

# State of the Fraternity Address

*Delivered live from Dallas, Texas, and broadcast nationally by Zoom  
June 2, 2025 — Complete Transcript*

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| <b>EVENT</b>    | State of the Fraternity Address, delivered live from Dallas, Texas, simultaneously broadcast by Zoom to the national membership                                                                                                                   |
| <b>DATE</b>     | June 2, 2025                                                                                                                                                                                                                                      |
| <b>SPEAKERS</b> | Opening remarks by Darrell B. Searcy, in his capacity as Grand Grammateus. Address by Jesse J. Tyson, in his capacity as Grand Sire Archon.                                                                                                       |
| <b>AUDIENCE</b> | In-person attendees in Dallas plus a national virtual audience. Per the opening remarks, more than twenty percent of the brotherhood — approximately 2,000 Archons — had registered for the address. A recording was subsequently made available. |
| <b>SOURCE</b>   | Transcript prepared from the broadcast recording of the address. The address was delivered from prepared text; statements were considered, drafted, and approved in advance.                                                                      |

*Reader's note: This transcript was prepared from the broadcast recording. Transcription artifacts from the audio-to-text conversion may be present; where a word is garbled, it is reproduced as transcribed rather than corrected. Paragraph breaks have been added for readability only. Nothing in the wording of the transcript has been added, removed, or altered.*

## Remarks by Darrell B. Searcy, Grand Grammateus

Good evening, Archons. It is my distinct honor and privilege as Grand Grammateus of Sigma Pi Phi fraternity to welcome you to this evening's State of the Fraternity Address. To the Archons joining us virtually from across the country and to those gathered with us in person, thank you. Your presence tonight is deeply appreciated. With over 20% of the brotherhood registered for this address, your engagement affirms the strength, the resilience of our fraternity.

Before we begin, a brief note on safety. There are no planned fire drills this evening. Should the fire alarm sound at any point, please exit the room immediately through the rear doors and proceed to the courtyard. Our team is prepared to assist you and your safety is our highest priority.

Now, tonight, we gather not to simply to receive information, but to reaffirm who we are and who we are becoming. And leading us through this pivotal hour is a man whose leadership has brought stability to a time of uncertainty. He has stepped forward with clarity, with courage and conviction, anchored by our values and determined to restore our collective standard. Archons in the audience, I now ask that you rise and join me in welcoming the current Grand Sire Archon of Sigma Pi Phi fraternity, Jesse J. Tyson.

## Address by Jesse J. Tyson

Thank you. Thank you. Thank you. Please be seated. Good evening, Archons. Good evening. I want to thank you all for joining us tonight, whether you're here in person, here in Dallas, or virtually. Making this fraternity a priority is something that we value. What does fraternity really mean? It's a word that means more than fellowship. It means responsibility. It means legacy. And most of all, it means putting the collective above the individual. We are without question in a defining season for Sigma Phi Phi. So how do we move forward? We do it together, recommitting ourselves to the values that define this organization, integrity, excellence, accountability, and mutual respect.

In late April, we experienced an unprecedented transition in leadership, a decision that was based on facts and to preserve the integrity of our fraternity. I have put it in print, What I want you to hear directly from me tonight, we will not tolerate governance recklessness at any level, in any form, by any individual, and that includes me, your grants, our outcome. Our founders gave us a standard. Our constitution gives us a structure. Our values give us a responsibility to lead with transparency, ethics, accountability, and integrity. These are not just talking points. These were the same commitments I made to you when I was campaigning for grand sire elect. Tonight, I reaffirm them. We're laser-focused on financial discipline, operating clarity, and strict adherence to the Constitution to ensure that your trust is earned and never assumed.

This sudden transition has tested us in many ways. The removal of a sitting grand sire, ongoing litigation, concerns regarding transparency, all of these have placed a spotlight on our governance and our leadership. We've had to look inward, we've had to assess our practices, and we've had to make some very difficult but necessary decisions. As I said in April, and I reiterate tonight, Our actions were grounded in governance, carried out in accordance with our constitution, and necessary to protect the long-term integrity and stability of this fraternity. No archon is above our governance laws that represents the foundation of our beloved fraternity. No officer is immune from accountability, and no position, no matter how esteemed, should ever be shielded from the security and the scrutiny of values that we require of an officer.

The removal of a grant officer cannot be taken lightly. The removal of a grant officer resulted from multiple violations of our processes, our delegation of authority, and improper payments, each governed by our constitution and approved procedures. Guided by bylaw 2, Section 4G, and executed by a supermajority vote of the Grand Board of Directors. The conduct under review was serious. It demanded action, and the action has required me to lean in on the wisdom of many of you. I do not have all the answers, but I am surrounded by people who might. I relied on the experiences of others, including the Council of Past Grand Sires, not for governance, but for guidance. The new chair, to the new chair of our council, who is our past Grand Sire Moore, I want to thank you as the chair of the council for taking my cause, and they have been many.

