



## MINUTES

### USATT Board of Directors Meeting

December 14-15, 2019  
Fort Worth, TX Convention Center

#### **9:00**

**Anne:** Welcomed the board, and thanked all for their attendance. Opening comments below:

Difficult times for USATT and difficult times for USOPC and by extension difficult times for world of Olympic sport. Issues include Athlete safety, athlete compensation, mental health, athlete lifecycle, Safe Sport compliance, doping, recent Russian ruling, governance and the US Government oversight. What is the US government going to do regarding the Olympic organization in the United State; funding and the large sums of money that pass through IOC and sometimes NGBs and the influence oligarchs who have a ton of money to spend for national championships, gender equity and the big one with gender equity is what to do about trans athletes; IOC new board members that were just announced and two new members are male.

NGB and USOPA relationship. The interaction of the Paralympic movement and the Olympic movement. How will they work together for all the athletes.

Reiterate that in spite of the issues facing us at USATT, we all want the best for table tennis and doing our very best for working on this board and giving our time and energy.

Ground rules for this two-day meeting: respect and courtesy to fellow board members. Attention to the board agenda and keep an open mind and heart to what is being decided.

We have a full agenda. Depending on the timing, I will recognize guests in the audience who wish to speak.

#### **9:08 roll call from Dennis**

Anne Cribbs  
Ed  
Bruce  
Tara  
Carolyn  
Gary  
Deepak  
Erica  
Rajul not present  
Dennis



**9:09**

**Anne:** any conflicts of interest? Hearing none, I suggest we revisit this declaration after Melanie Herman presents the Conflict of Interest presentation tomorrow morning.

### **9:10 World Championship in 2021**

**Anne:** To this date, don't believe the contract between ITTF and Houston has been finalized. Suspect it might have been done in China and expect we will hear from Virginia about that. I'm excited about the 2021 World Championships. There are things we can do without costing us a lot of money. One is to have a regular report on the development of the world championships to the membership on the Insider or website or both. The other is for referees and umpires to know how they can sign up to be referees and umpires.

**Ed:** Officials signing up doesn't work for ITTF/world champs. Officials are selected by the ITTF.

**Anne:** my idea is about encouraging referees and umpires for training or at the event to reward them or recruit others to be trained as referees. As I understand we struggle to get them.

**Deepak:** they don't struggle as much to get them for the Open. There are specific things – blue badge. You need to be an umpire and all of this is at the ITTF level.

**Ed:** you have a great idea, which we can modify. We need to push to get more officials in the US for sure. If they were regional referees they won't cost as much. My budget was around \$10,000 for referees for the Arnold Table Tennis Challenge in 2018

**Anne:** what I was trying to get to is this is a marketing opportunity for USATT – 2021 World Championship is a marketing opportunity. It is in our need for officials. In the need for creating interest of the sport all over the country; for the membership in general; and in the run up for events in the use of names or some other things. Like the road to Tokyo or the Road to LA. This is the first World Championship not in Europe or Asia since 1936 and this is a big deal. How do we capitalize on this and support the Houston Sports Commission/Local Organizing Committee and the ITTF?

**Ed:** it requires a lot of volunteers. This could be a way to organize. Look at NCTTA and Greensboro, NC. They have 1,000 people in their community signed up on a waiting list to volunteer.

**Anne:** I'm looking at Deepak with your college organization. Is there a way to make the World Championship a way to get more college players to make the jump to USATT. If we think this is a good idea how do we move forward to implement it?

**Deepak:** if we know world champs is coming, what do we do? The world champs has three partners: Houston, ITTF and USATT.



**Anne:** ITTF has an operations group. T. How the responsibility is going to be worked out – we can add to the model. We as an organization can be thoughtful about how we can help the growth of TT in the US.

**Deepak:** we need to know who wants what? We have an office of people – Houston has people, USATT has people. Coming from the perspective of who we can ask for help. The Dallas/Texas group has a lot of support. They will request volunteers and people show up. I think we can do this in the Houston area. We have a similar set up in Austin. This can happen with a good network.

