

MINUTES OF THE JANUARY 16, 2003 CONFERENCE CALL OF THE EXECUTIVE BOARD

A conference call of the Executive Board of the U.S. Chess Federation was held on January 16, 2003, at 7 PM Eastern Standard Time. All seven Board members participated, as did Executive Director Frank Niro. The call was in Closed Session, but the following motions were passed:

EB 03-09 (Smith): I move that the USCF move the national office to the proposed site in Palm Beach Gardens, Florida; provided the satisfactory sale of our property in New Windsor has been completed; and that all the details of the Palm Beach Garden location be worked out by the Executive Director, working with a committee of not less than three persons, of whom two would be Board members, to be named by the President. **PASSED 4-1-2, with Smith, Brady, Denker, and Wagner in favor; Camaratta opposed; and Shutt and McCrary abstaining.**

Note: President McCrary then appointed Arnold Denker, Bob Smith, and himself to the committee.

EB 03-10 (Shutt): Moved that the Executive Director explore the possibility of creating a satellite presence at the existing Hall of Fame. **PASSED 6-0-1, McCrary, Shutt, Brady, Wagner, Denker, and Smith in favor; Camaratta abstaining.**

EB 03-11 (Niro, Camaratta): That the Executive Board accept the audited financial statements, version number 2, which report the life memberships in accordance with GAAP, using the deferred revenue approach. **PASSED 7-0**

MINUTES OF THE MEETING OF THE USCF EXECUTIVE BOARD HELD ON MARCH 15-16, 2003

The Executive Board of the United States Chess Federation (USCF) met March 15 -16, 2003, at the headquarters of the USCF in New Windsor, New York. The following Board members were present:

Dr. John McCrary, President
Steve Shutt, Vice President
Frank Camaratta, Vice President for Finance
Bob Smith, Secretary
Dr. Frank Brady, Member-at-Large
Dr. Joe Wagner, Member-at-large

USCF Executive Director Frank Niro was also present and participated in the meeting. GM Arnold Denker could not attend because of health reasons.

1. CLOSED SESSION DISCUSSION: The meeting began in Closed Session at 9:00 am EST on March 15 with a discussion of personnel issues. The status of plans to move the USCF office was also reviewed in Closed Session, as were certain issues concerning contract negotiations that are now pending. These matters required the entire day.

OPEN SESSION: The following topics were addressed in Open session, which commenced on March 16. An audio tape of the Open Session discussion is posted on the USCF website, and is available to interested members.

2. Minutes approval: The motions of the Board conference call held on January 16, 2003, were read into the record by Secretary Bob Smith. The following motion was then passed:

EB 03-12 (Smith, McCrary): The Minutes of the November 2002 Board meeting and of the January 16, 2003 conference call of the Board are approved. **PASSED 6-0, Denker absent.**

3. Executive Director's Report: Frank Niro gave a detailed report on financial issues facing the USCF, as well as an update on the strategic plan for the USCF. He noted that the USCF set yet another all-time membership record in February 2003, with over 95,000 individual members. Each of the past several months, except January, has set a new record as numbers continue to grow. Mr. Niro discussed the trends by category of membership. Scholastic Memberships are continuing to grow. Adult Regular Memberships continue to decline, but the rate of decline in this

category has slowed significantly since May 2002. Mr. Niro noted that there may be some confusion expected in the total numbers for Adult memberships, because of the reclassification of Prison Members into the Special Membership category.

Mr. Niro also reviewed trends in revenues, which have been generally better than the previous fiscal year and better than budget. He discussed plans regarding reduction of expenses. (Note that specific financial information is posted regularly in the governance section of www.uschess.org)

Several related reports were then presented by other persons present at the Open Session. Malcolm Pein presented a very useful analysis of recent sales data, which addressed relative sales of different categories of books and equipment, as well as demographic data regarding purchasers.

Barbara DeMaro discussed the potential impact of the recent ESPN broadcast of the Kasparov-Deep Junior Match, and ways to utilize the resultant publicity for fund-raising purposes. She noted that a donation valued at \$100,000 has already resulted from the Match coverage. Ms. DeMaro also discussed the status of local fund-raising pertinent to the potential move of USCF headquarters to Palm Beach Gardens, Florida. (SECRETARY'S NOTE: It should be noted that Ms. DeMaro's initiative was a major and essential factor in arranging the ESPN broadcast.)

Gary Prince discussed improvements in the USCF website, Mr. Prince noted that traffic to the website had increased quite substantially during the Kasparov-Deep Junior Match, and that the USCF had provided active website coverage during the Match.

Judy Misner, USCF Managing Director, presented information regarding USCF membership trends. Mike Nolan, Chair of the Finance Committee, referred to statistical analysis performed in consultation with his committee regarding trends pertaining to financial projections.

The Board considered the following motion:

EB 03-13 (Camaratta, Niro): The Executive Board accepts the audited reports presented by Nugent and Haessler, and requests that Nugent and Haessler perform the audit for FY 03. **PASSED 6-0, Denker absent.**

4. Scholastic Matters: Vice President Steve Shutt and USCF Scholastic Director Tom Brownscombe presented an overview of matters concerning scholastic chess. Mr. Shutt noted that the USCF Scholastic Council is exploring a number of growth projects, and will be meeting in May with a heavy agenda. Considerable progress in their networking project is anticipated. Mr. Brownscombe noted that entries to the National Scholastic tournaments coming up had been strong and that large turnouts were being projected.

