



BOARD OF DIRECTORS MEETING
April 11, 2013
Virginia Beach VA

TO: Board of Directors
Group A Members
Group B Members
Group C Members
Committee Chairpersons
Other Interested Parties

From: Ms. Sherrie Wilson, Secretary

I. CALL TO ORDER

MEETING CALLED TO ORDER BY PRESIDENT BOARD MEMBER
NOBORU SAITO AT 6: 37 PM and a quorum was established.

II. ROLL CALL OF THE BOARD OF DIRECTORS

Lance Nading, USA Judo President (Joined at 8:45 PM)
Jason Rivera, USA Judo Board of Directors
Gail Stolzenburg, USA Judo Board of Directors
Noboru Saito, USA Judo Board of Directors
Devin Cohen, USA Judo Board of Directors
Ken Bellmard , USA Judo Board of Directors (Absent)
Mike Swain, USA Judo Board of Directors (Absent)
Leo White, USA Judo Board of Directors
Brian Olson – USA Judo Board of Directors
John Serbin - Absent

USA JUDO STAFF

Jose Rodriguez, USA Judo CEO
Corinne Shigemoto, USA Judo COO
Eddie Liddie, High Performance Director, USA Judo
Sherrie Wilson, Director of Marketing, USA Judo

GUEST

Pete Catlos

- III. MOTION TO APPROVE THE MINUTES FROM THE APRIL 2012 MEETING** By Noboru Saito, Seconded by Devin Cohen, all approve, motion passes.
- IV. MOTION TO GO TO ADOPT THE AGENDA** – By Noboru Saito, order revised, all in favor, motion passes
- V. CEO REPORT** by Jose Rodriguez, CEO

Rodriguez explained Corinne Shigemoto's new role as COO. He explained the staffing structure of the office.

Rodriguez reviewed where many of the US Teams are traveling to. He went on to explain that we are being viewed now as a hard draw versus in year's past.

Rodriguez went on to discuss the Scholastics championships and mentioned that the venue was challenging but it was still a good event that was well attended.

Rodriguez complimented the A Level Referees on their willingness to make corrections at events where mistakes were being made.

He then addressed the location of Virginia Beach for this year's Senior Nationals. He reminded the Board of Directors that we had a long term agreement with Virginia Beach that had to be fulfilled. He went on to explain that we would most likely do best if we selected 3-4 cities that we returned to on a regular basis.

He explained the contract with the IJF for 2013 & 2015 for the Grand Prix and presented the partnership proposal. He explained that for the purpose of our athletes 2015 is very important as it does count towards points for our athletes to make the Olympic team. The week prior to the event, there will be a reach out program where athletes work with kids. There will also be a one day conference on Judo For Youth program that the IJF wants to put on. This is all paid for by the IJF education committee.

From here forward we are taking the approach of we are no longer here to win matches but here to win medals. Now USA Judo will work to determine who will be selected so the proper investment can be made.

He further went on to discuss the new coordinator in High Performance, Denise Thomas. Denise came from the USOC and was previously with Swimming and Figure Skating.

The subject of junior rank promotion was addressed. A poster has been in development and it will be accompanied by a booklet and a certificate. There will be a total of 10 posters. This will be sent out to the registered clubs. The important issue here is that we provide this as a benefit for our club and then we go ahead and all market the junior rank programs to our clubs.

Rodriguez discussed the Strategic Plan. He also went forward to take a look at the Strategic Plan and explain that there were tasks and areas of responsibility. He also talked about how we have been able to achieve the goals of the Olympic Committee and surpass them with more medals on both the Olympic and Paralympic side.

Rodriguez reminded the Board that 8 years ago a lot of money was committed to the organization and it was a risk but it was a risk that paid off. Eddie Liddie explained that the next expectation was two medals on the Olympic side and two medals on the Paralympic side. He also said that this was based on being able to support the three top athletes but also more. It was explained that the average team was now 4-5 athletes. He stated that the internal goal was for 8 athletes.

Liddie explained that it was difficult to recruit woman on the Paralympic side and that the VI side with the military would be hard too.

CEO Jose Rodriguez let the Board of Directors know that Lynn and Bill Thursby donated \$35,000 for the matching grant. That equates to \$70,000 for us with the \$35,000 that will be matched by the USOC. Mr. Saito requested that people get involved with requesting money from people in our own dojos.

One of the programs that will be presented will be the sales of the IJF/PJC Certificates. The IJF Certificates are required for testing for referees and this could be a market. The average sale price for certificates are \$500. We do have a significant profit we can make on the programs so it's well worth it.