**Ed:** suggest on the volunteer side we look at what we did with the WVC. There was someone in Las Vegas that did a tremendous job coordinating that. We should look at that now. At WVC the number of volunteers was huge, somewhere around 500 and many were international. The gentleman that managed it did a tremendous job. The bad part of it was we didn't start early enough so you are right to start the conversation now.

**Anne:** let's have a list to give Virginia to know what is possible to have done at HQ so we don't miss the opportunity. We are less than two years away. 18 months away and this is when good planning and partnerships come into play. We will have a representative of the Board on the LOC and I have requested an athlete to participate; the person identified has not been able to confirm their personal schedule yet. Does anyone think this is a bad idea?

**Carolynne:** I think it's an excellent idea. Thanks for getting the conversation going now.

**Erica:** I have never had the opportunity to play a major global tournament in my own country.

**Tara:** I haven't participated in any major global events in the US either.

**Anne:** Tara, Erica, your comments show us that we have a real opportunity to celebrate, promote, market the event for the athletes and get everyone excited.

**Deepak:** TTX; excitement; cool experience

**Anne:** Engaging school children can fill the audience, makes competitors feel good and excited and shows kids the vision of what they can do with TT in the future.

**Ed:** Tournaments and associations could have a hand out at their venues.... 3 and four star tournaments should have a small area for USATT handouts as part of their sanction to promote USATT.

**Anne:** how will that play, Bruce?

**Bruce:** I'm not sure but we need a to-do list and someone in charge of the to-do list. Someone inside USATT needs to work with someone of the other two groups; be in charge of it and be accountable for what is to be done. This way it doesn't get forgotten or just go away.



**Anne:** that is a great observation. I speak to Janis regularly and the plan would be for someone from USATT to be part of the LOC in addition to the athletes so there is regular communication. Once the roles and responsibilities are structured.

**Ed:** There was a hard bat championship in 2009 in Las Vegas and nothing good came afterwards. If we don't have a good build up, there is no lasting effect afterwards.

**Anne;** what is the legacy? What happened to the kids, the seniors, and the sport in having a legacy.

**Carolynne:** action items/list goals

**Anne:** yes, let's get a list. It should be in line with strategic plan. These minutes will act as a list of suggestions for HQ.

### **9:32 Safe Sport Town meeting**

**Anne;** preface for me is that there is still a great deal of disarray and turmoil around safe sport. Some of it is funding, changing direction/requirements, and getting their initial start-up and how do we deal with this and have enough investigators. It has grown to a pretty big deal in a short period of time. With the town meeting, there were two call-ins and the one I participated in was for chapter presidents and US Olympic alumni and Para alumni. Handouts were good and I'd like to go through them.

3<sup>rd</sup> page is total reports received. In 2017 when first created was 85, then 70 and now at 684 reports for Q3 2019. I don't believe that this includes the reports they don't hear about.

**Dennis:** anytime a SS complaint comes to a NGB it is automatically referred to the center and in 2-8 weeks they will send to the NGB and determine if they consider them at all. I believe there are two SS complaints that are in active consideration for SS.

**Anne:** The next page is the record of completion of the training. We are at 100% as a Board, right Dennis?

**Dennis:** yes. They changed the training from when everyone here took it the first time and then there will be a supplemental follow up to the new training that will be offered.

**Anne:** going forward, they have a new CEO with a lot of energy and they are looking at how to respond faster. I understand that complaints were taking a long time to receive a response.

**Dennis:** if they will take jurisdiction it will take a long time.

**Anne:** what is a long time?

**Dennis:** USS has yet to complete any SS complaint for anyone in TT.



**Anne:** when did ours first go in?

**Dennis:** one went in the middle of the summer.

**Anne:** so you can see they have a lot of work to do. They are trying to hire new investigators. At the last NGB meeting at the assembly when all NGBs got together, they were going to come back to NGBs for more money. We are the lower tier of the NGBs and we don't contribute that much but it is still a lot of for us. I don't remember what their budget is but there is a request as part of legislation, we are asking Congress to spend at least \$20mm/year and it will do nothing else but increase and they are going to train 2 million participants. Think about youth soccer, little league baseball teams. It is a huge task and in a way some of the waters are muddy about things.

