

Shimanos vs Zen Studies Society Lawsuit and Countersuit Details

On January 3 of this year, Eido Roshi and his wife, Aiho Yasuko Shimano filed a multi-million-dollar public lawsuit against the ZSS that claims the following:

- That Eido Roshi and his wife are entitled to substantial lifelong financial support according to the terms of a Deferred Compensation Agreement (DCA), which they claim to be a valid contract. We estimate that the full payment of the DCA would currently amount to approximately \$100,000/year.
- That a number of objects used for daily practice at Dai Bosatsu Zendo Kongo-ji and New York Zendo Shobo-Ji (eg, buddhas, bells, scrolls) are the Shimano's personal property that we have "willfully, wantonly, and maliciously" converted for our own use.
- That the Shimanos are entitled to damages related to the above claims in addition to full payment of the DCA for life.

In order to protect and defend our practice centers and the best interests of our members, we have filed a legal answer and countersuit that includes the following claims:

- The alleged DCA contract is not a legally enforceable agreement, for reasons including the following: it was not entered into at "at arms' length" (truly separate parties with each side acting in its own interest). There were significant conflicts of interests in its arrangement: for example, Eido Roshi arranged for the same legal counsel to represent himself, his wife, and the ZSS in its "negotiations". Eido Roshi made no effort to arrange for funding for the DCA at any point during his four decades as chairman of the ZSS board, which makes its terms impossible to fulfill. Moreover, Eido Roshi's violations of his fiduciary and ethical duties have caused the ZSS significant loss of reputation, membership, and donations. Thus, Eido Roshi's own actions have left the ZSS without sufficient funds for payments of the DCA to be made without violation of the fiduciary responsibilities of the ZSS Board to its members and significant damage to our ability to maintain our centers.
- The ZSS knows of no evidence that the objects listed in the lawsuit were purchased by the Shimanos with their personal funds or were donated to them as personal property, as opposed to being purchased by ZSS funds or being donated to the ZSS as an organization.
- On numerous occasions, Eido Roshi engaged in sexual relationships with individuals who were his students. These relationships were contrary to his fiduciary duty as the spiritual leader of the ZSS, they were in violation of ZSS ethical guidelines, and they caused harm to ZSS members and students. Additionally, Eido Roshi's sexual relationships with students caused significant damage to the ZSS's national and international reputation.
- Eido Roshi and Yasuko Aiho Shimano misappropriated ZSS funds to pay off victims of Shimano Roshi's sexual misconduct: on two occasions, Ms. Shimano ordered payments of \$8000 and \$3000, drawn on funds from ZSS donations and membership dues, to be paid to victims as compensation for harm caused by Eido Roshi's sexual misconduct. This is a further violation of the fiduciary and ethical obligations of the Shimanos toward the ZSS and a clear misappropriation of ZSS funds.
- On the basis of the above, the ZSS will ask the court to find that the ZSS does not owe the monies claimed by the Shimanos. We will also ask the court to grant that the Shimanos should reimburse the ZSS for funds mishandled by them and salary paid to them during the period of their violation of their ethical and fiduciary duties, and to pay additional damages to compensate for the harm to the ZSS's finances and reputation caused by Eido Roshi's misconduct.