Approved by the Board of Trustees

November 16, 2023

**ST3 2**

 Board Meeting

 November 16, 2023

# DISSOLVE SHIELD T3, LLC AND DELEGATE CERTAIN ACTIONS TO THE COMPTROLLER

**Action:** Dissolve Shield T3, LLC and Delegate Certain Actions to the Comptroller

**Funding:** System Institutional Funds

On August 10, 2020, the Executive Committee of the Board of Trustees approved the formation of Shield T3, LLC (Shield T3), a University-Related Organization (URO), for the limited and express purpose of promoting the use of University-developed, saliva-based COVID-19 testing protocols by organizations outside the University of Illinois System and the State of Illinois. The Board of Trustees took subsequent actions on September 23, 2021, and on September 22, 2022. On January 26, 2023, the Board, as the sole member of Shield T3, altered the composition of the Shield T3 Board of Managers and charged the Board of Managers with undertaking a review of Shield T3’s business model, viability of potential areas of expansion or growth, and other related matters. In so doing, the Board of Trustees requested that the Board of Managers remain mindful of the University’s overall mission and that the scope of Shield T3’s activities should remain limited to activities within the organizational purpose and activities for which it was created.

 The Board of Trustees is the sole member of Shield T3 and possesses various reserved powers related to Shield T3’s governance, finances, and operations, including approving any voluntary dissolution of Shield T3 and disposition of its corporate assets. Consistent with its authority as sole member and in accordance with its reserved powers, the Board of Trustees now wishes to dissolve Shield T3 as a legal entity and delegate to the comptroller of the Board of Trustees certain authority to facilitate winding down the entity’s operations.

 In carrying out its core mission of promoting the use of University-developed, saliva-based COVID-19 testing protocols by organizations outside the University of Illinois System and the State of Illinois, Shield T3 has played a critical role in helping numerous schools, universities, and businesses remain open throughout the pandemic. It has also generated positive financial returns that have been used to support research and the academic mission of the University of Illinois System. Most importantly, Shield T3 has helped save lives.

 The Board of Trustees extends its thanks to those who have served on the Shield T3 Board of Managers and Shield T3 personnel for their singular contribution to the University’s mission and representation of its values, helping enable the University to act swiftly and effectively to make a meaningful difference in addressing the public health crisis. The Board of Trustees also expresses its gratitude to all of those in the University community whose research, talent, and hard work have made Shield T3’s achievements possible.

 To effectuate the dissolution of Shield T3 with efficiency, transparency, and accountability, the president of the University of Illinois System has convened a committee consisting of senior administrators to support winding down Shield T3’s operations in a manner that adheres to its mission, is responsible to its contractual obligations, is appreciative of Shield T3 employees, and recognizes its unprecedented role in supporting the health and wellness of thousands of people. Shield T3 anticipates ceasing the transaction of business before the end of the calendar year, except as necessary for dissolution. The dissolution shall be effective as of the date of filing of the Statement of Termination with the Illinois Secretary of State. The Board of Managers may remain active until such time as all necessary actions to dissolve and wind down Shield T3 are complete.

 Accordingly, the president of the University of Illinois System recommends that the comptroller of the Board of Trustees be delegated authority by the Board to take the following actions:

1. Execute, or delegate authority to execute, the necessary documents to terminate Shield T3 as a limited liability company, including filing of the Statement of Termination with the Illinois Secretary of State;
2. Terminate the Shield T3 Articles of Organization and the Operating Agreement and Services and Management Agreement between the Board of Trustees and Shield T3;
3. Take any actions necessary regarding Shield T3’s financial obligations and expectancies, including the distribution of assets necessary to meet Shield T3’s claims and liabilities, and any other continuing obligations;
4. Take any actions as may be necessary to transfer Shield T3’s assets, contractual and other similar obligations, records, licenses, or other similar matters to the University; and
5. Execute any and all other documents and take any other actions as may be necessary to dissolve Shield T3 and wind down its operations as set forth herein.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.