

**1. U.S. Chess Federation
June 12, 2001**

Conference call requested by three members of the Executive Board: John McCrary, Joe Ippolito, Bob Smith.

Meeting called to order at 8:15 PM

AGENDA:

John McCrary

1. Determination of gage from which commissions will be computed for Games Parlor contract. Pages 2-7
2. Disclosure issues on contracts.
3. General Board oversight of new contracts.
4. Budgetary implications of Games Parlor contract.

Joe Ippolito

5. OMOV Pages 7-8

Helen Warren

6. Cost analysis of Books and Equipment policy. Pages 8-9
7. Update on LMA loan to cover Key Bank Loan Pages 9

Tim Redman

8. Board Members suggested items for inclusion in last BINFO Page 9 packet-delegates only.
- *9. Selection of parliamentarian Page 9

*10. Request of transportation cost to play in Blind World Event Pages 9-10

*11. Request for change in Affiliate of Alaska Chess Organization Pages 10-12

*12. Who was in the room and why were 3 members of Board in the Pages 12, 20-21 office.

*13. Tournament Standards Committee Page 12

*14. Selection of transition sub committee Page 13

*15. (McCrary, Ippolito) Appointment of OMOV committee Pages 13-14
CLOSED SESSION Pages 14-15

OPEN SESSION Pages 16-20

* Indicates motions added during the meeting.

Advance Motions

The following motions were submitted in advance of the conference call of June 12. They are all consistent with the first four items on the agenda. John McCrary requested that the motions be presented in open session even if prior debate has been in closed session.

1) "In consideration of the potentially significant ambiguities in the compensation clauses of the current Games Parlor contract, and in view of the need to amend the planning budget in accordance with the terms of this contract, the Executive Board must approve the precise formula used to determine the amounts to be paid Games Parlor, and must review those amounts prior to any payment being made. Any amounts paid in accordance with this contract

must be disclosed to the Delegates as part of general financial information pertinent to budget approval and oversight."

2) "In compliance with both Bylaws and statutory provisions, the Executive Board affirms the right of any Executive Board member to see in advance any proposed contract to which the USCF may be a party, and to have adequate time to review and discuss such a contract, by conference call if necessary, prior to its being signed. Even in cases where general or possible terms of a contract have already been discussed by the Board, the right of prior review described in this motion is applicable to the specific proposed contract in its final form."

3) "The Executive Board must approve any new contracts signed with Internet providers, as well as any contracts, such as outsourcing contracts, that create substantial changes in the Books-and-equipment operation of the USCF or the management of that operation."

Transcript of Conference Call June 12, 2001 Called by John McCrary, Bob Smith, Joe Ippolito

TIM REDMAN (ph): Thank you very much.

OPERATOR: Thank you for using AT&T.

REDMAN (ph): This is Tim. We are going to start by saying this is an open call. And open meeting of the Executive Board. And I'm going to ask the Secretary, Doris Barry (ph) to call the roll. I'm going to ask her also to ask if there is anyone also on the line or participating in anyway in this call. We are trying to reach Jim Pechac. We have not been able to reach him. The ruling here is that when we can reach Jim Pechac he will be able to join in. Doris (ph).

DORIS BARRY (ph): Joe Ippolito.

JOE IPPOLITO: Yeah.

BARRY (ph): Is there anyone on the line or anyone in the room?

IPPOLITO: Yeah, my dog is right next to me.

BARRY (ph): Your, dog. OK. We'll put it in. What's his name?

IPPOLITO: Skippy.

BARRY (ph): John McCarthy (ph), John McCrary. Is there anyone in the room or anyone on the line?

JOHN MCCRARY: I'm here and I'm the only one.

BARRY (ph): Bob Smith.

BOB SMITH: I'm here all by myself Doris.

BARRY (ph): By yourself. OK.

SMITH: Yes, ma'am.

BARRY (ph): Helen Warren (ph), I know she's not on the line because she's here and so is Redman.

REDMAN (ph): Yeah, and here and we have with us George De Feis, Judy Misner (ph) and Jeff Loomis (ph).

BARRY (ph): Jim Pechac is not available and I'm here. And I'm with the same participants.

REDMAN (ph): OK. We're going to start with the agenda as circulated, except there are some items that I need to add to it that just came in today.

The first is a request from a South American Federation to the U.S. Chess Federation to assist a blind champion of the Americas to participate in the world blind.

The second is a request from the state of Alaska that has asked for a change of state certification.

The other one is the appointment of a tournament standards committee.

And then the final item on the agenda is the appointment of a transition team. All of these things I believe will not take us very much time.

We will start with the first item on the agenda, the determination of a base; the word is base from which commissions will be computed for the games parlor contract. And I'm going to ask CFO Jeff Loomis (ph) to fill us in on what's being done there. Jeff.

JEFF LOOMIS (ph): Basically the terms of the contract state that on a quarterly basis we will compute a over a five year period, although they're willing to give us lesser of a period, trends and various types of membership. What we're going to do membership overall.

What the plan is for example, if in 1997 we increased by 200 members, in 1998 we increased by 200 members and so forth, we can anticipate an increase of an additional 200 members. The commission for Games Parlor will not take effect until after anything above that traditional (ph) 200 members and that's from every category and from a quarterly basis.