Devin Cohen suggested that we create a rank link where we showed people's ranks and then also announced it when people got promoted. Another idea is for all of our Olympic medalist to sign a certificate and then sell these to club coaches for their rank.

Olson suggested that points are accumulated at events that are existing so that clubs can compete at for the team tournament, this could create additional revenue as well.

Leo White asked about the deal with donor from Colorado that was discussed during the last Board meeting. The numbers were addressed for the Scholastics and the Senior Nationals. Corinne Shigemoto reported that the numbers were low for normal.

MOTION TO ACCEPT THE CEO REPORT By Lance Nading, seconded by Gail Stolzenburg, all approve, motion passes

VI. AUDIT REPORT by Gail Stolzenburg

The budget will be changed again to reflect. Stolzenburg reviewed the budget for the Board as it related to expenses and to revenues. He then went through the balance sheet and explained how this works. USA Judo has the \$160K note paid down to \$62k which is good. USA Judo is still in a negative position as is related to equity. The goal is to get it to where we have a positive balance and get some equity in the organization.

Rodriguez reported on the new contract for the website which is for \$50k rather than \$75k, but for every additional hit we get more money. The IJF Certificate program has been added which we believe has a lot of potential. Under High Performance provisions there have been changes. Under contributions we have raised this from \$10k to \$45k. The matching funds are shown in the high performance side as well as at the top of the budget in the USOC line item.

The national events have been slightly reduced with the exception of the JO's that has been increased. We now for the first time ever have a \$3 million dollar budget. We have also boosted some of the insurance items to ensure proper coverage. The rent has gone up slightly due to two locations. Under High Performance the salary of \$90K is from the USOC and we also have a significant amount being put in from USA Judo.

Nonemployee contributions are monies provided to the athletes for support.

Rodriguez addressed the world level events that are upcoming including the World Cadets and the Grand Prix. For the World Cadets, USA Judo must pay \$50k to the IJF. The World Cadets will net us income and revenue so its ok. For the Grand Prix, we are required to pay out \$100k as prize money. The second commitment is to host the event and the third commitment is to webcast and broadcast. A two hour broadcast for Saturday and Sunday will cost approximately \$80k dollars. USA Judo is in negotiation with the USOC and seeking their assistance and support in the area of broadcasting. USA Judo is in a good position to sell the broadcast if you consider the past company of Paris, Moscow and others. The entity that was supposed to fund the Grand Prix has fallen through, it has not happened. Now, we must address how we will host it. If we determine that we tell the IJF that we will not host, we will destroy the relationship that we have spent 7 years building. USA Judo's largest challenge is the prize money. The way we are reflecting money in the budget is net.

MOTION TO ACCEPT THE AUDIT REPORT SUBJECT TO AGREED UPON CHANGES By Devin Cohen, Gail Stolzenburg seconds, all approve, motion passes.

MOTION TO APPROVE MITCH DOWNS AS THE AUDITOR FOR USA JUDO FROM THE MERGER OF CRANDALL CHRISTENSEN WITH OSBORNE, PARSONS & ROSACKER By Gail Stolzenburg, all approves, motion passes

VII. MOTION TO APPROVE THE SECOND AMMENDMENT OF THE BUDGET WITHOUT THE REVISION OF THE GRAND PRIX by Gail Stolzenburg, all approve, motion passes

VIII. MOTION TO RECESS UNTIL at 9:37 PM with reconvene time at 1:00 PM ON 4.12.13 by Lance Nading, all approve, motion passes

VIV. MOTION TO RECONVENE AT 1:04 PM ON April 12, 2013 By Lance Nading all approved, motion passes.

VV. PRESIDENT'S REPORT by Lance Nading

President Nading provided an update on the strategic plan. Several members of the Board of Directors have worked hard to create the plan. The plan will be presented to all members of the Board with documentation for approval and input.

President Nading discussed that there is a window of opportunity to optimize the success of the Olympic Games. He reiterated that the most important thing we can possibly do is market our Grand Prix jointly with our athlete.

The top donors who have given over \$1,000 in the past to the organization will all be identified and a letter will be issued by Lance Nading personally to all of those donors. The Board will be relied on to assist with getting these donors to support the event.

