

Dear Chess Friends:

## **1998 US Delegates Meeting**

Congratulations to Larry Reifurth and Eric Schiller, the organizers of the 1998 US Open and Delegates Meeting; they did a terrific job. The tournament was expertly handled with ideal meeting facilities. The meeting facilities were ideal. Larry and Eric demonstrated the desirability to hold future US Opens and Delegates meetings in similar vacation environments.

## **Governance Changes**

Last year in Orlando, the USCF governance structure was overhauled. The new structure will be phased in starting in September of this year and will be concluded in the year 2000. These changes have been previously detailed in Chess Life and are available on USCF's web page ([www.uschess.org](http://www.uschess.org)). Therefore, I will not rehash them here. When we left the 1997 meetings in Orlando, considerable detailing of the new governance structure remained and a committee chaired by former PB Member-at-Large Woody Harris of Virginia was charged to do this. Treasurer Tom Dorsch was named the PB liaison to this committee.

Just before leaving for Hawaii, Harris' Committee's work became a hot potato. Some felt the governance rewrite went beyond what was approved at Orlando. The various factions arrived in Hawaii ready for war, a war that never took place. Compromise and cooperation by all, no doubt helped by beautiful scenery and the leisurely Hawaiian atmosphere, completely defused this potentially explosive issue. The Blue Ribbon governance implementation plans ended up being accepted at the Delegates meeting without objection.

Another important governance matter, OMOV (One Member One Vote), was on the advance agenda. New Hampshire delegate Hal Terrie placed it there. OMOV means direct election of the Policy Board by all adult members. When the Policy Board met on the Thursday before the Delegates Meeting, Vice President Bill Goichberg, Secretary Rachel Lieberman and I moved that the Policy Board endorse the Terrie motion and urge the delegates to vote for it. Member-at-Large Garrett Scott joined us and it passed 4 to 0 with Eade and Dorsch abstaining.

Unfortunately, at the delegates meeting as soon as the Terrie motion was made, a delegate moved to table it. I asked the maker of the tabling motion to reconsider since there had been no discussion, but others pointed out that a motion to table was not debatable and should proceed immediately to a vote without discussion. I therefore called for a roll call on the motion to table, giving everyone voting for or against it the

opportunity to have their names recorded with how they voted. The motion to table passed. This was unfortunate since Executive Director Mike Cavallo was at the microphone prepared to speak in favor of it. Additional speakers were prepared to speak to the motion. I believe Terrie's motion would have passed had a fair discussion taken place, and all present listened carefully to the speakers.

### **New USCF Delegate to FIDE**

As I enter the last year of my administration, I have set a personal goal to bring in new blood to leadership positions of US Chess. We are off to a good start. I am delighted to announce the appointment of Senior Master Bill Kelleher as USCF's new delegate to FIDE.

Bill Kelleher was born on September 30, 1949 and is a life-long chess enthusiast. He has been a member of the USCF since 1969, and for many years has been active in New England chess. He is a former champion of Massachusetts, a former games Editor of the award winning Chess Horizons magazine and a FIDE Master and USCF Life Master. Bill is employed by Middlesex Community College in Massachusetts. He has a BA in European History and is currently finishing up an MA in Russian History at Boston University. He is married to WIM Vesna Dimitrijevic and they make their home in Watertown, Ma. Bill's appointment has received enthusiastic endorsements from many of America's leading chess players.

A recent issue of Chess Horizons contained a lengthy interview with our new delegate. Here are some quotes from that interview,

Comparing American players to players trained in Eastern Europe, "American players are self-taught, and you can see the difference. We don't have as good a positional understanding as they do. They have a much more solid foundation."

On Karpov and Kasparov, "You can learn the most from Karpov's games. They always have themes . . . are very positional . . . in contrast, Kasparov gets an opening advantage; there's a hurricane of tactics; then he crushes his opponent . . ."

On FIDE's ownership of the copyright to games played in the World Championship Knockout tournament, "I think that's an outrageous idea."

About USCF's effectiveness in promoting chess, ". . . good at promoting youth chess . . . no effort to keep strong players playing or young players in chess."

On the World Championship, "Kasparov has hijacked the world championship; somehow FIDE has to get back in control -- it's not good for chess to have such disorganization."

On delay clocks, "I don't like them at all."

On computers playing in the world championship, "I think it would be a boon for chess. The only question is, would chess then be devalued?"

### **New Appointments to US Chess Trust**

The US Chess Trust is an arms length tax deductible foundation whose trustees once appointed are independent of the USCF and manage the affairs of the Trust. Harold Dondis (MA) is the current chairperson of the Trust and John McCrary (SC) is its President. Other trustees are GM Arnold Denker (FL), Steve Doyle (NJ), Pete Nixon (MI), Jim Oberweis (IL) and Sid Samole (FL). In Hawaii I proposed two new trustees, both of whom were unanimously accepted by the Policy Board, Tom Maser from Northern California and Harold Winston from Illinois.

Tom has recently helped our New Windsor office in some legal matters. Both Tim Redman and Mike Cavallo recommended Tom to me. I met with him and was so impressed that I told him on the spot that I would nominate him as a Trustee. He brings to the Trust New Blood, new ideas and fresh thinking. His considerable legal expertise and business experience will be very valuable additions to the Trust board. The following is some background on Tom,

Thomas F. Maser is a partner in the Palo Alto law firm of Tomlinson, Zisko, Morosoli, and Maser. He received his undergraduate and Doctor of Law degrees from the University of California at Berkeley. A leading authority on construction law, Tom is currently lead attorney developing new major league baseball parks in Seattle and San Francisco. Married, with a grown son and three grandchildren, Tom earned his first USCF Expert rating in the 1961 US Open in San Francisco. His most recent tournament was the 1998 US Open in Hawaii.

The second new Trustee, while far from New Blood brings a wealth of valuable experience and knowledge to the Trust Board. Former USCF President Harold Winston will serve the USCF in yet another way. Here is a short synopsis of Harold's background,

Harold J. Winston, 53 years old, served nine years on the USCF Policy Board and has chaired the Bylaws Committee since 1991. A founding member and past president of the Chess Journalists of America, Harold received the USCF Distinguished Service

Award in 1992. A practicing Illinois attorney Harold is currently a supervisor in the Cook County Public Defenders Office. His commitment to USCF is shown by his participation in 30 straight annual USCF Board of Directors meetings. Harold has a J. D., magna cum laude, from Loyola University of Chicago law school and a masters in history from the University of Chicago. He is married to Dr. Carol Weinberg and has two daughters, Elizabeth and Katherine.

## Olympiad

The 1998 Chess Olympiad is scheduled for Elista, the capital of Kalmykia, a semi-autonomous Republic of Russia. The Olympiad was made possible through the initiatives and financing of FIDE President Kirsan Ilyumzhinov who is also the President of the Kalmyk Republic. Ilyumzhinov is famous. He is an announced candidate to succeed Yeltsen as President of Russia. Recently, a journalist, known for her extensive criticism of Ilyumzhinov, was murdered in Kalmykia; and two former employees of Ilyumzhinov have been charged with that murder. Many in the world press have suggested the USCF and other national federations publicly condemn President Ilyumzhinov for possible involvement in the murders and for human rights violations in his home country. I was told that this issue would be raised at the Delegates Meeting in Hawaii. Before going to Hawaii, I called FIDE delegates from friendly countries to see what they were doing. I also called and discussed the concerns with the FIDE Secretariat, members of FIDE's Presidential Board and various journalists including Sarah Hurst, the leading critic of Presidential Ilyumzhinov. My take from these calls was that everyone was concerned but that no countries would stay away because of human rights violations. The feeling by most was that public opinion had not advanced beyond the point of concern and individual decisions, rather than chess federation decisions, should govern participation and cooperation.

I then called the State Department and they told me the following,

- 1) President Ilyumzhinov has a reputation of doing everything possible to satisfy the needs of foreign visitors to Kalmykia. They went on to add that living conditions in Kalmykia were difficult and anyone we send there should understand this.
- 2) They had no comment on the murders and we could send a team there if we wished.

I asked many of the players who would represent us in Kalmykia. They all intend to go to the Olympiad. When I arrived in Hawaii, I asked the delegates their opinions on what we should do. Virtually everyone I asked stated that they felt this was an individual decision and that the USCF should send and finance a US team. When the

matter came before the delegates, it was debated. My recollection is that only two delegates spoke in favor of the USCF boycotting the Olympiad. I respect both of them for stating so forcibly their minority viewpoint. Nevertheless, after listening to the arguments, a large majority voted that we send our team.

### **Olympiad Conditions**

I have repeatedly stated my concerns about the adequacy of conditions in Kalmykia. The country has never before brought in so many people (1400) in such a short time. They are building an Olympiad village that includes well over 100 cottages to house the visiting teams. They are constructing a new building to be the playing site. They are extending the airport runway needed to land the planned large charter flights of players and country representatives. They are instituting a new and technologically advanced recording and display system of the games. They are expanding water and sewerage connections, increasing electrical generating capacity and increasing the water supply in order to accommodate the Olympiad participants.