REDMAN (ph): You've all been sent a copy of the games parlor contract. I call your attention to item **three B**, which is on page three compensations. USCF shall pay Games Parlor a commission of 25 percent of its membership dues increase dot, dot, dot, which will be calculated at USCF's total membership dues revenue each calendar quarter in excess of its projected total membership dues for that quarter based upon its average revenue growth rate during the five-year period from 1996 through 2000. As Jeff has noted they are now talking we are now talking with games and parlor about a slightly less inclusive base. However, it seems to me anyway that the methodology here is quite clear. Further, dot, dot, dot, Games Parlor, the USCF shall pay Games Parlor a commission of 25 percent of Internet membership dues.

So what it seems to the president anyway is what's happening here is we have a very clear method for calculating the compensation. And it will require us some work on the part of the CFO to essentially adjust to the quarterly statements. And used in the process of doing the work.

In my view, there are no ambiguities about this. But I am willing entertain at this point comments. Please ask to be recognized.

MCCRARY: Tim?

REDMAN (ph): Yes, John. John McCrary

BARRY (ph): Can I ask you yes could you please announce your name, before you speak. Thank you.

MCCRARY: This is John McCrary. This was my agenda item. And I do have a motion, which I'd like to read and then discuss. Is that acceptable?

REDMAN (ph): The motion is here.

MCCRARY: OK. It's the same one that I sent.

REDMAN (ph): Yes, we all have a copy of the motion. The question, John, that I have if you'll just pardon me for a second, is the question of ambiguities. And if you could address that question because I don't see ambiguities but perhaps you do.

MCCRARY: OK. Well first clarify that the my motion is on the floor is that correct? I've asked to be recognized. I'm offering discussion.

REDMAN (ph): Yes, the motion is on the floor.

MCCRARY: Thank you. The ambiguities are that, there are a couple. One has to do with the treatment of multi year memberships and a deferral of income from that. As you know, we've had a significant increase this year in our membership revenues largely due to these deferrals. And based on the figures that Jeff sent earlier today, which I know are not the figures we'll use, because these are fiscal year figures, which is another ambiguity. But based on that, and not taking into consideration the re-negotiation he's talking about. I calculate that the Games Parlor would get about a \$25,000 commission at this point, which is based just on existing revenues and not on any actual growth.

Now that would be substantially due to the multi year membership provision being ambiguous and that's a major one. That's something that's going to have to be addressed.

REDMAN (ph): OK. Any Questions?

MCCRARY: Secondly, the actual projection of trends is not very obvious. If you took the clause as presently written, how do you compute a projection of trends? I just subtracted the '01 excuse me the '00 and the '96 figure and divided it by four, divided the result by four. And that's where I got a project trend which is nearly zero. But there was a slight increase; I think an average increase of about 11,000 a year in revenues. That's one way to compute it but that's based on an annual basis only. It's not based on a quarterly, a monthly; it's not necessarily the only formulae that can be employed. So I see that as a major ambiguity in the contract as it's presently written.

Now what I have in the motion, again, I'm talking about thousands of dollars coming from these ambiguities. What I have in the motion would require that whatever formula is determined must be approved by the board at the time that it's determined. And the board must review the amounts paid prior to any payment being made.

Now the last part of the motion states that any amounts paid in accordance with this contract must be disclosed to the delegates. And I don't think there's any way to get around that portion of it. I read the opinion about the proprietary information and the confidential information, but the budget must approved by the delegates. And that therefore cannot be confidential to them and it's not proprietary information.

REDMAN (ph): Thank you, John. It would have been helpful to us to have you know had your problems with multi year et cetera circulated in advance, but of course we're going to address them. So I'll ask Jeff to make some comments and then I will. Jeff.

LOOMIS (ph): This is Jeff Loomis (ph). John, we are addressing the multi year memberships. We're taking this basically in two ways. We're doing it both with the form of dollar revenues and actual number of members. And we're coordinating the two. We are doing on actual quarters. We are not taking a full year and dividing it into four. We're going quarter to quarter to eliminate the trend factor.

So that for example is we have a downward trend that's obvious in a given quarter over a period of time simply because we have to do a little better or worse in that quarter or better in another quarter. They're not we're not going to be paying commissions for an anomaly. So we are doing an actual quarter by actual quarter in comparing the three or four years that we're doing by quarter for each of the the same quarter for each of those years and for all four quarters obviously.

MCCRARY: In other words, the first quarter compared to the previous first quarter is that what you're saying?

LOOMIS (ph): Yes.

REDMAN (ph): John, yes I think these are details that, of course, are going to be worked out by the staff. Your concerns are pertinent. However, the methodology here at least to me seems quite clear. I do agree that we will modify the planning budget according to what Jeff will calculate. I think that Jeff agrees, he's nodding his head and George agrees, and Judy agrees they're nodding their heads too. And this will be shared with the delegates. There's no question about that.