The event is televised around the world in France, Italy, Germany, Korea, China and others. The IJF sells the right to those specific countries. One of the biggest opportunities that we have is this. We have rights to opportunities on the mat and we have the right to the gi patches. There are items that have clear value from a marketing standpoint because the event will be televised. We also own 50% of the advertisement on the side video boards along the mat area. These are 10-15 seconds. One company gets the entire thing as the title sponsor. The private donors will get a thank you, VIP seating and we will determine what else. If the USOC selects to sponsor the broadcast, we will not be able to have any

conflicting sponsors. We must ensure there are people in the stands as well. We must use this to harvest our relationship so that we can cultivate new relationships. It's important that USA Judo will be seen as an organization that has value and that people want to buy in to. Rodriguez reiterated it is very important for us internationally to ensure that the event is well attended.

The venue will need to be set up in a way that the venue looks extremely full. This is important for the television show. A discussion ensued regarding who would televise the event. Brian Olson suggested AXIS TV be explored as they are primarily broadcasting combat shows.

Nading emphasized that all must be involved in this process. Ken Bellmard had a contact that was interested in sponsoring the Grand Prix. This individual is in the gaming industry. He did fly to Europe to meet with Mr. Vizer. Mr. Vizer felt there was a large opportunity in the gaming industry with this gentleman. USA Judo is still waiting to see if this person may move ahead with the agreement.

Regarding the case of the donor from Colorado, he is in Australia. We are still working on this contact and there is belief that the relationship will move forward as he is already a large donor. He has given \$30k already to USA Judo and he is committed to a deal, however, the details must be worked out. There is hope that he will be able to work out the fine details of the agreement soon.

Regarding our position, there is disappointment that we have not secured either one of those. USA Judo must absolutely do the event. The logistics of the event will be covered by athlete registration. The television broadcast will most likely be covered by the USOC, so the main item of concern will be raising the \$100k that the IJF requires to be given as prize money.

Rodriguez emphasized that if we find a sponsor that is willing to come on board but is a competing USOC sponsor, then we need to approach the USOC and ask for permission.

It's very important that we invite the individuals that can make this a top notch event. This cannot have a local feel, it must have a first class Olympic style feel to it in accordance with the expectations from the IJF.

MOTION TO REAFFIRM THE NEW COMMITTEES AND CHAIRS by
Lance Nading, all approve, motion passes

Feedback was provided to the past broadcasters prior to the last broadcast. USA Judo had a \$200k broadcast where the producers did not take any of the feedback. From here forward, USA Judo wants to highlight only the wins and the human interest. This will mean highlighting our super stars such as Marti Malloy, Kayla Harrison and Travis Stevens. It's more important that we highlight great moments with 20-30 minute broadcast rather than broadcast without strong content.

USA Judo would also like to presell a DVD on our stars of the 2012 Games and our journey to 2012. The idea would be to presell the DVD's to create a revenue stream for production.

Rodriguez explained to the Board that there is a video that the IJF made on the Grand Prix. There is a portion at the end of the Grand Prix that focuses on the US Grand Prix.

MOTION TO ACCEPT THE PRESIDENT'S REPORT By Lance Nading, all in favor, motion passes.

VI. CASH FLOW REVIEW by Gail Stolzenburg.

There are several items that are being purchased including items for events, merchandise and office expenses. By May we are back into the positive on the cash flow side which is very good.

In months we are negative on cash flow, a check is not issued until the following month. The report is not an actual, it is a projection. The true actual is through the month of June. Nading was very complimentary of the audit committee. We now do projections and anticipate where there may be cash flow issues so that proper planning can take place.

Brian Olson has been added to the audit committee and will serve as part of the team reviewing financials.

VII. OLD BUSINESS

The issue of John Serbin's lack of attendance at the Board Meetings was discussed. Brian Olson, the current athlete representative on the Board will reach out to Serbin to determine the relationship moving forward.

The jujitsu relationship was discussed. There has been lack of traction with the program. There are a lot of clubs paying private insurance so it seems that USA Judo would pick up membership but it has not picked up.

It was suggested that we let grappling clubs know that even if there is shirt/no shirt clubs we can tap into these potential members.

It was suggested by Devin Cohen that we do a survey of our members and see who may be teaching jujitsu on the side or if they are practicing. The question was posed that if we are unable to increase the program, is it worth keeping. Since items and we were committing funds that needed to be dedicated to judo. If we had extra money it makes sense. Without extra funding, it was difficult to continue when USA Judo is working to fund our own programs.

IX. MARKETING UPDATE

Jose Rodriguez presented on junior rank. The idea is to have a total of 10 ranks where posters and a booklet will be provided to all of the judo clubs. Rodriguez displayed the sample poster for white/yellow belt. Nading complimented the plan and asked that we push the program through the internet efforts.