5. Prison correspondence chess: Joan Dubois of the USCF staff presented an overview of problems that have developed with incarcerated members in correspondence chess events. Among other difficulties, the opponents of those inmates are sometimes unhappy about informing the inmates of their vacation times, as is required by correspondence chess rules. Pairing inmates against each other is often prohibited by corrections policies. After some Board discussion, a decision was reached to allow inmates to continue in USCF correspondence chess events, but to modify entry forms so that entrants can refuse in advance to be paired against inmates. No Board action was taken since this procedure can be implemented by the Office.

6. Invitational Event Requirements: The Board discussed recommendations it has received from many persons to change the residency requirements for USCF invitations. In the Board discussion, concern was expressed that the three-year requirement creates hardships for strong players who immigrate to the U.S. and are at the peak of their careers. Concern was also expressed, however, that persons qualifying as U.S. residents under USCF regulations should be *bona fide* residents who intend to settle in the U.S. It was pointed out that applying for a green card is more difficult now than it was previously due to 9-11, and an applicant may wait for months before even receiving a response to the initial application. The issue of matching USCF regulations to FIDE regulations was discussed. After the discussion was completed, the Board considered the following motion:

EB 03-14 (McCrary): The Executive Board authorizes the President to change the USCF Invitational Event Requirements to reflect the following changes: 1) If a person has at least a green card or equivalent status the requirement is reduced to one year. 2) For other applicants, two years is required. **PASSED 6-0, Denker absent.**

7. Election issues: This agenda item dealt with unfinished business from the 2002 Delegate election, as well as with issues regarding the 2003 Board election. The Board is authorized to break the remaining ties for states that have not performed this duty. It was noted that Hawaii, in which no ballots were cast, did not have a tie because a person with no votes is not elected. Hawaii can still appoint persons to its vacancies. Also discussed were details of Bylaws interpretation regarding the 2003 Board election, and the proper ballot instructions. The co-Chairs of the election procedures committee, Mike Nolan and Bill Goichberg, were invited to participate in this discussion. Bob Smith mentioned the names of Glenn Petersen and Ira Riddle as possible tellers. No Board member objected to either of these proposed names. The following motion was then considered:

EB 03-15 (McCrary) The remaining ties in the 2002 SOMOV election are resolved as recommended by the President and conveyed to the Executive Assistant. **PASSED 6-0, Denker absent.**

(Note: The recommended tie-break had been verbally reviewed with the Board prior to passage of this motion and had received no objections.)

8. U.S. Championship: President McCrary reviewed with the Board the recent conference call he had with representatives of the America's Foundation for Chess. An agreement was reached on that call to designate two qualifying spots to each of the five qualifying tournaments for 2003: the Foxwoods Open, Chicago Open, World Open, National Open, and U.S. Open. The first four will have only open spots, while the U.S. Open will have one open spot and one women's spot. It is anticipated that the next Championship will occur in the fall of 2004. For that reason, tournaments held in 2004 will also have qualifying spots. There will be a number of seeded players and a slightly increased number of positions reserved for women. The America's Foundation for Chess was commended for their outstanding contributions to the U.S. Championship and to chess in general.

9. Zonal Qualifiers: President McCrary noted that at the time of the U.S. Championship in January there was still uncertainty about the number of zonal qualifying spots the USA zone would have for the coming 128-player FIDE event that is part of the World Championship cycle. The uncertainty was compounded by the fact that some continents are apparently not allowing their zones to qualify directly, instead requiring that zonal winners qualify from an additional Continental tournament. Uncertainty remains still regarding the nature of the 128-player event, and where it will fit in a World Championship competition, as the full picture of World Championship reunification has not yet been finalized.

Subsequent to the U.S. Championship, the USCF received confirmation that our zone would have five qualifying spots directly to the 128-player event. In addition, three women's spots would be allocated to our zone. Our zone could also nominate representatives to the Continental Tournament in Argentina, where additional qualifiers for the 128-player event would be determined.

There is a seven-way tie for second place in the U.S. Championship. It would be very difficult to arrange a playoff among so many players for the four available spots. It is noted that three standard tie-break systems all yield the same four qualifiers. Therefore, the Board accepted without objection that these tie-break would be used to determine the four zonal spots. Since there was a three-way tie for the U.S. Women's Championship, no tie-break is needed for those positions.

10. Visit of top women players: Several of the strongest women players in the US were introduced to the Board. All of them are participants in the U.S. Women's Chess Olympiad Training Squad, managed by IM Paul Truong. The distinguished visitors included: GM Susan Polgar; IM Irina Krush; WIM Jennifer Shahade; WGM Anna Zatonskih; and WGM Rusudan Goletiani. Special Presentations were made to these outstanding players. Details of the training program were described for the Board by Paul Truong. Additional details are available on the USCF website. The Board then considered the following motion:

EB 03-16 (Board): The Executive Board commends the outstanding participants in the U.S. Women's Chess Olympiad Training Squad, and offers its full support to the Training Program. **PASSED 6-0 WITH APPLAUSE FOR THE PARTICIPANTS PRESENT**

11. Membership Growth: The Board then heard a presentation by Bill Goichberg, Chair of the Membership Growth Committee, about some ideas for encouraging organizers to participate in membership growth activities. Mr. Goichberg felt that regular communication with organizers was necessary. He was advised to create suggested notices for publication, to be considered by the Executive Director and the Committee liaison (McCrary) for implementation.

12. Adjournment: The meeting adjourned at approximately 4:00 pm EST on March 16.

Respectfully submitted: Bob Smith, Secretary