This is not a re-negotiation, however, I disagree with your terminology there. This is merely what happens when you look at an actual contract and then agree or decide what it is that you're going to do. There will be no actual figures available by the August meeting because in fact, the quarter this quarter is not pertinent it's the next quarter. However, there's no intent here in keeping things confidential from the delegates. That whatever modification will be apart of the planning budget.

And so you know I note your concerns and I think they're being addressed. Further comments on this issue?

MCCRARY: I had some more.

REDMAN (ph): OK.

MCCRARY: You know the planning budget must be passed by the delegates in August. There must at least be an estimate.

TIM (ph): There will be John.

MCCRARY: All right. But you say there may not be figures, but there will be an estimate available.

REDMAN (ph): John, not the actual figures because we just signed the contracts. But there will be in fact estimated figures that we will projected figures that we will put into the planning budget, yes.

MCCRARY: All right. But I'm still you know I feel that the formula must be approved because the formula is described to me by Jeff and I understand what he's saying. But it differs substantively from what's in that contract.

REDMAN (ph): No, I disagree with John.

MCCRARY: Well I'm quite sure that it does. And I'm glad to have it re-negotiated but...

REDMAN (ph): Re-negotiation I think is the incorrect term here. We will look at the page in the budget and it will be a separate page and it will be in there. And that's how we're addressing this concern, which is a legitimate concern.

MCCRARY: Well again, it depends. If they're very nice, and pleasant it will be easily resolved. If they're not their attorney's have a pretty strong position in the current wording (ph).

REDMAN (ph): I disagree with that interpretation. Further discussion about this? Does everyone have the motion before them? Doris, you do the roll call. All in favor of the motion as read?

BARRY (ph): Joe Ippolito?

IPPOLITO: Yes.

BARRY (ph): John McCrary?

MCCRARY: Yes.

BARRY (ph): Bob Smith?

SMITH: Yes.

BARRY (ph): Helen Warren.

HELEN WARREN (ph): No.

BARRY (ph): Tim Redman (ph).

TIM REDMAN (ph): No.

BARRY (ph): Doris Barry (ph) No.

REDMAN (ph): **The motion fails.** We'll look to the next item on the agenda. A very important one, disclosure issues on contracts. Here is what I have determined we will be doing after looking at the legal opinion, which you all have. Based on suggestions from various board members in my view.

What we will do from now is that a list of contracts with a summary statement of their import and their amount will be circulated to the executive board two weeks before any signing. Any executive board member can request a copy of any of the contracts on the list. If any board member requests a copy then all board members will receive a copy.

At that point, using or standard procedures under the bylaws there will be more discussion namely any board member can make a motion by objection procedure. The president can call a conference call. Three members of the board can call a conference call. So that is what we are going to be doing. Does anyone object to that procedure?

MCCRARY: Could I just restate it to make sure I understand it?

REDMAN (ph): Absolutely.

MCCRARY: Two weeks prior it would be circulated.

REDMAN (ph): That's correct. A summary, a list of the contracts with a summary statement will be circulated to the entire board, yes.

MCCRARY: And then any board member may request the actual contract to be considered for signing, in which case all board members would then receive it.

REDMAN (ph): That's right. Any board member can then request any or all copies of those contracts. If any board member requests any copy all board members, the entire board will receive a copy of that contract.

MCCRARY: All right. And then there will be adequate time if they feel that a conference call must be called, there will adequate time to do that prior to signing.

REDMAN (ph): Then before signing, given a board consensus, given our standard procedures for conference calls if anyone believes that a contract should be discussed by conference call or by objections motion. We will proceed with our usual procedures under these cases, yes.

MCCRARY: But the one question I had you said given a board consensus, obviously if three members call it.

MCCRARY (ph): That's right.

DEFEIS: It has to be called.

REDMAN (ph): Members call it or the president calls it or yeah, those are our procedures, yes.

DEFEIS: Which doesn't require a consensus.

REDMAN (ph): It doesn't require a consensus that is correct.

DEFEIS: All right.

REDMAN (ph): Is that acceptable to everyone? Therefore we will make a board motion be as the procedure that we will follow starting today and continuing through the end of this board. Now obviously the new board may want to modify this. But I think this addresses the concerns. Any objection to that?

MCCRARY: I'd like for the motion as to be voted on actually be read.

REDMAN (ph): No, the motion has been supplanted by a description of the procedure. So the motion now is a board motion saying that in fact, these are the procedures that the board will follow.

MCCRARY: However, once you supplant it with a board motion, the motion must be read and voted on. I want to make sure that the wording is correct.

REDMAN (ph): OK. Well let me go through it again.

MCCRARY: Phrase it as a motion. This is what we'll be voting on, please.

***REDMAN (ph): That's correct. OK. A board motion, starting as of today, Tuesday, June 12, the board will follow the following procedures as regards to all contracts.**

Number one, a list of contracts with a summary description will be circulated to the entire executive board two weeks before the signing of any contract.

Number two; any executive board member can request a copy of any or all of the contracts on that list. If number three, any board member requests a copy of any or all of the contracts on the list, copies of the full contract will be sent to all of the board members. And at that point, the board will have available its resources for discussion, namely any three members can call for a conference call or the president can call for a conference call. At that point the contract or contracts under discussion will be discussed and voted upon period.