All this work is scheduled for completion only days before the Olympiad is set to begin. My concern is that corners may be cut and with so many variables, something will likely go wrong. I have advised the board and team members of my feelings. Whether long delays in leaving or other near intolerable conditions arise, everyone going should understand these potential problems. I have instructed staff to advise each person going what they may face and do all they can to keep up to date on the status of the various construction projects.

### **Other Delegate Matters**

Official and unofficial delegate reports appear on this USCF web site and at other Internet locations. I will not duplicate what is already in them. Not so widely reported were two motions which I made in Hawaii that passed unanimously.

The first one was that the LMA publish an annual report showing investment objectives, risks, investments owned, and investment performance.

The second one requires all requested reimbursements by volunteers to be displayed on the USCF web page.

### **Best Wishes to Nancy Edmondson**

The guest of honor in Hawaii was Nancy Edmondson, the wife of former Executive Director Ed Edmondson. Ed and Nancy were two of the finest people I have met in the chess community. It was a privilege to honor Nancy, who so graciously supported

Ed, and his commitment to promote chess. At the awards banquet, Executive Director Mike Cavallo recalled that when Ed discovered a mistake by his predecessor which resulted in Mike not receiving some prize money; he corrected the error and made the payment to Mike even though it was well over a year late. This made quite an impression on Mike.

In a book I'm writing about the last forty years in chess I state my opinion about Ed, specifically, "Ed Edmondson, as executive Director of the USCF, ended up having had more positive impact on US chess than perhaps anyone ever!"

Nancy became a charter member of the Honorary Society of Chess Mates which was established at the May PB meeting. The other charter members are Leah Koltanowski, Carrie Marshall, Nina Denker, and Ethel Collins. This year, at a meeting of past presidents, two additional members were inducted - Helen Kashdan and Norma Reshevsky.

Sincerely,  
Don Schultz

**Note:** Peter Sherwood is the author of the interview with Bill Kelleher, quoted above, which appeared in *Chess Horizons*.



## **PRESIDENT'S REPORT**

In last year's annual report, I had the pleasure of reporting to you a dramatic turn-a-round in USCF finances. This year's report continues to be positive. The turn-a-round continues. Figure 1 shows, in dramatic fashion, how well the USCF has done in turning the deficits into surpluses. The last five quarters show surpluses of \$547,000. The five quarters prior to that showed losses of \$347,000. This represents a net turn-a-round of \$900,000! Executive Director Mike Cavallo and the entire USCF staff deserve the lion's share of the credit for this wonderful achievement. I congratulate and thank them for a job well done.

### Life Membership Investments

The Life Membership Asset Fund (LMA) is an investment fund in which income from new life and sustaining members is deposited. Operating costs, to support life and sustaining members, are withdrawn annually. The total value of the LMA fund is approximately 1.9 million dollars. The USCF building in New Windsor is owned by the LMA and is valued at about \$450,000. The remaining assets of the LMA are invested in a variety of equities and treasury notes. A committee called the LMA Management Committee manages the Fund. Delegates at the USCF Annual Delegates Meeting elect the members of this committee.

In order to assure annual reporting of the performance of the LMA investment fund, I have submitted a Delegates Motion requiring that the LMA Management Committee publish an official report each year, either as a separate document, or as part of the USCF Annual Report. The report should include a listing of the investments owned, their valuations, the performance of the investments over the past year, and statements of investment objectives, investment strategies and investment risks

### Governance

Major changes have recently been made to the USCF governance structure. Starting in 2000, 125 delegates and 375 alternate delegates will be apportioned among the states and elected by all adult members, 18 and over, who receive Chess Life. These delegates and alternates will serve two-year terms and, along with the delegates-at-large, life voting members and the PB, serve as the electorate for the USCF Policy Board. The Regional Vice-President structure will be eliminated, although RVPs already elected will serve out the remainder of their terms.

The second part of the structural change deals with the Policy Board. Beginning in 1999, seven PB members will be elected at-large, in staggered four-year terms. The Policy Board members will select officers from among their membership. A Chief Financial Officer hired by the Executive Director and approved by the PB will perform the duties of the Treasurer. Staff will handle many of the operational tasks of the Secretary. Officers will be selected on a two-year basis each time the composition of the board changes. While each of us may not agree with every aspect of the changes, we all should thank the entire Blue-Ribbon Committee for bringing about necessary changes to our structure.

However, I am concerned about the transition election of 1999. In this unique one-time election, all seven PB candidates will be elected at once. Seven at once dangerously increases the likelihood of political bloc voting resulting in minority candidates who are unqualified. This also increases the possibility that we will elect Policy Board members who are unable to work together. To correct this, I am asking that the delegates to the 1998 Annual Meeting consider a modification for the 1999 transition year only, and require elected PB members to receive votes from a majority of those voting. Elections after 1999 would then take place exactly as established by the Blue-Ribbon Committee.

### McCrary Report Update

Shortly after becoming President, I recommended to the Policy Board that Dr. John McCrary, a practicing psychologist, interview every member of staff in order to assess morale, solicit suggestions, and obtain other feedback. Because of John's interviews and report many changes were subsequently instituted at New Windsor. This year, I again recommended to the Board another series of interviews.

John completed the 1998 interviews this past April. When I spoke to him immediately after the interviews, he told me that, while he expected significant improvements, the favorable turn around exceeded his hopes and expectations. Office morale and the satisfaction with our Executive Director by staff are very high. Congratulations again go to Mike Cavallo!

### International

The big news is that the 1998 World Championship tournament will be in Las Vegas this December. It will have the same format as the 1997 World Championship. The new president of FIDE, Kirsan Ilyumzhinov, announced this at FIDE's Executive Council meeting in Bled, Slovenia. USCF delegate to FIDE Steve Doyle, Mike Cavallo and I were there and pledged the cooperation of the USCF.

Ilyumzhinov has enormous wealth and is a rising political figure, in Russia, who may be a candidate to succeed Yeltsin. When I first heard rumors of Las Vegas as a site for a 1998 championship, I didn't think it possible. There was no championship planned for 1998. It was on a two year cycle. Getting hotel and playing space, on such short notice, in Las Vegas is virtually impossible. But, in short order, FIDE authorized a 1998 championship, Ilyumzhinov guaranteed the funding, a famous Hollywood star of one of the most highly rated TV series turned out to be a friend of Ilyumzhinov's and is solving the space and hotel problems. A world championship in Las Vegas will generate tremendous publicity for chess, allow additional U.S. players to compete and open the door to new business contacts and potential sponsors.

### College Chess

USCF scholastic membership has grown dramatically over the years. However, upon graduation from high school, too many scholastic members fail to stay with the USCF. One reason for this is that the USCF has not done enough to promote chess programs at the college level. Last August,



the Policy Board took a first step to do something about this. We named Professor Tim Redman, of the University of Texas at Dallas, as the National Coordinator for College Chess.

Tim along with other chess oriented college faculty members, such as Howard Prince of the Borough of Manhattan Community College (BMCC), Alan Sherman of the University of Maryland Baltimore County, and Kenneth Sloan of the University of Alabama at Birmingham, have already begun to improve the chess environment at our universities. Several colleges and universities now give chess-related scholarships (Shimer College, BMCC, the University of Texas at Dallas (UTD)), while Maryland and Texas have started offering scholarships as prizes in chess tournaments.

Tim gave his first report to the Board at its November meeting. He recommended that an Internet college chess league be formed, that a membership and affiliate discount be given to college teams, and that Chess Life run a regular column devoted to college chess. The Policy Board endorsed all of these recommendations.

In January, concurrent with the Policy Board meeting in Dallas, the University of Texas at Dallas (UTD) sponsored a planning meeting for a chess and education conference which will be held in Dallas in the autumn of 2000. As a result of Tim's initiatives, the New York Chess-in-the-Schools Foundation and UTD have each pledged \$10,000 to help support what will be called the Koltanowski Conference on Chess and Education.

#### U.S. Invitational Championship

GM Joel Benjamin won the 1997 Interplay U.S. Individual Championship using the new format, which combines qualifying round robin tournaments with semi-final and final matches. Joel scored 3-0-4 in the round robin preliminary, 2-0-1 in his semi-final match against GM Gregory Kaidanov, and 2-1-3 against GM Larry Christiansen for an overall record of 7-1-8. He earned \$10,000 and the Championship ring, designed by Heraldica Imports.

While Joel was winning the U.S. Invitational, WGM Esther Epstein won the U.S. Women's Championship. The women's tournament was played alongside the Invitational. Coupling these events makes it more enjoyable and more attractive. This year, the U.S. Senior Champion will join with these two events; all three will be held together in Denver in October. The senior players want the chance to both watch the games and meet the professionals. Furthermore, they bring in 60 or more players which translates into 300 to 500 hotel nights, thus giving the organizers a chance to strike a better deal with the hotel for all three events.

