

08/10/2006 USCF EXECUTIVE BOARD MEETING – OAK BROOK, IL

The meeting was called to order at 9:00 AM on August 10 at the Doubletree Inn in Oak Brook, IL. Present were President Bill Goichberg, Vice President Don Schultz, Secretary Robert Tanner, VP of Finance Joel Channing, EB Member Elect Randy Hough, and Executive Director Bill Hall. Member at Large Beatriz Marinello participated by telephone conference. Executive Assistant Pat Knight, and Secretarial Assistants Myron and Rachel Lieberman were also present. Topics discussed included the TDCC recommendation regarding suspension of a Tournament Director, Committees, the Executive Director's review, the website, the number of employees present in Chicago, and the need for a strong CFO.

The meeting recessed at 10:29 AM and resumed in open session at 10:46 AM. Board members present were President Bill Goichberg, Vice President Don Schultz, Secretary Robert Tanner, VP of Finance Joel Channing, Executive Director Bill Hall, and EB Member Elect Randy Hough. Member at Large Beatriz Marinello participated by telephone conference. Others present for at least part of the meeting included but were not necessarily limited to: Dewain Barber, Frank Berry, J. Franklin Campbell, Vanessa Diaz, Joan Dubois, H. Wayne Ellice, Brana Giancristofaro, Brenda Goichberg, Roger Gottschall, James Hallaghan, Jerry Hanken, Guy and Sandy Hoffman, Pat Knight, Richard Koepcke, Al Lawrence, Myron and Rachel Lieberman, Daniel Lucas, Mike Nietman, Mike Nolan, Tony Pabon, Stephanie Pitcher, Susan Polgar, Diane Reese, Harry Sabine, Luis Salinas, Steve Shutt, Denis Strenzwilk, Paul Truong, Emi Stuart, Chuck Unruh, Herbert Vaughn, Terry Vibbert, Ed Westing, and Harold Winston.

The following motions that came out of closed session were then read and voted:

EB 06-080 – Board - The Executive Board has considered the recommendation of the Tournament Director Certification Committee (TDCC) re: Larry Cohen and has determined that Larry Cohen's TD Certification should be suspended for three years and that he not be allowed to run GM or IM norm tournaments for ten years. **PASSED 5-0.**

EB06-081 – Board – The following committee changes are enacted:

Randy Hough will be liaison to the Publications, Correspondence Chess, and Clubs Committees, and Javier Pinedo is added to the Scholastic Committee. **PASSED 5-0.**

Bill Goichberg expressed the best wishes of the Board to **Mike Goodall**, who was injured in an auto accident en route to Chicago and **Peter Tamburro**, who was injured in a home accident. Please note: We also wish a speedy recovery to **Eric Schiller**, who suffered a stroke recently.

CROSSVILLE

Joel Channing mentioned the restrictions in the covenants for the Crossville land and building. The key point is that the property could be sold for industrial use or as an office for a membership service organization, but not for other office use. There are few membership organizations so that reduces the marketability of the property which would cut down its appraised value for sale. He was interested in contacting other owners with property under the same covenants and try to get them to agree to change that restriction. It should make the property more valuable to them as well as to USCF. **Harry Sabine** pointed out that it is not a zoning issue. Crossville only recognizes commercial and residential zoning. There are no finer distinctions. He confirmed that the covenants require industrial use or use by a membership service organization although the property's best use would be for an office building. Joel Channing asked about contacting the other covenant holders to change the covenant to allow office use. Harry Sabine indicated that USCF is welcome to do that but he would not do so on USCF's behalf. He pointed out that there are about 10 others to be contacted and even if they could all be reached only one refusal to sign would be sufficient to make the effort fail. He also indicated that it was USCF and not Crossville that chose that site. USCF was offered a site in a part of the industrial park that could be used for an office building, but USCF declined. At that time USCF was selling books and equipment and an office building would not have been the most effective choice for them. **Randy Hough** asked whether we get a property tax reduction because of the restrictions. Harry Sabine answered that we do not. Joel Channing asked **Harry Sabine** to explain why the other owners may not want to change the covenants. Harry Sabine replied that most of them need industrial use. The property could be used by an industrial user with offices in front and a plant in the back of the building. The slope is so steep that it would require a two level structure for that to work. Joel Channing suggested that Bill Hall should talk to the other ten covenant holders. **Bill Hall** accepted an action item to do that.