Any further discussion? Doris can you call the roll.

BARRY (ph): John McCrary.

MCCRARY: Yes.

BARRY (ph): Bob Smith.

SMITH: I vote yes with the I'd like to make the statement it is most unfortunate this procedure has not been followed prior to this date. But my vote is yes on this motion.

BARRY (ph): Joe Ippolito.

IPPOLITO: Yes.

BARRY (ph): Helen Warren (ph).

WARREN (ph): Yes.

BARRY (ph): Tim Redman (ph).

REDMAN (ph): Yes.

BARRY (ph): Doris Barry, yes.

Motion passed 6-0- 1 absent

REDMAN (ph): OK. **And this is a board motion.** OK. The next point has to do essentially I think the next point John that you raised is contained in this procedure, don't you agree?

MCCRARY: That's correct. And with because of the motion just passed, I will withdraw the other two motions on my list because I think that they've been taken care of.

REDMAN (ph): The next item is Joe Ippolito, OMOV (ph). Joe?

IPPOLITO: Yes, I just have a you know sometimes board members; we get caught up in minutiae and a lot of other topics that pop up. And all I can recall is, and this where maybe my memory is failing, when we went over committees, when we did discuss OMOV (ph) I had been the liaison for that committee.

**** (Correction: Doris Barry was the liaison to OMOV Delegate Committee from 1999-2000.)**

(The delegates did not reinstate the committee therefore there was no liaison appointed for 2000-2001)

Now, somewhere along the line the committee was disbanded. Somebody just fill me in, because I guess I had a memory blank.

REDMAN (ph): Joe, I had the same memory blank myself so I'm very sympathetic to this. The OMOV was a special delegate committee that was appointed by the delegates. It was not re-appointed by the delegates and therefore its authority as a committee expired. That doesn't mean the issue expired because we have on our advanced agenda several OMOV (ph) motions.

IPPOLITO: Right.

REDMAN (ph): It just means that there is not an actual committee. Joe.

IPPOLITO: OK. You have answered the question.

REDMAN (ph): Thank you. Next, Helen Warren (ph) cost analysis of books and equipment policy. Helen.

WARREN (ph): I put this on here just to request an update of what's going on in this area.

REDMAN (ph): OK. I call Jeff Loomis (ph).

LOOMIS (ph): Basically we're doing an analysis which I hope to have completed shortly which will give a general overview of the results of the book and equipment change, basically from the time that George and I started in February to the current date.

I'm going to include several areas, including changes in accounts payables, accounts receivables, inventory level, individual items such as books that we had. Several major categories of equipment the changes that we made that are now in existence from the time we did it to the current date. And, also an analysis of the quantities that we sold for example if we sold how many we sold up to 20 of a title.

From zero to 20 or from zero to 50. I'm going to have that analysis also and I hope to have that done shortly, which I think will give a good overview of what the changes the results of the changes that we made.

REDMAN (ph): Thank you. Helen, anything further?

WARREN (ph): I'd just like to ask how many titles do we now carry?

REDMAN (ph): Is it book titles?

WARREN (ph): Book titles.

LOOMIS (ph): I believe as of now we have 102 book titles, somewhere in that neighborhood. Somewhere between 100 and 105.

WARREN (ph): Thank you.

REDMAN (ph): Further discussion on this point? My understanding then is that it's...

SMITH: This is Bob Smith. I have a question.

REDMAN (ph): Bob.

SMITH: Is there any plan in the offering that we either know about or don't know about outsourcing the selling of books and equipment?

REDMAN (ph): George.

GEORGE DE FEIS: There are two candidates that we are talking to, but we've only begun talking. Right now, the books and equipment business is at the right size. I'm comfortable with the way we have downsized it. Shipping and sales personnel, we've eliminated inventory, and accounts payable and receivable. We've been able to maintain those. We reduced from 500 to 100 books.

So I'm less concerned about outsourcing now than I will be. But there are two candidates that we are looking at.

SMITH: I presume then that if you are looking at candidates that any procedures towards contracts with them will certainly be circulated to the board in accordance with the passed resolution we passed.

REDMAN (ph): Absolutely correct.

DE FEIS: Sure.

SMITH: Very good.

REDMAN (ph): OK. Anything else on books and equipment? We've got an analysis coming from our CFO and our ED and that's in process.

OK. The next item is the update on the LMA loan to cover the Key Bank loan. I'll start with George.

DE FEIS: The LMA loan well I'm going to refer to Jeff.

REDMAN (ph): Jeff?

LOOMIS (ph): OK. The LMA committee has approved the loan. We're in the process of getting the necessary paperwork to so that George and Tom Dorsch (ph) can request the transfer of funds from the LMA to the bank.

REDMAN (ph): OK. A note for the record that this is not an increase in indebtedness. This is an inherited indebtedness that we are transferring. And I think we're all committed to paying this back, so I certainly commend Jeff and George and the LMA and the board for acting in the most efficient possible manner to make sure that this loan is covered. Anything else on number seven?

Moving right along. These are some informational items for the board. OK. The last binfo packet will be mailed only to the delegates. And any board members who believe or would like to have some items included are encouraged to send those to George and ask that they be included. Any questions on that?

