scholarship honoring the WASPS. Both are funded in perpetuity.

At the Spring Board Meeting held on 7 May 1999, it was announced that only one scholar from the 1998-99 program did not receive an appointment to the Academy. In addition, 107 scholars were assigned to the Prep Schools for the 1999-2000 academic year. Both of these reports were records and reflected very well on the Foundation

selection process and on the outstanding work being done at the Prep Schools. It was noted that the Foundation Trust Fund asset value had grown to \$13,503,750.

In November 1999, during the Fall Board Meeting, Chairman Lyon and President Bellis announced they would step down from their offices effective at the Fall Meeting of 2000. The Chairman appointed a search committee to review potential candidates for these two positions. General Tom Richards was selected as Chairman of this committee.

The following bylaw changes to be effective at the Fall Meeting of 2000 were reviewed and approved by the Board:

1. The Chairman and the President would be elected to five-year terms. Neither would serve more than two terms.
2. The Executive Committee member limit would be changed to 13. Nine-at-large members to serve three-year terms with three sets of staggered term limitations. The Chairman, Vice Chairman, President and Vice President-General Counsel would be members by designation of office.
- 3.

A number of significant actions were taken at the Spring Board Meeting held on 5 May 2000. General Tom Richards was elected to a single three-year term as Chairman (this single three-year term was to break the cycle of both the Chairman and President positions changing at the same time). Brig. General Ruben A. (Randy) Cubero was elected as President for a five-year term. This selection was unique because Cubero was the first Academy graduate to become a senior leader in the Falcon Foundation. Both of these designations were to be effective at the Fall 2000 Board Meeting.

Brig. General Chris Munch, our Vice President-General Counsel submitted his resignation due to health reasons. This brought to a close Chris Munch's active leadership participation with the Falcon Foundation covering a period of over 43 years. As an active duty Colonel, JAG at the Academy and Head of the Department of Law he had acted as legal counsel to Maj. General Briggs in helping to establish and charter the Mitchell Foundation (later the Falcon Foundation). Through the early years he continued to represent the Academy concerning certain legal considerations. When he retired he joined the Foundation Board of Directors as General Counsel and Secretary replacing Colonel Larry Guinn who had died. Chris became Vice President-General Counsel in 1982.

For approximately 15 years, the Falcon Foundation had used an investment strategy of selling covered call options against equities that were in the Trust Fund. In an effort to ascertain how this investment strategy worked with respect to its profitability to the Foundation, a separate sub-account to the Trust Fund was maintained. It was determined that through this investment strategy, the Falcon Foundation had received an additional income of over one million dollars. However, there was no longer a need to carry a separate account so the Option sub-account was closed and the assets were transferred to the Foundation main trust account.

In our continuing support of the AOG, the Foundation agreed to donate \$25,000 to renovate and open up the entrance to Doolittle Hall. This included replacing the initial temporary offices occupied by the Foundation with more appropriate space utilization.

Finally, President Bellis noted that the Academy and its graduates had reached a new level of maturity. A number of graduates had retired from the Air Force as senior general officers and many had become members of the Falcon Foundation Board of Trustees. Another highlight was that the first Academy graduate to become Air Force Chief of Staff, General Ron Fogleman, had retired followed by General Mike Ryan, also an Academy graduate. Both became Senior Members of the Board of Trustees.

At the Fall Board Meeting held on 6 October 2000, Maj. General Bill Lyon was elected Chairman Emeritus and Lt. General Ben Bellis was elected President Emeritus. The new Chairman and President took their positions of leadership. At this major change of leaders, the Foundation Trust Fund value stood at \$14,190,202. In addition there were 101 scholarships with 95 funded in perpetuity. There were also seven scholarships authorized by the Board to be in stand-by status and to be used as needed in case of surges in Falcon Scholar approvals. The Foundation was indeed in a very strong financial and stable program position.

The new President took immediate and very positive action to bring the Foundation communications with the Board members into a more direct and easy manner by establishing a system for use of e-mail. Also, General Jim McCarthy created a new Falcon Foundation Internet Website. This now gives easy access to information concerning the status of the Falcon Foundation program and schedule of coming events. New committee Chairmen were selected and committee membership was selectively changed. This certainly adds new ideas and vision for the future.