**Dennis:** imagine the amount of work for staff should we require all USATT members and everyone who participates in USATT club activities. It would need to be another staff person who would be dedicated solely to that task. We are working to implement the latest 2019 overall guidelines into our SS procedures and they are striving at the center to only change procedures once per year in the future.

**Anne:** What is the timeline on procedure change?

**Dennis:** don't know off top of my head.

**Anne;** please get that for the minutes.

**Ed:** we have so many international participants with foreign coaches and how do you do background checks on them?

**Dennis:** we now have an opportunity with our background checks to do international background checks. Instead of \$15 an international background check is \$145. I believe in a few years they will have materials in Mandarin.

**Anne:** I asked when they would publish materials in mandarin and Spanish. They said it should be in 2021. They also said they really were committed to stronger communication with the NGB about what they are doing and keeping people up to date. This is great because they are understaffed, under resourced and has a lot of people complaining.

**Ed:** we can take a lead on getting it translated to Mandarin. How many NCTTA players are bilingual?

**Deepak:** we are at more than double complaints. We already have a structure. Our board, clubs, whom are we targeting now at the next level? Did they talk about other NGBs that aren't following the rules?

**Anne:** no but they want to extend to a lot of youth orgs that are attached to NGBs.



**Deepak:** I know we struggled a lot in implementing this. If we know where to focus and where the impact will be we should start communicating it now. The question is how do we reach 2mm. we are only at 700k and 2mm is a lot more. How do we do it and we need to start working on how do we communicate on what more is coming this way we are really prepared. This is a big target. Trying to do these background checks it is good to do but it will be costly.

**Anne:** I had suggested to Susanne Lyons in the summer of 2018 at the Board Chairs meeting in Denver that USOPC should look at additional funding for NGB's for Safe Sport – perhaps grants for staff.. If you look at the difference in the background check from domestic to international, it's a big jump and a lot of money.

I remain concerned about our international coaches and if they have taken and understand the SS training. I have this bad feeling that this will blow up in our face if we don't aggressively go to the clubs and say we have to have the assurance that international coaches have been SS trained and understand. I don't know how to do this without appearing to be prejudiced and targeting specific groups` but it really troubles me. Any thoughts?

**Ed:** our elite athletes competing overseas. We have those that speak mandarin that are SS compliant but don't know enough English to be SS complaint.

**Anne:** so we can we do to be proactive about this?

**Ed:** make a request of SS and pass it on to a scholarship in college and ask the students who are bilingual to do the training. This is an opportunity for us to shine with USOPC and it's an opportunity for NCTTA to make money and students to make money.

**Tara:** I think the USS will do this initiative themselves, not just mandarin but Russian and all other languages we need it to be in.

**Anne:** I asked the question in the meeting and they said it wouldn't be until 2021.

**Deepak:** we should encourage the club owners for more communication. Most of the coaches who know only one language work at the club, it's not at their home. We should reach out to club owners to initiate and ensure they understand. The key part is making sure they understand.

**Gary:** in 2019 finding someone to translate, it shouldn't be that hard.

**Anne:** maybe we should send a strong message to the people that did the slides and tell them we can help. This is a suggestion to USATT Headquarters. I believe Save Sport would appreciate the offer.

**Gary:** it just needs to be allowed and recognized to get the slides in an editable format. Let us do the translation. Someone can do subtitles. There are people with little mini sound studios to get the voice part too.



**Dennis:** it's not a deal breaker but CSS will want to verify.

**Carolynne:** we need it for the record and a message to the membership that we cannot wait for CSS to solve this problem for us and we need to be proactive in solving problem or at least provide a recommendation or request.

Anne suggests adding the Safe Sport Deck to the minutes for posting on the USATT web site.