The second item nine is after conferring advisors and with Mike Nolan (ph) I understand that it is the chair's prerogative (ph) to appoint a parliamentarian. I don't want to do this without telling the board that I'm doing it. I am appointing Mike Nolan as parliamentarian for the 2001 meeting (ph) in Framingham (ph). Does anyone have any objection to that?

MCCRARY: I have no objection. It's customary for the delegates to elect him, but I don't think anyone would object.

REDMAN (ph): What we will have is again, I'm going by the advise of the parliamentarian. What we will have John, is a ratification motion right up at the top of the agenda.

MCCRARY: I certainly have no objection to Mike (ph).

REDMAN (ph): Thank you. And then I've added four things that have just come in today. The first and by the way, if anyone's Spanish is better than mine, speak up, OK. But I essentially I have before me a letter from Delfin Bordillo (ph) who's the President of a I think the Chess Federation of Lima. I have asked at this point (Denis Barry) to join us because he has special expertise here.

This letter essentially says from the and I'm just translating. And as I say anyone who's Spanish is better than mine, just kind of jump in. From May 2nd to May 8th, in Lima Peru the second championship of the America's of blind chess was held. And there were three medal winners. The first place was Pedro De Mayo (ph). That's the gold medal. The silver medal was Edgar Rigo (ph). The bronze metal was Noriz Liara (ph).

And this letter says that from the second to the 12th of August, in a town called Galsgengiartin (ph) which is near Dusseldorf (ph) in Germany, the fourth world club for blind teams is going to be held with the announced participation of Russia, Poland, Ukraine, Germany, Yugoslavia, Spain, Romania, Slovenia.

REDMAN (ph): Thank you. Croatia.

BARRY: Croatia.

REDMAN (ph): Croatia, Lithuania, Hungary, and a team representative team from the Americas has been essentially selected from the last tournament held in Lima, Lima I'm sorry, Peru. And with this in mind, we are requested as the Chess Federation of the United States to essentially provide air transportation for the blind player, Alexandria Briaso (ph) from the United States to Dusseldorf (ph)...

IPPOLITO: And back again.

REDMAN (ph): And back again. And we need to respond, I'm sorry, by 31st May. This is one of the things that I get. So anyway. I would like the board's opinion if we would like to commit a ...

DENIS BARRY (ph): Let me....

REDMAN (ph): Denis Barry (ph).

BARRY (ph): Let me enhance that a little bit.

REDMAN (ph): Speak into the...

BARRY (ph): Alfine Bordello (ph) OK, is one of the giants of the blind chess world. He was in the Spanish Civil War. He lost one eye. Went blind in another. And he lost his arm. He was the secretary general of chess in Spain of

all of Spain for many years. He is now and has been for many years the president of the International Braille (ph) Chess Association. He's writing to you in his official capacity.

REDMAN (ph): OK. This came of course to the office. It was then faxed to me. And with all of the other things I was doing, and my rusty Spanish I just bring it to your attention. And so my question to the board is, should we commit \$1000 to honor this request?

IPPOLITO: This is Joe Ippolito.

REDMAN (ph): Joe.

IPPOLITO: I happen to know this young man Alex Baraso (ph). And he's a wonderful exemplary kid that does wonders for the chess blind chess players. I think if it's going to cost \$1000 it's nothing compared to you know the good publicity we can garner from something like that.

***REDMAN (ph): Thank you, Joe. Other comments? Any objecting? Hearing no objections we will move to allocate \$1000 to honor this request. And I'm turning it over to George.**

DE FEIS: OK.

REDMAN (ph): The next one is a little bit more troubling because and it just came to me this morning. We have a request from Alaskan chess players to essentially propose a change of the Alaska state chess affiliate. I was handed a correspondence and a petition.

According to the bylaws, we are supposed to make a recommendation to the delegates and circulate it 30 days in advance of the meeting. Now I know none of you have seen this because I just saw it myself this morning. And I'm requesting the wisdom of the board on this matter. Comments?

MCCRARY: Could you send us the material that you have? This John McCrary and let us comment by e-mail?

REDMAN (ph): John, we could certainly probably fax it to everyone.

MCCRARY: That's fine. Are they asking to change the identify of the affiliate of the persons involved? Or what?

REDMAN (ph): They're proposing to change the state affiliate from what's called Far North Chess to Alaska Chess League. There is this is this has a number of signatures on it. I would say about 20. And it is from Rick Everett (ph) who I understand is a highly regarded master. We could certainly fax this to the board.

My problem is in receiving this so late; well of course the board needs to see it. So we'll fax this whole packet to the board. And I would like you to respond as quickly as you've ever responded. And let's decide what we need to do on this. It looks like a serious request. I think we should put it on the advanced agenda, maybe without recommendation. Maybe ask some of our either our state committee.

WARREN (ph): Either the state committee or the affiliate committee although I would say the state committee.

*There should, I think, be a recommendation for democratic elections within the state, which is one of the things that has not really happened there. The number of players signing this petition for a state as small as Alaska is truly overwhelming. And they are by far the most active tournament players in the state. So they deserve a hearing.