#### The World Champions

For the first time, a World Champion played in a U.S. Amateur Team Championship. World Champion Anatoly Karpov joined New York's GM Ron Henley and NM Irina Krush on the "World Wide Web Superstore" team at the Amateur Team East in Parsippany, New Jersey. Eleven-year old Albert Pinnella of Florida joined the team by winning an essay contest. After the tournament Albert said, "Wow ... the most fun days of my life!" In an interview with Karpov by

Jerry Bibuld, one of Karpov's amateur opponents typified the feelings of the other Karpov opponents when he said, "This is a great memory. I'll have it for the rest of my life."

Karpov followed with a visit to the National Open in Las Vegas where he gave a simultaneous exhibition. In both Parsippany and Las Vegas, Karpov mingled with the players and greatly enhanced his image.

Not to be outdone, PCA World Champion GM Garry Kasparov flew to Peoria, AZ, where he gave a 15-board simultaneous exhibition and attended a scholastic tournament at which college scholarships were awarded to young players. Kasparov spoke about the history of the world championship and advanced arguments why his version of the championship represents the true championship. The champion was very persuasive.

### Scholastic Chess

Junior chess continues to flourish. Our junior memberships, youth and scholastic, continue to increase. These young players will be our champions and corporate sponsors of the future. Our decision to create the position of a full Scholastic Director has worked out very well. I want to take this opportunity to thank Beatriz Marinello. She developed this position from an idea to a highly productive, well respected USCF service.

I wish to give special thanks to Steve Doyle for his work at the Scholastic K-12 in New Jersey, Carol Spengel and Mike Leali for the efforts in organizing the National Elementary in Illinois, Robert Tanner for Junior High in Arizona and Steve Immit for the High School in California. Over 5,000 children played in these tournaments. I extend my thanks to all the others of you who have helped with these tournaments and our other scholastic tournaments and activities. Your contributions have made scholastic chess become USCF's shining star.

### Fred Cramer Awards

The 'Fred Cramer Awards', for journalistic excellence, were made possible through a bequest of former USCF president Fred Cramer. Together with Chess-in-the-Schools, the USCF administers this program.

This year, the number of awards has been increased from six to twelve and includes, for the first time, awards for books and Internet web-sites. The awards are for: Chess Journalist of the Year, Best Overall Magazine, Best State Publication, Best Presentation, Best Chess Book, Best Internet Website, Best Regular Newspaper Column, Best Human Interest Story, Best Tournament Report, Best Analysis, Best Editorial and Best Photo.

### New Americans

Over the last decade, we have seen an influx of many professional chessplayers from former Eastern European Communist Bloc countries. These new Americans have contributed enormously to our chess culture and deserve special recognition. GM Gabriel Schwartzman is an outstanding example. He moved to Florida from Romania three years ago. His chess

contributions as a player, a teacher, and a journalist are innumerable. While doing this, he attended the University of Florida's Business School, finished first in his class, received all A's and finished the four-year curriculum in two and a half years!

There are many other examples: 1996 U.S. Champion Alex Yermolinsky, from Russia and now living in Ohio, wore the U.S. Champion's crown with distinction serving as an articulate spokesperson and conscientious contributor. GM Gregory Kaidanov has taken up residence in Kentucky, has established himself as an outstanding teacher and has started a summer camp of chess instruction. Tennessee recruited ♠migr♠, GM Sam Palatnik has moved into Nashville's new chess center working as resident grandmaster. Gabriel, Alex, Gregory, and Sam are just a few of our new Americans who are helping to enrich chess in the U.S.A.

### Volunteer of the Month

Last year, the Policy Board instituted a Volunteer of the Month program as a way to help recognize the contributions of our chess volunteers. Stories and pictures of the volunteers appear each month in Chess Life. Those who were honored this past year are:

Ed Fogel, a New York attorney, who every Thursday spends a full day to help children as part of New York's Chess-in-the-Schools program;

John McCrary, a South Carolina psychologist, who for the past two years traveled to the USCF New Windsor offices conducting confidential staff interviews to assess staff morale and obtain ideas for improving our employee programs;

Florida's George Pyne who has increased his county's participation in classroom and after school chess activities from a handful of students to involving more than 1500 children;

De and Dave Knudson who founded Sioux Empire Chess Foundation for purposes of promoting youth chess programs;

Jerry Bibuld who has spent a lifetime supporting those in chess who are racially discriminated against;

Dr. Ken Sloan who created the Alabama Chess Federation website and maintains a scholastic rating list that has become the single most active chess mailing list;

Kevin Cripe who invests substantial time and money in the sponsoring of a chess team of students, mostly Hispanics of modest means;

John Jacobs who as Coordinator of Chess-in-the-Schools Dallas has brought chess to over 3,000 Dallas inner-city children in 14 elementary schools;

Helen Warren who has a history of promoting chess for the young through her ICA-Warren Junior Program and for the chess masters through her promotion of the U.S. Masters Chess Tournament;

Erv Sedlock an Illinois chess organizer who nurtured the Illinois Grade School from 80 entries in 1984 to over 700 today.

#### Honorary Society of Chess Mates

Together, with past USCF president Denis Barry, I proposed to the PB a new recognition program, The Honorary Society of Chess Mates, to honor and show appreciation to those who through understanding and tolerance have made it possible for so many to contribute so much to chess. Each year, at the annual convention of delegates, a committee of past USCF presidents will nominate and induct new members. The motion passed unanimously. Leah Koltanowski, Nancy Edmondson, Carrie Marshall, Nina Denker and Ethel Collins have been designated charter members.

#### Last But Far From Least

On behalf of the USCF, I proudly applaud America's newest chess stars: Congratulations to Tal Shaked on becoming the World Junior Champion and congratulations to Hikaru Nakamura on becoming the youngest U.S. chess master ever. I have no doubt both Tal and Hikaru will be representing the U.S. in international competitions for many years to come.

President,

U.S. Chess Federation

## EXECUTIVE DIRECTOR'S REPORT

This was a year of great change at the USCF.

### MEMBERSHIP

In April, membership hit 86,594 – the highest level in the history of the USCF! This indicates that we are providing tournaments, magazines, and other services that are appealing to chess players. We are also placing a major focus on improving customer service. We are seeing some results of this effort, but it is a long-term program rather than a quick-fix approach and so it will take a while to see the full effect. The next step will be the installation of new software and hardware for the membership, sales, and accounting areas. This will improve customer service a great deal, but will likely require many adjustments by us during the installation period.

### MAGAZINES

We expanded School Mates, our magazine for scholastic members, to 28 pages, a large increase. I believe that the quality of the magazine has also substantially improved under the direction of Scholastic Director Beatriz Marinello. The upper age limit for scholastic members was reduced from 19 to 14 years old in order to contract the age range of School Mates readership to the 6-14 year old group. While this age range is still broad, it is far easier to write for than the previous 6-19 age range.

Chess Life has seen fewer changes, but it has been adding a bit more color and its tournament reports have been appearing closer in time to the events in question. The hard-working staff at Chess Life also have much better tools to work with following a \$90,000 upgrade of their hardware and software. No more will they have to struggle with constant crashes due to insufficient server memory.

### WEBSITE

Change at the USCF website ([www.uschess.org](http://www.uschess.org)) has been breath-taking. Terrific ratings pages are available online, first provided with the assistance of Websong Publishing and now by Al Losoff. This has made life much easier for tournament directors as well as providing rating histories and unofficial weekly ratings updates for players. Web news reports have proved popular and the U.S. Championship simulcast with commentary by GM Michael Rohde proved a big draw. This year we also placed our catalog on our website, encouraging online ordering. Online ordering is increasingly popular and I believe it will be a major factor in our book and equipment sales in the coming years. The Internet Chess Club (ICC) is now hosting our site and is doing a fine job. Jade River Design continues to be our mainstay for news content and design and veteran USCF staffer Joan DuBois provides invaluable service in riding herd on the whole process.

### INTERNATIONAL

Our over-achieving U.S. team did it again! Though rated fifth going in, the team of Yermolinsky, Benjamin, Gulko, deFirmian, Kaidanov, and Christiansen finished second in the World Team Championship, only point behind the Russians who needed 4-0 last round victory to pass us. We sent a full team to the Pan American Youth Team tournament for the first time and 5 of 8 of our young stars came away with the gold. We also had two silver medalists and one player tied for third. Congratulations to Alejandro Ramirez, Annie Weiss, Vinay Bhat, Cindy Tsai, Irina Krush, Eugene Perelshteyn, Elina Groberman, and Asuka Nakamura.

### SPECIAL EVENTS

This year we decided to share the benefits of the CHESSathon with other parts of the country, moving it from its initial home in New York City. This way, kids in various locations can enjoy the prizes, free chess sets, and contact with top players that they get from the event, rather than serving the same kids in New York every year. Best of all,

a variety of kids, many from under-privileged backgrounds, get exposed to the CHESSathon's message about avoiding negative activities like taking drugs by engaging in positive activities like playing chess.