MILITARY COMMITTEE REQUESTS

Joel Channing then brought up three requests from the Military Committee, to which he is liaison. The committee wanted discounted memberships, which were not recommended. They wanted a separate field in the USCF membership application for military status, which was also not recommended at this time due to the work necessary. The committee also wanted to encourage a liaison between chess in the school and the Department of Defense Dependant Schools. **Susan Polgar** and **Paul Truong**, who have been active in this area will see what can be done. Joel Channing asked **Bill Hall** about what we can do regarding a liaison between chess in the school and the Department of Defense Dependant Schools. Bill Hall suggested that it be referred to **Jerry Nash**, who already is working on a program to provide group rates for mailing magazines.

PUBLICATIONS

Joel Channing then asked about the color of the cover of the new issue of *Chess Life* and the effects of design on advertising.

He also asked about *Chess Life for Kids* (CL4K). He complimented the cover but questioned whether the content or layout in the last issue was really geared for children under 12. **Beatriz Marinello** agreed that the inside was more geared for older children. **Dan Lucas** pointed out that the new Art Director would be meeting with Glenn Petersen soon to work on the design of CL4K. **Steve Shutt** pointed out that it takes a very special talent to be able to write for children.

Joel Channing mentioned that we now have excellent professional looking graphics and raised the question as to whether or not we could make some downloadable graphics templates available for state affiliates to use for their state publications. It would be a benefit to affiliates to enable them to download a professional looking magazine template for their state. **Dan Lucas** thought it could be done. A kid's club could use the template. It could be put on the website. Affiliates would go through the office and not the Board. Joel Channing indicated that we don't have a logo except the crown. He wondered whether or not it was worth money to create the document. **Don Schultz** said that Dan Lucas should try to do it. Dan Lucas will follow up. This is an action item. No motion was needed. **Robert Tanner** expressed concern over what copyrighted material might be taken by the states if this was done. A disclaimer would probably be necessary as would a clarification of what could be used and what couldn't. The possibility of people uploading artwork to share was also mentioned. Another issue was trademark protection. Joel Channing pointed out that in order for this to work it shouldn't be expensive or time consuming to USCF.

Joel Channing asked Bill Hall whether Chess Cafe could upgrade the graphics in their ads to be more in keeping with our new graphics. **Dan Lucas** indicated that he would look into it. Joel Channing also briefed Bill Hall on the discussion about the inside design and content of CL4K. **Bill Hall** accepted an action item to look at the CL4K inside graphics and contents.

US CHESS TRUST PATRON PROGRAM

Joel Channing asked about the Patron program for donations to the US Chess Trust. **Bill Goichberg** explained that under the Patron program money can be used by the USCF for purposes that are consistent with the Trust's requirements. Direct donations to the Trust will be used for the same purposes but may or may not go to USCF for implementation. Joel Channing asked why they keep separate lists of donors. Bill Goichberg pointed out that the Patron program lists are displayed more prominently because they are trying to encourage people to support USCF with their Trust donations. He noted that Harold Winston approached him when he was Executive Director and encouraged him to promote the Patron program, which had been dormant for years.