There have been five potential fundraisers identified for raising money in the marketing plan. One of the first plans is our athlete plan for our heroes going to Brazil in 2016. The idea is to create an opportunity via the internet and other means for people to give small amounts with a credit card down. If we build volume, we build money for the athletes and continue to incentivize them. We are also pushing this to Maximized Living. We are asking doctors to sign up to give money directly to USA Judo.

The Night of Champions this year will be held twice. The first one will be July 19, 2013 and we will be honoring Mr. Uchida and Mr. Cahill. It's anticipated that this will be a large event. In November, we anticipate an event in Oklahoma honoring Mr. Pat Burris and Dr. Ron Tripp.

Leave a Legacy program is now underway as well. We have been working on getting this off the ground and we believe that we are ready to move this forward. There are already members that are stepping forward to give money. Jeff Le Force has placed USA Judo in his will for \$10,000 which is significant. It's important that we are able to use people's names and other members can then see that this is normal and a good thing for the organization. There are also ways to purchase the insurance policy and USA Judo is made the beneficiary.

The IJF/PJC certificate is going to be a big focus of ours in the next 90 days. We need to move this forward as it has big potential for not a lot of investment. If we can sell 100 certificates its \$50,000. Individuals are already buying the certificates so if we can all push it, then this program can be moved forward. A letter will be provided by Sherrie Wilson for the Board use. A simple handwritten note will be included.

Mr. Brian Olson also became a member of the Circle of 100 and was congratulated for his support. There was also a donation for the junior world female team of \$1,400 from a female donor via Michigan Judo Development Association, Inc.

It was suggested that a team system be developed so that we can include our clubs and we have the opportunity to provide a team cup either through one or a series of pointed events. The structure would be designed to develop a broader attendance of more than just black belts. The idea is to create more of a freestyle situation. Open up to no gi. Remove some of the restrictions regarding patches on

gis. The idea has been discussed for a long time regarding an expo style event with competition and clinics There is a lot of opportunity to brand and recreate a sponsor base. We would probably need to develop a senior race for the Cup and a junior race for the Cup. The issue is that we need to ensure we have rules that comply to the insurance carrier. Right now they demand IJF compliance. If we modify rules there are items that come into play regarding exposure.

Nading requested that Board Members attend both the Referee Meeting and the Coaches Meeting.

X. MOTION TO RECESS AT 3:00 PM by Lance Nading.

XI. MOTION TO RECONVENE by Lance Nading at 2:15 PM on April 13, 2012
At the Virginia Beach Convention Center

Attending Board Members: Lance Nading
 Brian Olson
 Gail Stolzenburg
 Devin Cohen
 Leo White
 Noboru Saito
 Mike Swain

Staff Members: Jose Rodriguez
 Sherrie Wilson

XII. CONTINUATION OF GRAND PRIX FUNDRAISING DISCUSSION

Nading stated that he would issue a formal plea in the form of a letter. The letter will be sent US Mail first and then be sent email with an attachment. Then the follow up will be email or telephone. The Board will be called on so that the list can be split up so that individuals serving on the Board can get involved with working their contacts. We are offering real value with a situation that is televised. The entire venue is 500 seats. The best seats will be right in front for 100.

It was proposed that seats be sold for \$1,000 each. They would get VIP treatment, opportunity to meet the athletes, and take the time to make them feel really good about the investment.

XIII. AUTO RENEWAL FOR MEMBERSHIPS

Nading brought up the topic of auto renewals and that the USA Judo system should be set up so that memberships auto renews. Further, he felt that there should be an auto system where there will be a credit card on file for members so that the member can purchase apparel, judo gis, entry form, auto renewals, etc.

Rodriguez expressed that the auto renewals have been researched by multiple staff members and we have been unable to identify a company that would do it. There is also a liability involved with holding credit cards.

We need to do more research and determine if this is a something that we are going to move forward with.

XIV. MOTION TO OPEN AN ACCOUNT WITH FIDELITY INVESTMENT FOR THE PURPOSE OF GROWING THE ENDOWMENT ACCOUNT by Noboru Saito, al approve, motion passes.

XV. MAT REGULATIONS

Mike Swain discussed the requirements of the mat area. It was recommended that USA Judo publish the required IJF parameters for tournaments regarding the meters between that mats. The request was for USA Judo to make it more clear that we accept the IJF code of the minimal parameters of 3 meters.

It was suggested that USA Judo request all senior events be three meters and all junior events be three meters. The concern is a safety issue with the new newaza rules.

Due to how the rules are now, especially with the newaza rule, we need to make sure that we are set up correctly to ensure that we protect USA Judo from liability issues.

MOTION TO ADJOURN by Lance Nading at 2:57 PM.