Newark, New Jersey, was the site of the 1998 CHESSathon (after our original site of San Francisco, California, fell through) and our thanks for a great job go to organizers Denis Barry and the Just One Neighborhood Program of Newark. Vital support was provided by the U.S. Chess Trust, the New Jersey State Chess Federation (thanks to President Herman Drenth), and a host of USCF staffers (led by Helen Kyles and Glenn Petersen) who gave up their Saturday to help the kids.

In 1999 the CHESSathon will probably move farther afield

— to San Antonio, Texas!

## PUBLICITY

If we want to increase the popularity of chess (and also attract more sponsorship) we need to revamp our approach to press releases and other forms of publicity. Our first attempt to do this was extremely successful. Hikaru Nakamura's achieving the Master rating at the younger age ever for a U.S. player (10 years, 79 days), seemed to me a story that had the potential to excite interest in the mainstream national media. We worked with Hikaru's family to place him on national television including: Good Morning America (ABC), Live with Regis and Kathie Lee (syndicated), Up to the Minute (CBS), and FOX Network News. We also garnered great print media exposure including: The New York Times, New York Daily News, New York Post, Associated Press (picked up by papers across the country), Gannett (a big chain), People Magazine, and other periodicals too numerous to mention. Further extensive coverage occurred on local television, radio (primarily local but also including the BBC which broadcasts internationally), and soon in books, such as the Guinness Book of Records and the World Kids Almanac 1999.

This publicity represented a lot of free advertising for chess. Thanks to Executive Assistant Barbara DeMaro for winning over the media with her energy and charm. Congratulations to Hikaru Nakamura for his impressive achievement!

## OUTREACH

One major focus of our outreach effort, so far, is to form strategic partnerships with respected national organizations. One recent major success in this area is the decision of the National Association of Retired School Teachers to list USCF programs in their resource book as a volunteer opportunity for their 700,000 members in 2,600 chapters. We are one of only about ten organizations picked by them as a national partner to be included in this resource book.

Another success is the decision by the National Association of Secondary School Principals to include the USCF on their list of approved organizations. They had rejected applications by the USCF in previous years. Having the principals behind us will be a big help for local scholastic chess organizing.

We are continuing our work with the Center of Disease Control (CDC) on bringing chess to school districts across the country as an alternative activity for teenagers with the idea of reducing the incidence of teen pregnancy. The partnership with the CDC and most of our other outreach efforts are a direct result of spadework done by Policy Board member Rachel Lieberman.

## BOOK AND EQUIPMENT BUSINESS

Sales are up, and so are profits. It is much easier to get through to the USCF because of the new phone system and the hiring of additional sales representatives. The profits from the mail-order business help support many chess activities including the U.S. Championship and the Olympiad team. Members were pleased that the discount on

books more than doubled, from 4% to 10%. I am still frustrated that we have too many products on back-order. However, we're making a major effort to fix this problem and the results should be apparent very soon.

## FINANCES

What a difference a year makes! When I became the Executive Director of the USCF, I found an organization that was losing money rapidly (loss of \$266,000 for the first half of the fiscal year) and was financing it with dangerous short-term debt (\$450,000).

Less obvious, but no less real than the financial debt, was an infrastructure deficit from years of neglect of the basic needs of the organization. The leaky roof, the inadequate server at Chess Life that resulted in wasteful crashes, the phone system that couldn't release people on hold in the order that their calls were received, the membership and sales computer program that is many generations behind current systems: all needed to be fixed simultaneously. Doing that many disruptive tasks at the same time is not only a tricky operational problem, but it is also a financial drain that occurs at the same time as the debt repayment.

The third financial problem is that, when I arrived, the USCF was coping with its deficit through the attrition of its work force, which had shrunk by almost 20%. Unfortunately, this was causing customer service problems that we are only now working our way out of. So, while paying off the debt and fixing the infrastructure we have also had the expense of hiring back to a staffing level capable of providing good customer service.

By cutting unnecessary costs and by improving the book and equipment business, this financial disaster has been vanquished. Even with hiring to fill the empty customer service slots, replacing the phone system (\$60,000) and modernizing Chess Life and publications (\$90,000), we have made enough money to pay down \$275,000 of the debt, leaving \$175,000 to go.

## THE FUTURE

We accomplished many of our long-range goals in just one year, but much remains to be done. During fiscal 98-99 I hope to pay off the remainder of the short-term debt while also replacing the inadequate membership, sales, and accounting systems. The 1998 U.S. Championship prize fund will be upgraded to \$100,000. In subsequent years, given the increased financial health of the organization, greater resources will be available to further promote chess. The USCF will publicize the overall educational benefits of chess instruction and cooperate with school districts across the nation to encourage them to bring chess to the children of the United States.

Michael Cavallo

U. S. Chess Federation

Executive Director

## TREASURER'S REPORT

The first year of the Schultz Board was a tough one, by any standard. The Executive Director who guided us for eight years resigned after the election, followed by departures of other top staff. Excessively optimistic budget assumptions and separation payments to top officials left us with the second-largest deficit in USCF history. In the midst of this turmoil, we succeeded in finding impressive new leadership in Executive Director Mike Cavallo, and his spirited recovery efforts minimized losses that threatened to spin out of control.

This year, 1997-8, showed significant improvement in almost every category — including dramatic reductions in such areas as PB spending — and long overdue improvements to infrastructure with a new phone system and memory upgrades for Chess Life. Long-term debt has been significantly reduced. Professional fees retreated from all-time highs to normal levels. Cavallo's management efficiencies and aggressive cost containment have restored our confidence in our current well-being. Adoption of a new governance system, in Orlando, in 1997, promises a revival in our political processes on the effective date of September 10, 1998.

Our most ambitious, expensive, and challenging infrastructure modernization project ever, installation of a completely new integrated computer system for the business office, is nearing critical mass. When completed, every USCF member will benefit from improvements in speed and efficiency of service.

With our financial house in order, with our 21st century governance structure in place, with an exceptional professional manager in control of the office, and with historic improvements in customer service pending, it may seem that everything can be put on auto-pilot. Unfortunately, complacency could undo all of our gains.

Significant solutions to short-term problems afford us the opportunity to seek durable solutions to long-term problems. And it is only when we succeed in addressing those intractable problems that bridge administrations can we truly hope to achieve the lofty goals of our mission statement.

First among the long-term problems is flat or declining regular membership. Regular members are the bedrock of the federation's profitability; without progress in this crucial category, we cannot confidently budget for revenue gains in any category.

We need to solve the scholastic riddle once and for all. Do we lose money on every kid that joins, or is scholastics our key to future growth? A new study by the Finance and Scholastic committees has been commissioned to once and for all answer this key planning question.

We have to find long-term leadership. Cavallo is brilliant, but he still maintains his home in Boston. He has made it clear that he does not intend to continue indefinitely as our Executive Director, and nobody in the office is qualified to take over if/when he leaves. Cavallo has committed to stay until he has found and trained his successor, but there is no date certain. He has a very good relationship with Schultz; will he be as comfortable with Schultz's successor?



We also have to come to grips with the brave new world of the information superhighway, the Internet. Is it the future of chess, or is it the CB craze of the '90s? Will growth in on-line play translate to growth in over-the-board play, or will the present pool of players be divided between the old and the new media? Does the USCF have a role as a player in this technological revolution, or will we just be kibitzers?

The USCF has adopted a historic new governance system, after years of study and consideration. The challenge to our leadership is to see that these changes are implemented, and the benefits distributed, to all of our members.

These issues are very difficult ones, but Cavallo's leadership has given us the luxury, and the opportunity, to address long-term problems. It is an opportunity that we must not squander; we cannot know when or if this opportunity will again present itself, and a failure to act will almost certainly lead to decline.

Much has been accomplished, but our chess federation remains a work in progress. Only through modernization and growth can we maintain viability in a world that is changing more rapidly than ever before; we will not be the dominant chess organization of the 21st century by default. Our dominant place in American chess can only be assured if we adapt to our market and take the bold steps that lead to progress. Only then will we fulfill our mission statement to make chess a "significant element of culture in America."

Thomas Dorsch

U.S. Chess Federation Treasurer

## **Finance Committee Report**

submitted by James F. Pechac, Chair

### Financial Performance

First, I would like to commend Mike Cavallo and the Business Office on a profound performance in addressing the budget deficit. As of this writing, the USCF is well on the way in achieving its financial objectives, with a \$230,000 profit compared to last year's 11-month loss in excess of \$100,000. The turnaround was achieved not only by LMA gains in the favorable U.S. stock market, but also by Mike's willingness and ability to hold the line on spending relative to inelastic regular membership enrollments and flat merchandising revenues. Congratulations!