FINANCIAL

Joel Channing pointed out that the budget that we approved had a \$26,000 surplus for the year. **Bill Hall** now projects a \$53,000 surplus. Joel Channing indicated that he was not aware of changes to the budget. Bill Hall indicated that the difference was due to personnel changes. Bill Goichberg asked if the tournament figures reflect this year's US Open or estimates from US Opens in past years. Bill Hall replied that they reflect past US Opens. Joel Channing stressed that the VP of Finance needs to know about items that can affect the budget early. It is essential that he be able to work with the most current and complete information available. Joel Channing pointed out that he didn't want to see us making significant changes to dues until we understand our finances better. He said that we are breaking even and although **Bill Goichberg** is sure we will gain more revenue by lowering dues, we just don't know.

Bill Goichberg indicated he is willing to withdraw the motion in favor of a 6 month promotional trial membership at a later date

Joel Channing asked about the Chart of Accounts and the yield on investment accounts. Bill Hall said that Grant Perks redesigned the system and report writing software has been purchased so that all details can be made available and studied. Tournaments will be broken down by line item. **Mike Nolan** is working on a time and motion study.

Bill Goichberg suggested that a group should review the proposed budget before the Finance Workshop. Joel Channing asked about the decline in magazine advertising revenue. Bill Hall pointed out that there was a decline in the number of tournaments and tournament display ads. Another factor is that the image of USCF on the Internet has been negative. He referred to two major corporations that declined to be associated with USCF because of the USCF's Internet image. He indicated that membership only forums and fewer negative postings can help, but the image problem must be fixed. **Paul Truong** pointed out that one way to improve the USCF Image is to send out many more positive press releases. **Tony Pabon** asked about hiring a PR firm. **Myron Lieberman** mentioned that when he was on the Board a very well reputed (and expensive) PR firm was hired to promote the USCF. The same firm had successfully promoted the NBA. The problem was they didn't seem to understand how to promote chess and the effort was not successful. **Steve Shutt** suggested that photographs of kids playing chess should be distributed.

Bill Hall indicated that there may also have been invoicing problems between TLA departments in NY and TN. Joel Channing asked how much advertising revenue had dropped. Bill Hall said he didn't have that information. Joel Channing pointed out that we needed to see all line items and their increases and decreases, not just a summary, so that questions can be asked and answered at the meetings.

AF4C "FIRST MOVE CURRICULA

Joel Channing mentioned the endorsement of AF4C's curricula. Over 15,000 kids will be learning chess in schools under USCF. AF4C will help market chess.

PRESS COVERAGE

Joan DuBois pointed out that press releases have gone to all major newspapers. **Diane Reese** indicated that there was good newspaper coverage of the national Scholastics. **Paul Truong** said that kids are a natural for press releases but for adults you need an angle. He gave examples or angles such as Man vs Woman (Karpov vs. Polgar), Largest rated tournament ever (Supernationals), etc. **Tony Pabon** mentioned that George Krauss finished fourth in the 1954 US Open in a wheelchair. **Rachel Lieberman** mentioned the Chessathon. Joel Channing suggested that Joan contact Paul Truong regarding press releases.

USCF FORUM

Joel Channing pointed out that when you have an unmoderated forum you have no liability. You are simply a conduit as opposed to a source. When you moderate a forum you have liability. The best price he could find for insurance to cover that liability was \$15,000. Mike Nolan functions as a moderator. We need to eliminate a lot of the things that we are allowing. The forum should be available only to those registered. The USCF ID Number must be provided in the registration process. This has been done within the last 60 days but is not retroactive. **Don Schultz** said that we need to look at all posts and remove any that are not posted under the poster's real name. **Mike Nolan** pointed out that when someone new joins the forum the registration program will ask for their USCF ID Number and an e-mail address. The e-mail address must match the e-mail address they gave USCF. The ID number goes in the member's profile, however the program can be modified to make it a public record. Joel Channing wants people to post under their real name. He wants posting to be on chess only, not on personal issues. Any personal posts should be removed. The Board agreed. No motion was needed. **Beatriz Marinello** wanted Mike Nolan to make a report with recommendations. A committee should be formed. Joel Channing said that Mike Nolan should pull all threads that are argumentative. He suggested that USCF make a statement such as *USCF apologizes for anything that offended anyone and does not endorse messages posted to the forum*. This will be studied. **Robert Tanner** said that Board members should not post messages unless they are posted by USCF officials in their official capacity. Beatriz Marinello said to keep the forum as it is. **Steve Shutt** said to put in a disclaimer. Joel Channing stressed the liability issue. Mike Nolan suggests that the discussion be postponed until the Monday meeting, when he will provide his recommendations.