Let me now speak to the matter involving our current status. I'm not a bylaw guru, but for those of you who carry your bylaws around with you, you'll be right at home. Bylaw 14, Section 6F, the former grand sire has been placed under that bylaw, the former grand sire has been placed under administrative suspension and is currently in inactive status. The action followed litigation filed by the former grand sire in Pennsylvania. and was executed by the Grand Board in fulfillment of his fiduciary duty. What does this mean? Under

Section 3H of our bylaws, an archon is in inactive status, having forfeited all rights, privileges, and benefits of membership, and may not attend Grand Boules or regional Boulé meetings or participate in any fraternity activities. Archons are not advised to make contact with the past grand sire in any way unless you consult your own legal attorney or consult our attorney, or you can consult the grand board and we will put you in touch with the appropriate legal entity. But we think it's prudent not to make those contacts given the legal matters that we're currently dealing with.

In addition to the suspension, the Grand Board has received a formal complaint filed by an Archon in good standing, which we have referred to the Grand Grievance and Complaints Committee. That committee is now reviewing that matter and is expected to provide a recommendation back to the Board within 30 days. While legal proceedings limit full disclosure, we are working closely with our counsel to balance clarity and confidentiality. You may recall these and other concerns were discussed during our leadership roundtables that we had in Washington, D.C., Atlanta, Columbus, Ohio, Detroit, Chicago, Oakland, and Dallas a few weeks ago. Each stop created a candid space for dialogue and reflection.

In addition to what you already know, we are actively addressing other legal matters. Our Counsel, Lloyd Jordan, is also conducting A comprehensive review to ensure all legal proceedings, both past, present, and future, are well-managed and in line with our Constitution. With appropriate sensitivity given to ongoing litigation, I'm going to share something with you tonight. On this past Friday, the Grand Boule initiated a civil matter in federal court to address governance concerns and financial irregularities against our past Grand Sire. All steps are being taken in accordance with our Constitution and focusing on protecting our intellectual property and stopping the former grandsire, Archon, from misappropriating confidential signify information under the direction of our legal counsel. This action will safeguard the fraternity's long-term integrity and fiduciary obligations.

While protecting our foundation, we are building our future. So let's focus on some of the 2025 key initiatives that we're involved in. First, we're looking at rolling out a virtual Boulé Leadership Institute training, a platform for our virtual leadership training. We're also looking to enhance BEES and continue our focus with a specific sector focus around medicine, entrepreneurship, and law. The return of the Grand SireCup, currently held by the Northeast region, is also back in play, and you'll hear more about that later. And we're planning the 58 Grand Boulé. Our strategy for the 58 Grand Boulé is clear. Put A capable team in place, hold them to world-class standards, and then get out of the way. So we can build a profitable Boulé quality experience that delivers a Texas-sized experience for each attendee.

All 5 regional boules are on track for effective execution. The central region will be hosting next month is regional in White Sulphur Springs, West Virginia at the Greenbrier. The southeast region will be hosting in Charlotte, North Carolina in midArk. The Northeast region will be hosting in Connecticut in late September, and the Pacific region will be hosting its biennial in Tucson, Arizona towards the end of October. And lastly, the Western region will be hosting in Frisco, October 30th through November the 2nd. You are encouraged to support as well. We're proud to announce that Morgan Stanley and Alliance Bernstein have signed on as national partners, supporting all five regions, the Grand Boule, Bees, and even more. This is what partnership and trust looks like from a corporate sector when you have a history of delivering

excellence.

You'll likely notice some changes in the Boule Journal. This week, we launched Boule Now, which is a digital platform for storytelling, commentary, and cultural content. Feature series will include Boule Lifestyle, a life well lived, which is a celebration of refined, purposeful, and joyful lives led by archons and their families. Boule Rewind. Boule Rewind is a curated look back at our archives in the moments in our history and milestones that shaped the legacy of Sigma Pi Phi. Boulé News, timely updates, announcements, and developments from across the fraternity. Fraternal records and reflections, a historical and philosophical lens on key figures, speeches, and writings that define our brotherhood. First Look. First Look is an exclusive preview of upcoming events, programs, and strategic initiatives within the Boulé. And the Grand Graptor Insights is a commentary and a perspective from the Grand Graptor on communications, culture, and narrative. Boulé Confidential, a secure, member-only forum for private updates and sensitive topics within the Boulé. Each region now also has its own platform, with each reflecting the voice, the leadership, and the rhythm of its region. Boule now is where tradition meets innovation. And I want to thank our grand rafter, Jackson, for his leadership in moving us in this direction.