### Committee Membership

For the second straight year the Finance Committee (FC) has lost a senior staff member in Norm Peacor, who elected earlier this year to step down from the committee, due primarily to health reasons. Norm's dedicated contribution to the finance function of USCF chess over all these years is notable, and the committee is challenged to guide the Federation without his assistance. Hopefully, Norm can provide assistance in an advisory capacity from time to time.

For 1998-99 there are positions on the committee which are available to competent individuals in the financial community. If you are a professional in auditing, accounting, information systems, or finance and would like to assist the USCF in an advisory or technical capacity, please send your background and qualifications to [Jpechac@aol.com](mailto:Jpechac@aol.com).

### Review of K12 National Scholastic

The 1997 National Scholastic K-12 Grade Championships, hosted jointly by the USCF and the New Jersey State Chess Federation (NJSCF), was held in November 1997. This major scholastic event was unique in that, under agreement with USCF, the organizer directly managed the USCF Book & Equipment concession, a responsibility normally assigned to the USCF staff. At the conclusion of the event the concession revenues were summarized and mailed to USCF headquarters via an overnight air express package. One week later, the NJSCF representative advised the USCF that the express package was not logged in by the carrier and could not be located. In excess of \$25 thousand in cash and cash items (including approximately 200 credit card charge slips totaling \$17 thousand) were in the package.

Unfortunately, the organizer did not maintain backup records for the credit card transactions. As a result, the USCF and the organizer suffered a combined loss in excess of \$15 thousand. The Policy Board subsequently requested that the Finance Committee document and investigate the loss and report on improvements to operating and accounting controls.

I performed this review along with the assistance of FC member Mike Carr, a long time chess organizer from California and a seasoned financial professional. Our report, presented to the Policy Board at the May meeting, concluded that the NJSCF representative should not be held

personally liable for the loss, and that the USCF should establish formal policies and reporting procedures to control assets stored or collected at tournament sites. The report contains a series of recommended control improvements intended to address the inherent risks in this area of the business. The text of the full report may be obtained by accessing the FC report on the USCF Website. As several of the recommended control improvements relate to responsibilities of USCF affiliates, the FC has suggested that this subject be covered in a special workshop at the U.S. Open.

## Systems Development

For the past year, representatives of the USCF Business Office (Mike Cavallo, Lillian Arnold, and Sonia Lynch) have conducted a software search to determine the package that is most suitable for USCF's financial and operating needs. FC member Pete Dyson, a systems professional residing in Florida, has contributed time to assist the Office in this area. Pete's primary contribution has been to provide consultation advice on various facets of the systems development project, including a technical evaluation of the primary software contenders and the preliminary proposal as to systems architecture. At the time of this writing the search is still ongoing. A copy of Lillian Arnold's progress report, along with Pete's technical memo, is included in the FC report on the Website. In summary, Pete's memo evaluated the USCF system's development approach as reasonable and contained three recommendations:

- 1) Now would be a reasonable time to invite vendors in for on-site demos, with the plan of following up with a formal RFP to the small set of best prospects.
- 2) The risks associated with the add-on functionality for "association management" are high, since the USCF's core business processes will be closely intertwined with this part of the software. The risks may be even higher if this drives the selection of the accounting software — the USCF should get input from their outside accountants as an unbiased source that should be familiar with the reputation of these packages from an accounting standpoint.
- 3) The USCF has not obtained enough pricing detail at this point to draw any conclusions. Lil's summary spreadsheet basically aggregated all the costs together. The USCF should break the cost figures down to get a better picture of initial investment and on-going support costs.

USCF management is pressing vigorously to resolve the vendor selection process and acquire and install the software. The FC will continue to monitor this activity, and will present a more comprehensive report at the annual meeting.

## Budget and Finances

Each member of the FC receives financial data monthly from New Windsor. FC members Leroy Dubeck, Jim Pechac, and Myron Lieberman attended the May Policy Board meeting, which included Mike Cavallo's detailed budget presentation. The FC has prepared trend analysis to monitor P&L and balance sheet reporting points, including comparative analysis of sales and margins, and has reported same to the Treasurer and the Executive Director. In addition, Leroy

Dubeck prepared a key salary schedule and discussed the financial implications of it at the Budget Meeting.

### Appraisal of USCF Land and Building

In previous years, the USCF valued the New Windsor land and building on its financial statements at market value based on formal appraisals, conducted every three years. This asset valuation policy was changed by the delegates in 1996, and all fixed assets are now valued at historical cost, net of depreciation. As real estate is a component of LMA investments, it will still be necessary to obtain a property appraisal, which was last done in 1995. Operations are currently pricing this service, which will be conducted over the summer. The FC will assist in review and assessment of the results prior to submission to the LMA Management Committee.

### Policy Issues

An important decision concerning the cost/benefit of hiring a full-time professional to monitor Federation financial affairs will soon be decided by the delegates. Steve Doyle, former USCF President and long-time FC member, emphasized how important it was to have a full time Chief Financial Officer (CFO) in his January 1, 1997, memo to the Policy Board (Binfo 97-11). This emphasis was carried forward by Steve in the initial proposal by the Blue Ribbon Panel, which required that the Policy Board appoint a Chief Financial Officer. (1997 Annual Report, p.33 - BRC draft - Article VII, section 1). The delegate-amended BRC version (Article VIII, section 1) was revised to state that "the Policy Board shall (also) give approval to the hiring of a Chief Financial Officer by the Executive Director."

The result is that the decision whether or not to hire a full-time CFO is now judgmental. In this context it is important to note that the affairs of the Federation and the accompanying Chess Trust continue to become increasingly complex. The lack of a full-time CFO places responsibility for financial affairs on both the Executive Director and the Policy Board. Should the delegates collectively conclude to make this post discretionary, it is important that they understand this responsibility.

Selected Finance Committee reports will be included in the delegate handout packet. If you would like a more comprehensive abstract of Finance Committee correspondence, please send your request to [REDACTED], or download the committee report file from the USCF Website.

# Finance Committee Report

submitted by James F. Pechac, Chair

Selected Finance Committee reports will be included in the delegate handout packet. If you would like a more comprehensive abstract of Finance Committee correspondence, please send your request to [REDACTED], or download the zipped version of the Word 2.0 committee report file from the USCF Website.

## USCF FINANCE COMMITTEE 1997-98 PROJECTS

### INDEX:

#### GENERAL

1998 Finance Committee Report	06/09/98	Jim Pechac
Extract from Annual Report - Finance Committee	06/09/98	Jim Pechac
USCF Treasurer Role	01/01/97	Steve Doyle
Extract From Initial Draft of BRC Bylaws	04/27/97	Denis Bary
Extract From Binfo 98-67 BRC Revision	03/19/98	Tom Dorsch

#### REPORT & SELECTED K12 DOCUMENTATION

K12 National Scholastic-Final Report	05/18/98	Pechac/Carr
Request Letter to USCF from Finance Committee	01/08/98	Pechac/Carr
USCF Response	01/12/98	E. Johnson
List of Attachments to USCF Response	01/12/98	E. Johnson
Letter of Understanding on the Consignment for the 1997 National Scholastic K-12 Grade Championship	12/07/97	M. Cavallo

Letter of Understanding Concerning  
the Disposition of the Missing Tournament  
Assets from the 1997 National Scholastic  
K-12 Grade Championships

12/07/97 M. Cavallo

Letter of Understanding Concerning  
Future Concessions

12/07/97 M. Cavallo

**SYSTEMS DEVELOPMENT**

USCF Business Office Software Status 5/8/98 5/10/98 Lil Arnold-USCF  
Comments re: USCF Bus. Office Software Search 5/27/98 Peter Dyson-FC  
Comments re: USCF Bus. Office Software Search 5/29/98 Mike Carr

**FINANCIAL ANALYSIS**

Copies of Selected Financial Schedules  
Released to Committee

07/01/98 J. Pechac

# **ADVANCE AGENDA FOR THE 1998 USCF MEMBERSHIP MEETING**

**AUGUST 7, 1998, KONA, HAWAII**

I. Welcome by USCF President Donald Schultz

II. Introduction of USCF Policy Board

Members and Staff

III. Old Business

IV. New Business

ADVANCE AGENDA FOR THE 1998 USCF BOARD OF DELEGATES MEETING

KONA, HAWAII, AUGUST 8 AND 9, 1998

I. CALL TO ORDER BY USCF PRESIDENT DONALD SCHULTZ

II. ROLL CALL OF DELEGATES.

ADM 98-01 (Harold Winston, IL): The Delegates re-elect as Delegates-At-Large those whose terms are expiring or have expired and who are present at this meeting (names to be filled in).

III. APPROVAL OF THE MINUTES OF THE 1997 DELEGATES' MEETING.

ADM 98-02 (Rachel Lieberman, AZ): Moved, that the minutes of the 1997 Delegates' Meeting be accepted.

IV. CERTIFICATION OF ELECTION RESULTS - Note: No election was held in 1998.

V. REPORTS OF USCF OFFICERS AND STAFF.

A. Report of the President

B. Report of the Executive Director

C. Report of the Treasurer

The following motions are submitted as part of the Treasurer's report:

- ADM 98-03 (Board): The 1998 - 99 budget as presented by the Treasurer is adopted.
- ADM 98-04 (Board): The employment of the accounting firm of Stanley Marks and Company is ratified.