AGREEMENTS AND CONTRACTS

Joel Channing asked for the Susan Polgar contract. **Bill Hall** indicated that he and **Susan Polgar** are working on it.

Joel Channing then asked about the House of Staunton contract. Bill Hall indicated they were close to an agreement. Two of three points of contention have been resolved. Bill Hall will have an attorney look at the contract and it will be brought before the Board as it is a multi-year contract.

BIDS

Bill Goichberg pointed out that after not doing it for years, USCF is now inviting bids for future US Open tournaments. Previously USCF had to choose between bids that sometimes were not the best. Then USCF stopped soliciting bids and organized the event itself. Now if there is a particularly good bid it can be accepted and if not, the USCF, in effect, can accept its own bid. The fact that bids are now being accepted should be publicized in *Chess Life* elsewhere. **Dan Lucas** indicated that an announcement that bids are being sought for the US Open will be printed in *Chess Life*.

ONLINE RULES

Joel Channing mentioned that the Rules Committee had been asked to develop rules for online chess play and asked about their status. He mentioned that ICC was interested in holding USCF rated online events. **Bill Hall** said that he would find out.

LEGAL VOLUNTEERS

Joel Channing asked for contact information for those who serve USCF as legal volunteers. He also asked about an announcement in *Chess Life* that we are looking for legal volunteers with expertise in various areas on a pro bono basis. **Bill Hall** pointed out that there have been four responses so far.

WEBSITE SCHEDULE

Bill Hall, in response to a question from **Joel Channing**, indicated that the major programming for the website is essentially complete but there is a considerable amount of data that must be transferred to the new site. He estimates it will take about a month. Joel Channing indicated that he likes the website.

ICC PROPOSALS

Joel Channing pointed out that he had distributed three proposals from ICC regarding rated online play and comments from people to whom he has shown the proposals. Joel Channing pointed out that he wouldn't propose any agreement that is exclusive or cannot be readily terminated. The ICC proposals are fairly complex and involve such things as mutually discounted memberships, USCF rated online events that use USCF certified Tournament Directors, etc. **Bill Goichberg** suggested that we negotiate in areas that can benefit both organizations such as an exchange of website advertising. Joel Channing and Bill Goichberg discussed whether online and over-the-board (OTB) ratings should be on the same system or not. Bill Goichberg believes that there should be two systems – Regular and Quick. Online ratings should be Quick rated rather than having a separate Internet rating. ICC wants rated play to be rated with the standard USCF rating system, which is more prestigious than Quick rated. **Beatriz Marinello** pointed out that ratings must be well regulated and wondered whether FIDE would use our ratings. **Don Schultz** suggested that Internet play should be handled like OTB play, with Internet Affiliates and ratings. Bill Goichberg noted that Quick rated does not require a TD. Game/90 should be under Quick ratings, which should be renamed “fun ratings”. Bill Hall accepted an action item to be sure that the TDCC as well as the Rules Committee are working on this.

OTHER ITEMS

Joel Channing asked about the Chess Magnet proposal. **Bill Hall** indicated that a report will be ready soon.

Joel Channing asked about CFO prospects. **Bill Hall** replied that there were two prospects from the newspaper ad but that neither was available any longer. There was a third prospect that was interviewed. Her availability at this time has not been checked. It was noted that there would be a mortgage adjustment needed this year.

Roger Gottschall expressed concern over the inefficiencies of TLA processing. Bill Hall explained the timing of the move and the new abilities of creating, viewing, and paying for the TLAs online.

The meeting was adjourned at 12:42 PM.