It could mean, I think, the difference between running organized chess in the state and unorganized chess in the state. So I highly recommend that this be given serious consideration with recommendation by the state committee.

REDMAN (ph): Thank you, Helen Warren (ph). Doris Barry (ph).

BARRY (ph): I was just wondering if this is a matter of just a name change or whether it's an entirely different organization.

REDMAN (ph): It's an entirely different organization. Yes?

SMITH: This is Bob Smith.

REDMAN (ph): Bob.

SMITH: Remembering the situation in Nevada I would recommend that we proceed very cautiously on this issue. And I think I agree with Helen, it should be referred to the state's committee for their investigation and recommendation.

***REDMAN (ph): Thank you, Bob. Under our by-laws, we need to place this at least on the agenda, that's my participation before the delegates. I agree with Bob. I agree with you and I agree with Helen that we should refer it to the states. If we do not do anything this will automatically be postponed for one year. So I'm seeking the wisdom of the board. What I think I'm hearing is that number one, we will fax this whole packet to the entire board.**

Number two; we will refer this to the states committee and also to the affiliates committee. Number three, we will put this on the agenda for the delegates but without a recommendation, merely state it's been referred to these committees. This will allow the possibility of a recommendation and a vote at the meeting. Otherwise, if we don't do that we have to wait a whole year. Does anyone object to this procedure? Doris?

BARRY (ph): I just suggest that we have the two committees respond and investigate this expeditiously.

REDMAN (ph): Yes.

BARRY (ph): So that it doesn't go on for another year.

REDMAN (ph): I agree with that. Any further comment or objection? Hearing none, we'll proceed. And we've got just two more things. I noticed in...

IPPOLITO: Tim, could I just stop you for a minute, this is Joe Ippolito.

REDMAN (ph): Joe.

IPPOLITO: Yeah, I just have a procedural item. You know at the outset we were asked who was in the room with us.

REDMAN (ph): Yes.

IPPOLITO: And who was in the room there at the outset when we were discussing the Games Parlor. I know you went over the names. Could you do that for me again?

REDMAN (ph): We'll do that again. In the room right now is

IPPOLITO: That's right now. But I mean when we discussed Game Parlor. In the beginning.

REDMAN (ph): In the beginning, OK, and now, there were three board members, Jeff Loomis (ph) the Chief Financial Officer, Judy Misner (ph) the Chief Business Officer, and George De Feis the Executive Director. For a little bit of time only on the issue of the blind chess thing, I asked Dennis Barry (ph) to come in. He did just for that item and he left. However, I note also this is an open session.

IPPOLITO: OK. No, I just wanted to reiterate what we were doing at the beginning and it seemed that it changed, but now that you point that out I can understand.

REDMAN (ph): Thank you, Joe. All right. So we'll work that we'll do the Alaska thing as we have explained. Just two more quick ones.

It's quite a challenge to prepare the advanced agenda. John, you know that. And Doris and I know this now. And in looking it over I see that we may have hit a lapse.

We were asked to appoint a tournament standard's committee to look over what were a series of motions by Richard Peterson (ph). And these are highly technical motions having to do with square feet and aisle space and things like that. My recommendation at this point is this we refer these motions immediately to the scholastic counsel. And Joe we would ask you to do that for their assessment.

In my view, I think that the new handbook.

IPPOLITO: That's right.

REDMAN (ph): Has actually addressed these.

IPPOLITO: That's what I was just going to bring up. We spent five years coming up with that new and all of the dimensions and everything he's asking seems to be in that new handbook.

***REDMAN (ph): OK. In that case, let me ask the board to with unanimous agreement to say that these questions have been addressed in the new handbook that we have approved.** Does anyone object to that? Hearing none that will be what we do.

And the final thing is that as you recall in 1999, we were all coming into the board and there was a lot of discussion about the material that needs to be available in Framingham for the new board to make appropriate decisions.

What I would like to do is first of all elicit from all of the board any advice they have on the material we will need to have in Framingham (ph) for the new board to look at.

And secondly, what I would like to do is to ask Vice President's John McCrary and Jim Pechac to serve as a transition sub committee of the board to guarantee that we have a smooth transition, and that the material that we will have available in Framingham (ph) will meet the needs of the incoming board members.

Comments?

MCCRARY: That's fine with me.

PECHAC: Fine with me.

DEFEIS: Oh, Jim, I didn't even know you were there now. Welcome aboard.

REDMAN (ph): Is that Jim?

SMITH: It sounded like Jim to me.

PECHAC (ph): Just be happy Triple A got me. My fuel pump went out exactly half way home.

IPPOLITO: We were just ready to start to talk about you. You know what happens.

PEACHECK (ph): Oh, darn.

SMITH: They do talk about people when they don't get on these things. They do. They even do worse than that.

***REDMAN (ph): Without objection then, the transition sub committee will be Vice President John McCrary and Vice President of Finance Jim Pechac. That ends our agenda for the conference call. Does anyone have anything further to say?**

MCCRARY: Yes, a couple of things. Going back to the OMOV, I think we just clarified that the previous one had expired.

REDMAN (ph): Right.

***MCCRARY: But I would move that we appoint a new one with Bill Goichberg (ph) as Chair and such persons we may wish to name.**

REDMAN (ph): John, are you talking about this board?