D. Report of the Editor of Chess Life

E. Report of the President of the US Chess Trust

VI. REPORTS OF THE FIDE DELEGATE AND ZONAL PRESIDENT.

VII. COMMITTEE REPORTS DELEGATE COMMITTEES - Note: Delegate Committees are appointed by the Delegates LMA MANAGEMENT COMMITTEE - Report, related motions, and nomination and election of 1999 LMA Management Committee members:

OTHER COMMITTEES - Note: These Committees are appointed by the Policy Board and report to both the Delegates and the Policy Board.

VIII. MOTION TO RATIFY.

ADM 98-05 (Harold Winston, IL): The Delegates ratify all actions of the Policy Board appearing in the published minutes of the Policy Board meetings between the 1997 and 1998 Delegates meetings.

IX. OLD BUSINESS Any motions or reports arising out of past Delegate motions and any routine recurring motions should be considered here.

ADM 98-06 (Harold Winston, IL): Pursuant to Article III, Section 9 of the USCF Bylaws, the Delegates have reviewed the promotional memberships offered by the Policy Board in 1996 - 97 and authorize their continuation.

ADM 98-07 (Harold Winston, IL, and Bylaws Committee) - DISTRICTING - Referred to committee by DM 97-74.

Amend the new Bylaws section on election of Delegates and Alternate Delegates to add:

Upon resolution of the Board of Directors of a State Chapter, communicated in writing to the USCF Secretary prior to April 1 of an election year, a state may be divided into two voting districts for the purpose of insuring geographic representation. The resolution must specify how the division is to be made and how many Delegates and Alternate Delegates will be allocated to each district. The allocation shall be roughly proportional to the USCF membership in each district. Only voters in a district can vote for the Delegates and Alternate Delegates from that district.

X. NEW BUSINESS

The following motions deal with Election and Governance issues:



ADM 98-08 (Don Schultz, FL): For the 1999 USCF elections only, only those receiving votes from a majority of those who voted will be elected to the Policy Board. An exception to this is that at least four Policy Board members are to be elected whether or not they receive a majority.

ADM 98-09 (Henry Terrie, NH) The Delegates formally adopt a One Member One Vote election system for the Policy Board, to take effect for all elections in 2000 and afterward. The Bylaws Committee is instructed to prepare specific language for Bylaws amendments, which the Policy Board is hereby authorized to implement.

ADM 98-10 (Jim Eade, CA/N) - Any individual earning a substantial part of his or her income from chess related sources is prohibited from serving as President of the USCF.

ADM 98-11 (Jim Eade, CA/N) - The USCF President is prohibited from making any representation on behalf of the USCF between Policy Board meetings unless he or she has made a prior good faith effort to contact and solicit appropriate input from each Policy Board member. This policy shall be waived in emergency situations, where time sensitivity prevents such contacts.

The following motions deal with committees:

ADM 98-12 (Myron Lieberman, AZ) Accessibility by e-mail is to be considered a requirement for any USCF committee chair. The e-mail addresses for all committee chairs are to be published in Chess Life. If space is limited the street address can be omitted as long as the e-mail address is published.

Note: Current practice is for the street address to be published and there is no e-mail requirement.

ADM 98-13 (Jim Eade, CA/N) - USCF Committees, excepting those appointed by the Delegates, exist to advise and recommend, but may not make any ruling that affects the status of any member without ratification by the Policy Board, office, or Delegates.

ADM 98-14 (Jim Eade, CA/N) - All Delegate appointed committees must have Delegate approved charters. All actions taken by such committees must conform to the narrow confines of that charter.

ADM 98-15 (Don Schultz, FL): The LMA Management Committee shall publish an Annual Report showing the performance of the Fund's investments, the investments owned, the investment strategy, and an assessment of investment risks.

The following motions deal with the new Bylaws:

ADM 98-16 (Harold Winston, IL, and the Bylaws Committee) - Allocation of Alternate Delegates - Amend the new Bylaws to read: "Each state with 100 or more USCF members must have at least one Alternate Delegate; each state with at least 300 USCF members must have at least two Alternate Delegates."

ADM 98-17 (Guy Hoffman, WI; Hal Terrie, NH; Dave Kuhns, MN; Mike Nietman, WI) - Allocation of Delegates Amend the new Bylaws to add to the section on allocation of Delegates: "... each state with 500 or more USCF members must have at least two Delegates"

ADM 98-18 (Harold Winston, IL, and the Bylaws Committee) - Committees appointed by the Policy Board

Amend the new Bylaws to replace this section with: "The Policy Board shall appoint such subcommittees of the Policy Board or committees as it deems appropriate." (Delete all other wording in this section).

ADM 98-19 (Harold Winston, IL, and the Bylaws Committee) Committees appointed by the Delegates Amend the new Bylaws to read: "The Board of Delegates shall appoint the following committees: 1) Bylaws, 2) Life Member Assets, 3) Ethics. The Delegates may appoint any other committees as needed."

ADM 98-20 (Harold Winston, IL, and the Bylaws Committee) Number of persons required to nominate candidates for Policy Board. - Amend the new Bylaws to read "25", not "50".

ADM 98-21 (Harold Winston, IL, and the Bylaws Committee) Limit on holding office of presidency.

Amend the new Bylaws to add the wording "No person shall serve as President more than four consecutive years."

ADM 98-22 (Harold Winston, IL, and the Bylaws Committee) Additional Alternate Delegates

Amend the new Bylaws to add the wording " All previous Life Voting Members shall automatically be additional Alternate Delegates if they are not elected Delegates.

ADM 98-23 (Harold Winston, IL, and the Bylaws Committee) Appointment of tellers for recall elections.

Amend the new Bylaws to designate as the persons who choose the tellers the following: The Board member being recalled, and the first available (recall) petition signer, with the two tellers chosen selecting the third teller.

The following motions deal with Advance Delegate Motion (ADM) procedures:

ADM 98-24 (Jim Eade, CA/N) - All Delegate Votes on ADMs shall be recorded and published on the USCF web site.

ADM 98-25 (Bob Holliman, MO) - The USCF Secretary shall accept ADMs by e-mail. Any Delegate wishing to submit by e-mail must send a signed statement of their intent to the Secretary within 60 days of being elected/appointed a Delegate along with the address from

which all e-mail ADMs shall be sent. The Secretary shall issue a password or numeric code which must be on each ADM as a method of authentication.

The following motions deal with election of additional Life Voting Members/Delegates at Large:

Please note: Per the current Bylaws, election as Life Voting Member requires a 3/4 vote in two consecutive Annual Meetings. Per the proposed new Bylaws, election as Delegate at Large has the same requirement. If these motions pass they will automatically be added to the 1999 meeting agenda.

ADM 98-26 (Jerry Hanken, CA/S; John Donaldson, WA; Steve Doyle, NJ; Al Lawrence, NY; Sylvester Robes, MI; Woodrow Harris, VA; John McCrary, SC; Myron Lieberman, AZ; Rachel Lieberman, AZ; Harry Sabine, TN; Tim Redman, TX; Fred Gruenberg, IL; Bill Snead, TX; Bill Goichberg, NY; Jim Eade, CA/N; Fan Adams, NY; Harold Winston, IL; Allen Hinshaw, VA ): Randy Hough (CA/S) and Frank Camaratta (FL) shall be elected Life Voting Members and Delegates-At-Large.

ADM 98-27 (Harold Winston, IL; Peter C. Nixon, MI; Roger Gotschall, IA; Sunil Weeramantry, NY): Resolved: That Faneuil Adams be elected a Life Voting Member and Delegate-At-Large for his many services to chess.

The following motions deal with Tournament Director Certification:

ADM 98-28 (Tim Just, IL): The Executive Director is not authorized to upgrade anyone's TD Certification level up to Local TD or Senior TD unless that individual has met all experience and testing requirements as outlined by TDCC rules and regulations.

ADM 98-29 (Tim Just, IL): All TD certificates upgraded to Local TD or Senior TD by the Executive Director since January 1, 1998, for individuals not meeting the experience or testing requirements as outlined by TDCC rules and regulations will be rolled back to their original level.

ADM 98-30 (Tim Just, IL): The Executive Director, in consultation with the TDCC, is authorized to upgrade anyone's TD certification level to either Local TD or Senior TD.

ADM 98-31 (Carol Jarecki, NJ; Guy Hoffman, WI - submitted independently): PB 98 37 is repealed.