Lt. General A.P. (Bub) Clark submitted his resignation as Secretary and member of the Executive Committee after over 18 years of very active participation in these positions. Brig. General Phil Caine was elected as Clark's replacement. As an aside, the Air Force Academy selected General Clark as the first recipient of the newly established Air Force Academy Distinguished Service Medal. This was certainly a well-deserved recognition. The following year, Mr. Hal Littrell, a Trustee of the Foundation and the Assistant Treasurer, was selected to be the second recipient of this high honor. The Foundation can certainly be proud of these high honors being given to members of the Board.

Several significant financial matters were also briefed to the Board. Mrs. Bette Evans, widow of General Bill Evans, contributed \$50,000 to be added to the existing Evans Honors Program. This program permits senior cadets at the Academy, who are enrolled in the advanced Aeronautical Engineering program, to devise engineering tests to solve certain engineering problems then take the tests to Edwards Air Force Base and participate in conducting the actual tests. After the tests, the cadets analyze the data and prepare the reports. From its inception this has been a very popular and successful program. The increase in activity soon exceeded the income from the original contribution. This additional contribution helped to correct this need.

In the mid-1980's, Mr. Arthur Metcalf established a scholarship honoring General Bruce K. Holloway. In negotiation with then President Bellis, he established the scholarship in perpetuity but kept the funds in the Arthur Metcalf Foundation. The Metcalf Foundation funded the scholarship expenses each year. In early 2002, The Arthur Metcalf Foundation was dissolved and \$70,000 was transferred to the Falcon Foundation to fund the Holloway Scholarship in perpetuity.

In mid-1999 the Foundation office was notified that the McCawley-Little Trust had been activated. Prior to World War II, Charlotte Little had married Lt. John McCawley who had recently graduated from West Point and was commissioned in the Army Air Force (later transferred to U.S. Air Force when it was created). In later years, McCawley retired as a Colonel after a career in the Air Force. Mrs. McCawley used a sizeable inheritance to create the McCawley-Little Trust to become active upon her death. Income from the Trust (at the time valued at approximately two million dollars) was to be used by West Point and the USAF Academy for scholarships. The Trust was organized under Internal Revenue Code 501 (c) 3 which determined that essentially all of the income of the Trust had to be distributed each year. The Trust, as initially created, had a major flaw. The scholarships had to be awarded to young men and women from a small county in Indiana. Through the years there had been very few individuals apply to either Academy from that county. The attorney for the Trust instituted court action to have the Trust amended so that it is a viable entity. This action was successfully completed and the scholarships could be awarded to individuals across the U.S. with priority given to applicants from the original county and State of Indiana in that order. It now appears the Falcon Foundation will receive approximately one-half of the Trust income each year. The Trust value is now approximately \$1.7 million. The first payment received from the Trust was \$30,000.

At the Academy Graduation of 2002, the Falcon Foundation experienced another first. The number one graduate (including academics, leadership and athletics) was a former Falcon Scholar, Cadet Charles Trickey, who attended Northwestern Prep School. His accomplishments once again validated the Foundation Scholarship program and the candidate selection process.

At the Fall Board Meeting held on 4 October 2002, Lt. General A.P. (Bub) Clark was elected as Secretary Emeritus and Brig. General Chris Munch was elected General Counsel Emeritus. Their long time leadership had been formally recognized and now the way was cleared for new ideas, the fulfillment of new endeavors and further growth and service opportunities for the Falcon Foundation.

Success in any major endeavor requires stability. Fortunately for the Falcon Foundation, Mrs. Pearl Swofford, who has been a key part of the Foundation for the past 20 years, remains in an active position to provide the continuity and advice necessary for the future successful operation of the Foundation.

Certainly the Falcon Foundation has succeeded in its objectives during the first 45 years of its existence. Literally thousands of young men and women have had an opportunity

to enter the Air Force Academy and serve their country with honor and dignity. Many have become senior leaders in the Air Force. The future holds many challenges but also new opportunities to help provide our nation with the best possible leadership in the years to come.