MCCRARY: Yes.

REDMAN (ph): We appoint a new committee right now?

MCCRARY: It can be done at any time, Tim. There's certain advantages to them having committee status regarding being able to hold a workshop and so on. That's the reason they're requesting.

REDMAN (ph): I see. John, is that a motion?

MCCRARY: Yes.

REDMAN (ph): You're moving that we appoint an OMOV committee.

MCCRARY: Correct. With Bill Goichberg (ph) as chair and other person that he names.

REDMAN (ph): OK. John, at this point I think we need to go into closed session do you agree?

MCCRARY: That's OK, with me.

CLOSED SESSION

OPEN SESSION

MCCRARY: Thank you. It does make a difference in the transcript.

UNIDENTIFIED COMPANY REPRESENTATIVE: Right. That's exactly right.

REDMAN (ph): We're in open session.

MCCRARY: OK. The motion is that the executive board appoints an OMOV committee with Bill Goichberg (ph) as chair and such members as he may appoint.

REDMAN (ph): OK. Comments?

PECHAC: Would this be a delegate committee?

MCCRARY: No, this is a board appointed committee.

REDMAN (ph): Yes.

PECHAC: Which makes it a little different.

REDMAN (ph): Further discussion on the motion.

WARREN: Yes, this committee originally was a delegated appointed committee. It's now become potentially a board appointed committee.

This is completely out of the spirit of the intent of the committee itself, which emanated from the delegates. I oppose this motion vigorously. It also sets a very bad precedent every time we have second and third and fourth thoughts about the appointment of a committee we wait until this 11th hour two months before a meeting. And 10 months after the previous meeting when the committee was in fact dissolved when it's simply out of place.

How many other committees can we form like this you know on a temporary basis to suit an individual's own wishes. You know maybe each one of has a special cause that we would like to have a committee appointed for and have a majority of the board vote on it and hence set up a committee, a board appointed committee.

This is a real abuse of procedure and an infraction of precedent.

PECHAC: I don't know if I'd go as...

REDMAN (ph): I saw myself next unless someone else wants to go.

PECHAC: You're next.

REDMAN (ph): Jim, do you want go?

PECHAC (ph): Go.

REDMAN (ph): John, of course the spirit of compromise dies when a motion is introduced that violates the spirit of compromise, do you understand?

MCCRARY: I don't agree. I understand. But the spirit of compromise never dies.

REDMAN (ph): No we'll just go in order. I mean my point is that what I proposed as a compromise in closed session essentially becomes eviscerated by this motion. That's just to let everyone know where I stand.

I am in substantial agreement with Helen Warren (ph). I do not think that this board or the federation is well served by waiting until the advanced (ph) delegate agenda arrives and then rapidly appointing committee to correspond to whatever makers of motions have come forward to move things.

I agree that OMOV is an important question. However, I think the whole purpose of committee is deliberation, the careful consideration of members of a committee, a careful discussion wording, consensus a report, everything else, we've got none of this. So I think from my point of view this a potentially dangerous motion that sets a bad precedent and I will vote against it. Jim?

PECHAC: Yeah, I don't know if I was as ravaged as Helen (ph) is on it, but I do agree more with your moderate point on precedence. And on the other hand, I do see the compromise as a means of achieving some measure of respect to the attempt to bring that topic back up even though it maybe albeit you know only a-month-and-a-half before the meeting.

REDMAN (ph): And just for the record, the compromise that we discussed in close session is no longer on the table given this motion. Other comments?

IPPOLITO: Yeah, this is Joe Ippolito. Now as we're talking about the OMOV, I feel a little bit derelict in that I did not pursue this OMOV a little when you know we didn't do anything on it. And you know I feel a little bit badly for the many people that are out there that would like to see OMOV be brought back up. In the spirit of compromise. Hello?

REDMAN (ph): Yeah, Joe.

IPPOLITO: Oh, I thought we got disconnected.

REDMAN (ph): No, we're still here.

IPPOLITO: In the spirit of compromise there's a couple of things that I like and I could see this going to a vote and going down. There's some things that I do like that you did bring up. That there would be a place during lunchtime that people could meet. And what I would like to throw in and I have to make a motion after this fails I'll make a motion to this that that be done and that we then Bill Goichberg (ph) as the person to spearhead that meeting during that lunch point.

REDMAN (ph): OK.

IPPOLITO: So after it fails, you know we'll vote on it. And then I will do my motion to bring that up in that.

REDMAN (ph): That's within your right. Further comment on this motion? Hearing none, Doris can you call the roll?

BARRY (ph): OK. Joe Ippolito.

IPPOLITO: Can I ask Doris, because it seems that we have a precedent of who's going first in voting. Can we have the people that are in the office vote first?

REDMAN (ph): Yes

BARRY (ph): Sure.

IPPOLITO: Thank you.

BARRY (ph): OK.

WARREN (ph): This is on the McCrary motion.

REDMAN (ph): **It's on the McCrary motion to establish a committee on OMOV naming Bill Goichberg for its chair. Is that correct, John?**

MCCRARY: With additional persons to be named by Mr. Goichberg (ph).