The following motions deal with rules and the USCF rulebook:

ADM 98-32 (J. Jirousek, NE, on behalf of Bruce Draney, NE): The USCF shall immediately hire or appoint someone to begin work on a new fifth edition of the Official Rules of Chess. The intention will be to replace the current fourth edition within twelve months. This new fifth edition will include all new rules about the use of digital clocks in sudden death time controls and will offer more examples of how to settle disputes or to divide prizes correctly. As much as possible, the new rulebook shall attempt to simplify, clarify, and to put the book in less

complicated language. The new book shall include only USCF's rules, and FIDE's rules should be published separately. A strong effort should be made to improve the index and table of contents placing rulings of similar nature on the same or adjacent pages. As much as possible the index should contain cross referencing so that important rulings can be found without having to look up a single key word and no other.

ADM 98-33 (Randy Hough, CA/S): Effective January 1, 1999, all tournaments without exception advertised in Chess Life, in Tournament Life, or elsewhere, shall be required to pay at least 50% of any prize advertised. Minimum penalty for violation of this rule shall be disqualification from advertising in Chess Life for one year. Additional penalties may be imposed at the discretion of the Executive Director.

Rationale: Players are entitled to a clear, universal, "truth in advertising" standard. As current rules stand some advertised prizes need not be paid at all. For instance, a Grand Prix tournament with a "based on" prize fund of \$500 or less must pay the guaranteed top prize, but would not have to pay ANY of the other advertised prizes in the event of a poor turnout.

The following motions deal with the USCF web site:

ADM 98-34 (Ralph Bowman, KS): On the first business day of each month, beginning January 1999, the US Chess Office will upload to the Internet the latest ratings. The Internet postings shall be considered an official published USCF rating and may be used for tournament ratings.

ADM 98-35 (Don Schultz, FL): All volunteer expense requests and reimbursements shall be included in a special section of the USCF web site, which is publicly accessible.

ADM 98-36 (Bob Holliman, MO; Myron Lieberman, AZ) - The USCF shall continue to publish the Club Directory in both printed and online format. The printed version is to be reprinted no less frequently than annually, while the online version is to be updated no less frequently than monthly. If no changes are received in a one month period of time the online version is to be updated within a week after the next change is received.

The following motion deals with Chess Life:

ADM 98-37 (Jim Eade, CA/N): All policies governing the contents of Chess Life are repealed at the time the 1999 annual convention convenes.

The following motions deal with personnel issues:

ADM 98-38 (Jim Eade, CA/N): The Executive Director's yearly goals and objectives will be negotiated at the first Policy Board meeting following the Annual Meeting.

ADM 98-39 (Jim Eade, CA/N): The Chess Life Editor's annual performance review will be circulated via the confidential BINFO system at least two weeks prior to the Annual Meeting.

The following motion deals with scholastic dues:

ADM 98-40 (Leroy Dubeck, NJ; Denis Barry, AZ; Tim Redman, TX; Bob Smith, FL; Herman Drenth, NJ; James Pechac, OH; Fan Adams, NY; Myron Lieberman, AZ; Rachel Lieberman, AZ; Bill Goichberg, NY; Garrett Scott, IL; Jim Eade, CA/N; Tom Dorsch, CA/N; Carolyn Withgitt, CA/N; Richard Koepcke, CA/N): The Delegates instruct the Scholastic Committee and the Finance Committee to analyze the present scholastic dues structure and report their analysis and recommendations to the 1999 Delegates' Meeting.

The following motions deal with rating and rating publication issues:

ADM 98-41 (Guy Hoffman, WI): Ratings below the published rating floor shall be maintained by the office and used for subsequent rating calculations.

ADM 98-42 (George John, TX): To encourage submissions of (rating) reports in a timely manner, grant a 10% discount off the normal rating fee for all reports mailed as required under the current rules (seven days after the completion of the tournament). Impose a late fee for those reports mailed after a one month grace period. An additional late fee shall be imposed for each additional month that a report has been submitted late. The minimum late fee shall be the rating fee for the tournament. Recognizing that the rating fee may be only a small percentage of a major tournament, each late fee may be as much as 10% of the entry fees. Furthermore, clubs that fail to submit a report after four months or are frequently late (10% or more of all reports are late in a six month period) may face tournament director and/or affiliate suspensions not less than one week and not greater than one year at the discretion of the USCF Technical Director.

ADM 98-43 (George John, TX): Publish a strict cutoff date for the August (rating) supplement. The motivation for this proposal is that the August supplement is used to determine the scholastic USCF/Pressman All-American team.

ADM 98-44 (George John, TX): Recompute the ratings in correct order to determine All-American status. The motivation for this is that out of order calculations due to late reports distort ratings and can result in a student being denied All-American status.

ADM 98-45 (George John, TX): Grant the Policy Board the power to implement a Life Title system. The motivation for this is to establish a suitable replacement for the Life Title system that was eliminated by the Delegates. Waiting for the Delegates to propose and vote into place a new system is simply too slow. The Rating Committee can propose a high quality replacement that could be immediately approved by the Policy Board for quick implementation.

ADM 98-46 (George John, TX): Extend the Youth Membership rate to all full-time college students (limited to age 23 and under).

ADM 98-47 (Board): Moved, that the following system of Life Achievement Awards, based on a recommendation of the Ratings Committee, be adopted.

ADM 98-48 (Schultz, FL): The use of a professional stenographer as described in the Blue Ribbon bylaws is not intended to mandate verbatim transcripts and is optional. If a stenographer is not used, USCF staff shall provide a meeting report for confirmation by the Secretary.

## EXECUTIVE SUMMARY

USCF recognizes Life Achievement by a series of awards. There is one award for each rating Class, ranging from Senior Master to Class J. Awards are based on maintaining an established rating in the Class for a significant number of games. The number of games required depends on the Class. This system is an extension of the Original Life Master award. Except for addition of the "Special Rules" listed below the table, the requirements for the Original Life Master award are unchanged by this proposal.

## DETAILS

The office currently maintains a counter for games toward the Original Life Master title. When a player's post-event established rating is greater than or equal to 2200, then the number of games played in that event is credited towards the Original Life Master title. When this counter reaches 300, the Original Life Master title is awarded.

This proposal extends that proposal to every Class recognized by the USCF (currently Senior Master through Class J). For each Class, a separate counter will be maintained and a separate title awarded (see below for title names). When a player's post-event established rating is greater than or equal to the lowest rating for a particular Class, the counters for that Class and all lower Classes will be incremented by the number of games played in that event. The counter is incremented before the player's rating floor is applied in the rating calculation. Thus, a player with a 1600 rating floor whose rating drops below 1600 prior to the floor raising it back to 1600 would not have the Second Category counter, corresponding to Class B, incremented. Players with provisional post-event ratings do not have their counters incremented. Each title requires a separate number of games, according to the table below:

## SPECIAL RULES

Games shall be counted toward titles only if the player completes his or her schedule, in a tournament of at least three rounds, with no forfeit losses. Games played in matches shall not be counted.

## TITLE AWARDS

The issue of which awards should be mailed to players by the office, and under what circumstances, is referred to the Executive Director.

## REPORTING PROGRESS

The issue of how a player's title and progress toward the next higher title should be displayed on mailing labels and in rating supplements is referred to the Executive Director.

## TRANSITION

To ease the transition to this system, the counters for every current player should be initialized by scanning tournament records from 1991 forward. Original Life Master counters should not be changed (some may include games played before 1991). Initial awards should be made based on this retrospective scan of the records. New players have their counters set to zero and start accumulating games in the first event in which their post-event rating is established. The issue of whether credit may be given, upon request, for games played prior to 1991 is referred to the Executive Director. The proposed system applies only to "standard" time-control events, and not to Quick Chess or correspondence events.

## INTERPRETATION

The interpretation of the Life Achievement awards necessarily varies somewhat over the range from Senior Master to Class J. At the lower end of the scale, the award can be seen as a "participation" award, recognizing a significant number of games played. At the top end, the Original Life Master award remains as recognition of a significant number of games at a very high standard of play, and the new Life Senior Master award should be even more prestigious. It is possible that slowly improving, but very active, players may collect a series of Life Achievement awards as they improve. Life Achievement awards are not intended to be "terminal." However, it is expected that most players will receive at most 2 or 3 such awards, with the final award recognizing the effort required to maintain their individual peak standard of play. Just as with current players striving for the Original Life Master award, it provides an incentive for a player at his plateau to continue playing.

## XI. PRESENTATION OF CERTIFICATE OF GOVERNANCE

Note: Certificate to be given to Faneuil Adams, outgoing Member-At-Large

## XII. INSTALLATION OF NEW POLICY BOARD MEMBER

Note: No election was held in 1998.