A few comments about technology. To strengthen our overall security posture, we have brought an external vendor into the fold to conduct a comprehensive security assessment. This includes a full evaluation of the Office of the Grand Boule's network for vulnerabilities. It includes a physical security review of our systems, our infrastructure, and the like. It includes A simulated social engineering exercise and a formal penetration test of our Sigma Pi 5 platform. We're taking Very seriously, the fact that we can't make any shortcuts when it comes to protecting member data, securing our financial systems, and ensuring that the digital tools that we use are dependable and safe and reliable. In parallel, we're actively enhancing Sigma Pi Phi's platform itself with the recent launch of the member management module, the rollout of Boule now, and the upcoming release of our candidate management module. These tools are designed to streamline our operations, improve engagement, and ensure consistency across the fraternity.

Let's look at the fraternity's finances, which I'm sure many of you are concerned about. 2024 was a challenging year for us. We experienced over \$1,000,000 loss. And that loss was bucketed into two or three major categories. One was a \$440,000 loss at the 57th Grand Boulé in San Diego. You may recall we experienced a lot of change in the months leading up to the grand. We hired a new executive director. We hired a new meeting planner. We made some last-minute changes to secure more hotel rooms because of demand. These are explainable, but they must not be repeated. We also had \$150,000 overage in office travel, and we had over \$600,000 in unapproved billing associated with legal expenses. The travel overages and the legal expenditures are process issues that are referenced in subsequent slides. But these setbacks reduced our net assets to historic lows. And yes, two of the three were connected to grievance failures, not grievance failures, governance failures that we addressed as part of the Douglas investigation.

2005 is about recovery. We began with an inclusive budgeting process informed by officers, committees, and the Grand Board. The \$300 grand tax increase that you approved at our last grand boule will make a difference. Two-thirds of that \$300 will go towards supporting staff as well as enhancing our technology and our operations. We plan to rebuild our reserves with what's left. Now that will come under

some pressure given the fact that we have some legal expenses that we will likely incur that we don't know about yet, just given what's going on in the legal arena. But to the extent that is manageable, we will use the surplus not to spend, but to enhance our reserves.

It's also worth mentioning that the board provided me with the authority to settle 2 ongoing legal matters that you are probably familiar with. We settled the Artistic Avenue case for \$23,000 above the invoice that we had received from that vendor, and that avoided A prolonged litigation. We successfully negotiated over \$600,000 in legal fees down to \$245,000, a savings of more than half. Going forward, we're managing legal costs more strategically. And what does that mean? That means for every \$10,000 in legal expense we incur, there will be a trigger that says to me, I cannot spend one dime over \$10,000 without getting the board or the executive committee's approval to do so before making the expenditures. We've also implemented A delegation of authority policy. We've implemented policies that enforce and tighten up things around travel compliance to make sure that when budgets are exceeded, budgets are exceeded, and that means monies cannot be spent. We've enhanced our oversight and collaboration between the finance committee as well as our Grand Thesauristes to make sure that those two individuals and two entities are working together. And last but critically important, ensuring engagement of our grand audit committee whose independence oversight strengthens our financial accountability and reinforces trust across the fraternity, where the chair of our finance committee will be invited to participate in all of our board meetings.

Before I close, Executive Director Gaines asked me to inform you that 100% of member Boulés are current on their 2025 grand tax payments and reimbursement of regionals payments will start later this week. What are our strategic and operating priorities? You'll hear more as we roll out our strategic plan and our strategic framework later. But the bottom line is this. Our priority is to rebuild trust through transparency, unity, and discipline. Over the last two months, I've visited every region And what have I heard? I've heard that Archon say we want clarity, we want consistency, we want collaborative leadership, and we want a commitment to excellence in all aspects of our business. You're willing to support when support is earned. And most of all, you want our standards to rise and not bend. This is not the time to shrink or defer hard truths. It is a time to lead with humility, discipline, and unwavering focus.

Sincere thanks to the Regional Sires who supported me throughout my leadership roundtable tour over the last few months. Your partnership made all the difference. I want to give a special salute to Alpha Gamma Boulé for their support. And another special thanks to Epsilon Beta, Boule for hosting the leadership roundtable when I was out in the Pacific region. This young member Boule showed extraordinary leadership, hosting the excellence as well as contributing \$26,000 to our Boule Foundation. Your commitment set a powerful and entire example for our entire fraternity.

Archons, we are not perfect, but we're not broken. We are building with discipline, with unity and with direction. This fraternity is going to be fine. It's what we know that will help us get to the other side and protect this organization. So I say to you tonight, we are laser focused on financial discipline, operational clarity, and adherence to our constitution to ensure your trust is earned and never assumed. Let's move forward together. I appreciate your time this evening and have a good evening.