REDMAN (ph): By Mr. Goichberg (ph). Thank you.

BARRY (ph): OK. Tim Redman (ph)?

REDMAN (ph): No.

BARRY (ph): Helen Warren?

WARREN (ph): No.

BARRY (ph): Jim Pechac?

PECHAC (ph): No.

BARRY (ph): Doris Barry. No.

Joe Ippolito?

IPPOLITO: Yes.

BARRY (ph): John McCrary?

MCCRARY: Yes.

BARRY (ph): Bob Smith.

SMITH: Yes.

Motion fails 3 For Ippolito, McCrary, Smith. 4 Against Redman, Warren, Pechac, Barry

REDMAN (ph): The chair recognizes Joe.

IPPOLITO: I'd like some more discussion on it.

REDMAN (ph): Further discussion.

SMITH: I favor Joe's motion, Bob Smith.

REDMAN (ph): Bob, thank you.

MCCRARY: John McCrary. I of course favor Joe's motion. I don't think it will make any difference whether Bill's name is in it or not. So if it would pass I would be happy with no name being attached.

REDMAN (ph): Joe, I propose to you as a friendly amendment.

IPPOLITO: And I accept it.

REDMAN (ph): OK. Can you restate your motion with the friendly amendment?

IPPOLITO: OK. Then you know it would be that the location would be set during lunch time for OMOV interested parties to meet. : **I would like to make a motion that states that on the at the delegate's meeting that a location during lunch time be available for people interested to discuss OMOV and that Bill Goichberg be there to field the questions and to orchestrate the meeting.**

REDMAN (ph): **Joe, I could support that if you leave out naming a person?**

IPPOLITO: Well my contention is that Bill Goichberg is a very vocal, adamant person for OMOV and probably would be the best point guard for that group.

REDMAN (ph): Joe, I agree with that my point is simply that this sounds like a shadow motion. Joe do you imagine in a million years that Bill will not be there? Therefore why do we need to put that in, OK? If you could restate that motion just with the first part I could support it.

REDMAN (ph): I agree with that. Further discussion. Hearing none, Doris can you randomize the roll order and call the roll again?

BARRY (ph): OK. Let's see. We'll start with Bob Smith.

SMITH: I abstain.

BARRY (ph): You abstain. OK. John McCreary.

MCCRARY: Yes.

BARRY (ph): Joe Jim Pechac.

PECHAC (ph): Yes.

BARRY (ph): Who did I miss here? Joe Ippolito did I get you?

REDMAN: Yes.

BARRY (ph): Joe?

IPPOLITO: Yes.

BARRY (ph): I did get you. OK. Tim Redman (ph).

REDMAN (ph): Yes.

BARRY (ph): Helen Warren (ph).

WARREN (ph): Yes.

BARRY (ph): Doris Barry, yes.

REDMAN (ph): OK.

BARRY (ph): So we have one abstention and the rest are yes's.

REDMAN (ph): OK. And that ends the conference call.

SMITH: I have a point of order Mr. President.

REDMAN (ph): Yes, Bob. A point of order.

SMITH: I'm a little confused as to who is the room in there exactly.

REDMAN (ph): Then I'll tell you again, Bob.

SMITH: It's you and Doris and Helen and Jim is that correct? Or is Jim in Cleveland?

REDMAN (ph): No, Jim is in Cleveland. The people who are in the room here in New Windsor are George De Feis, Helen Warren (ph), Doris Barry (ph) and Tim Redman (ph).

SMITH: OK. How does it happen that three of you are in New Windsor?

REDMAN (ph): Bob, if you recall oh you don't recall. We did vote to have me come up here to work on the agenda. Doris is in New Jersey and she's been working on the agenda and came up for staff celebration day. Joe Ippolito was here earlier. He came up for staff appreciation day. Helen Warren is here. She and Jim Warren were working Saturday and Sunday and today on correspondence chess and on the life member roles.

SMITH: OK. Thank you.

MCCRARY: I have a point of information, Tim.

REDMAN (ph): Yes, John.

MCCRARY: Just to restate all of our discussion of the Games Parlor compensation clause was an open session is that correct?

REDMAN (ph): Any further items?

MCCRARY: Sorry. I didn't hear your answer.

REDMAN (ph): That is correct.

MCCRARY: That means that the compensation clause that is read out into the record then is now part of the public record?

REDMAN (ph): No, that means that everything that's on the transcript except for the small portion devoted to OMOV that was announced as closed is open. In other words the transcript itself is open session.

MCCRARY: But my question was we did in essence read out the compensation clause Three B.

REDMAN (ph): That's correct.

MCCRARY: OK.

REDMAN (ph): Yes.

MCCRARY: All right.

REDMAN (ph): OK. Can I now adjourn? Thank you all for attending. And Jim good luck with your fuel pump or whatever it was.

PEACHECK (ph): Yeah, we'll see.

REDMAN (ph): Appreciate you all attending. Good night.

IPPOLITO Great.

MCCRARY: Bye.

SMITH: Good night.

DEFEIS: Good night.

BARRY: Good night.

END

Respectfully submitted by Doris L. Barry Secretary