## XIII. ADJOURNMENT

Class Name	Life Title	Name	Rating Range	Games Required
------------	------------	------	--------------	----------------

Senior Master	Life	Senior Master	2400 & up	300
---------------	------	---------------	-----------	-----

Master	Original Life	Master	2200-2399	300
--------	---------------	--------	-----------	-----

Expert	Life	Expert	2000-2199	200
--------	------	--------	-----------	-----

Class A 1st Category 1800-1999 200

Class B 2nd Category 1600-1799 150

Class C 3rd Category 1400-1599 100

Class D 4th Category 1200-1399 50

Class E 5th Category 1000-1199 50

Class F 6th Category 800-999 50

Class G 7th Category 600-799 50

Class H 8th Category 400-599 50

Class I 9th Category 200-399 50

Class J 10th Category 100-199 50

#### COMMITTEE CHAIR

Blue Ribbon Implementation Woodrow Harris, VA

Bylaws Harold Winston, IL

Chess In Education Sunil Weeramantry, NY

Club Development Bob Holliman, MO

College Chess

(1998 Committee) Tim Redman, TX

Computer Rating Agency Frank Camaratta, FL

Correspondence Chess Harold Stenzel, NY



Cramer Awards Frank Brady, NY

Arnold Denker Championship Joe Ippolito, NJ

Ethics Robert John McCrary, SC

Events Alan Benjamin, NY

Fast Chess Thad Rogers, GA

FIDE Advisory Robert John McCrary, SC

Finance James Pechac, OH

Grandmaster Affairs Alex Yermolinsky, OH

Grants Leroy Dubeck, NJ

Hall of Fame John McCrary, SC

Historian's Peter Tamburro, NJ

Internet Doris Barry, AZ,

Vice Chairs: Bob Holliman, MO;

Jim Wilson, AZ

#### COMMITTEE CHAIR

Master Affairs & Development Jerry Hanken, CA/S

Olympics Participation

Task Force Bruce Draney, NE

Organizer's Al Losoff, IL

Outreach Myron Lieberman, AZ

Prison Chess Co-Chairs: Steve Frymer, MA; Norman Zemke, MI

Publications Denis Barry, AZ

Ratings Co Chairs: Mark Glickman, MA, Frank Camaratta, FL

States Bob Smith, FL

Rules Carol Jarecki, NJ

Scholastic Co-Chairs: Ralph Bowman, KS; Joe Ippolito, NJ

Senior Ken Horne, NV

Tournament Director Certification Randy Hough, CA/S

US Championships Sophia Rohde, NY

Women's Chess Alexey Root, TX

## **SPECIAL RULES FOR USCF DELEGATES MEETING**

- 1) Those submitting motions should review them in advance with appropriate committees and discuss them during workshops. I will routinely request committee positions on Delegate Motions.
- 2) The Delegate meeting will be tape recorded, therefore all speakers should state their name when using the microphone. They also should mention the state they represent, the first time they speak at the microphone.
- 3) All motions, substitute motions and amendments should be given to the Secretary in writing before being presented on the floor.
- 4) All debate and discussion on the substance of a motion will take place from the three floor microphones that are marked 'FOR', 'AGAINST' and 'PODIUM'. No one may speak into any of these microphones without first being recognized by the chair.
- 5) As we proceed through the agenda, the chair will recognize delegate(s) whose motion will be considered. These individuals will proceed to the Podium, present their motion and remain at the Podium during debate in order to answer points of information. They should leave the Podium and wait in line at the 'FOR' microphone if they wish to advance new arguments or rebut arguments of others.
- 6) If any delegate, including any of the PB members present on the dais, wish to speak to the substance of a motion, he/she must go to the 'FOR' or 'AGAINST' microphone and wait in line until recognized by the chair.
- 7) Delegates who have previously spoken to a motion should before speaking to the same issue again allow others who have not spoken a chance to express their views.
- 8) Delegates may only be recognized from the chair.
- 9) The chair will conduct all votes, including straw polls.

10) A short recess may be called each morning and afternoon at a convenient time determined by the chair.

Donald Schultz

President, USCF

## Wednesday-August 5th:

9am	10 am	11 am	Noon	1 pm	2 pm	3 pm	4 pm
Chess in Education Seminar, Pt 1			Lunch Break	TDCC/ prob.solving	Chess in Education Seminar, Pt 2		
Olympics	Fast Chess	Organizers		Senior Chess	Prison Chess	Club Dev.	College Chess*
Events	Correspondence	Chess Trust		Journalists	TDCC	CRA (optional)	

**9am-noon: 9-hour Chess in Education Seminar, Part I**

**9am-10am: Olympics**

**9am-10am: Events**

**10am-11am: Fast Chess**

**10am-11am: Correspondence Chess**

**11am-noon: Organizers**

**11am-noon: Chess Trust Workshop**

**noon-1pm: Lunch Break**

**1pm-2pm: TDCC/Problem Solving**

**1pm-2pm: Senior Chess**

**1pm-3pm: Chess Journalists**

**2pm-5pm: 9-hour Chess in Education Seminar, Part II**

**2pm-3pm: Prison Chess**

**3pm-4pm: Club Development**

**3pm-4pm: TDCC**

**4pm-5pm: College Chess\***

**4pm-5pm: CRA (optional)**

**Denker Tournament of High School Champions Reception, 4pm;**

---

**Thursday, August 6, 1998:**

9am	10 am	11 am	Noon	1 pm	2 pm	3 pm	4 pm
Chess in Education Seminar, Pt 3			Lunch Break	Chess in Education**		Scholastic Chess	
PB (closed)	Policy Board			Rules Workshop		Internet Chess	
				Chess Trust Business Meeting		Ratings Workshop	

**9am-noon: 9-hour Chess in Education Seminar, Part III**

**9am-10am: Policy Board (closed)**

**10am-11am: Policy Board**

**11am-noon: Policy Board/Staff Forum**

**noon-1pm: Lunch Break**

**1pm-3pm: Chess Trust Business Meeting**

**1pm-3pm: Rules Workshop**

**1pm-3pm: Chess in Education\*\***

**3pm-5pm: Scholastic Chess**

**3pm-5pm: Internet Chess**

**3pm-5pm: Ratings Workshop**

**Scholastic Reception, 9 pm;**

---

**Friday, August 7, 1998:**

9am	10 am	11 am	Noon	1 pm	2 pm	3 pm	4 pm	4:30 pm
Chess History	Regions & States		Lunch Break			Blue Ribbon Pannel 3:00 - 4:30		General Membership Meeting 4:30 - 5:00
FIDE	Bylaws	Robert's Rules of Order	Finance.		Women's Chess Workshop 3:00 - 3:45	Outreach & Membership Growth 3:45 - 4:30		
Denker HS Committee								
Publications								

**9am-10am: FIDE**

**9am-10am: Denker HS Committee**

**9am-10am: Chess History**

**9am-10am: Publications**

**10am-noon: Regions & States**

**10am-noon: Bylaws**

**noon-1pm: Robert's Rules of Order**

**noon-1pm: Lunch Break**

**1pm-3pm: Finance**

**3pm-4pm: Women's Chess Workshop 3-3:45**

**3pm-4pm: Outreach & Membership Growth 3:45-4:30**

**3pm-4:30: Blue Ribbon Panel**

**4:30-5pm: General Membership Meeting**

**President's Reception for Delegates, Voting Members, Chess Journalists, and Grandmasters, 9 pm.**

---

**Saturday, August 8, 1998:**

9am	10 am	11 am	Noon	1 pm	2 pm	3 pm	4 pm
Delegates Meeting			USCF Awards Luncheon 12 - 1:45		Delegates Meeting 1:45 - 5		

**9am-noon: Delegates' Meeting**

**noon-1:45: USCF Awards Luncheon**

**1:45-5pm: Delegates' Meeting**

---

**Sunday, August 9, 1998:**

9am	10 am	11 am	Noon	1 pm	2 pm	3 pm	4 pm
Delegates Meeting			Lunch Break		Delegates Meeting		

**9am-noon: Delegates' Meeting**

**noon-1pm: Lunch Break**

**1pm-5pm: Delegates' Meeting**

---

**Monday, August 10, 1998:**

9am	10 am	11 am	Noon	1 pm	2 pm	3 pm	4 pm
Policy Board			Lunch Break		Policy Board Forum		Policy Board (closed)

**9am-noon: Policy Board**

**noon-1pm: Lunch Break**



**1pm-2pm: Policy Board Forum**

**2pm-5pm: Policy Board (closed session)**

---

**Tuesday, August 11, 1998:**

9am	10 am	11 am	Noon	1 pm	2 pm	3 pm	4 pm
Policy Board (if necessary)			Lunch Break	Policy Board (if necessary)			

**9am-noon: Policy Board (if necessary)**

**noon-1pm: Lunch Break**

**1pm-5pm: Policy Board (if necessary)**

---

**Notes:**

**\*The College Chess session will be a free portion of the Nine-hour Seminar.**

**\*\*Chess in Education Committee business meeting only. Nine-hour workshop on Chess in Education: Wednesday 9-12, 2-5, Thursday 9-12. Registration fee \$30 (\$20 for one day). For more information call (914) 997-9409**

---

**RECEPTIONS:**

- **Monday, August 3: Denker Tournament of High School Champions Reception, 4pm;**
- **Thursday, August 6: Scholastic Reception, 9pm;**
- **Friday, August 7: President's Reception for Delegates, Voting Members, Chess Journalists, and Grandmasters, 9pm.**