### **9:58 Background Checks**

**Anne:** dennis, please go through the background check documents that you would like in the board book

**Dennis:** are you sure you want me to do this now?

**Anne:** we can do this later but there are three memos about different groups and I was asked to put this in the board book. I don't know enough about this and I cannot speak on it.

**Dennis:** I have nothing to add right now.

**Anne;** so everybody read it.

**Deepak:** we have our SS officer. They are talking about driving degrees. If we are not preparing for this and asking the right questions, it will come back to us.

**Dennis:** I believe the time is coming when we will need an employee who is a SS employee. This impact budget, office space and many things. We have compliance issues even without the policy memos. I will summarize this when we get into executive session.

**Anne;** I just want to make sure everyone who got this will read it. I suggest that Dennis create a job description for future Safe Sports employees to for USATT so HQ will know what the Board is recommending. Mark Thompson, as Athlete Protection officer will be involved.

**Deepak:** we need to give an action item to the staff. Mark Thompson, as Athlete Protection officer will be involved.

**Anne;** I'm assuming they have done this already.

**Deepak:** we need an update from Mark.

**Ed:** we are really unprepared as a staff for this board meeting. The board book is very good but we don't have any staff present to give us updates or prepare the room for us.

### **10:04**

**Anne:** Tara to report on AAC meeting for USOPC. Tara is our representative and there was a call on Thursday.



**Tara:** it started by introducing the new athlete services director. A new division of the USOPC as the UOPCS embarks on a new movement. Dedicated to serving the most important resources of UOSPC which are the athletes. Looking to get more Para athletes in the leadership positions. There will be new guidelines in SS for minor exceptions. No real detail on that-so not sure what that entails yet. Discussed Rule 50, which is guidelines for the podium and behaviors on the podium. They did not discuss the logo issue. Just behaviors. As for doping, there was a call for a blanket ban on Russia because of data manipulation.

There needs to be more athlete involvement from AAC if an NGB is facing decertification. USA Badminton is looking to USOPC for more answers. The NGB was not addressing athlete concerns. USA Diving received a demand letter; they accepted the demands and they are working through them. They are asking every NGB to have a 10-year athlete pool and 10-year plus athlete pool. To be a member of this group you must be a retired athlete, not currently competing.

**Anne:** the USOPA has tried to have representation at the Board table but because of Ted Stevens Act the USOPA falls outside their definition of athlete. We have tried and tried at the USOPC level and have always been told you are not important to the movement, not a resource unless you can raise a lot of money. We have finally been able to convince the USOPC that there is value to us – retired athletes from past teams. We are delighted. Now, based on the Borders Commission, we will join in equal concert with AAC the way we will choose how to select the athletes. It's a big deal that we can now work in concert with he AAC. In the past there has been friction. There were people on the AAC that didn't have "Olympic Perspective". Whether this was fair or not fair it caused a lot of tension and we have worked hard to make the tension to go away.

That is the current AAC report and it's important for the board to have the context of what is going on at the AAC not just AAC TT.

**Ed:** what is the definition of athletes that can be on committees or board.

**Tara:** it's 20% but next year will go to 33%. Next year there will be a lot of reforms with athlete representation. I know we want to increase the athlete pool but the USOPC will likely hand down demands. Within the last 10 years must have competed in the PanAm, World Champs, Olympics, etc.

**Gary:** The research Tara and Carl did showed that some NGBs deviated from how other NGBs defined athletes.

**Tara:**-Kacie suggested we hold off on doing anything because reforms are coming. I-was told we could increase athlete participation on committees and board to 33% because that is most likely what the USOPC will want from us.



**Anne:** let's not do anything until we take and collect the information from Han and Kacie. There is a lot of angst around the definition of an athlete, what it means, etc. If you didn't go to Olympics but went to World Championships.

**Tara:** I understand that some NGBs may have gotten into trouble with expanding the definition.

**Dennis:** they plan to stick with OpGold definition and go to 33% with a 10-year grouping and beyond 10 year grouping. There will be more requirements for 10 years people.

### **10:25 Legislative Update**

**Anne:** this call was done by the head of USSA and I requested to share the deck with the BOD. Out of the meeting I went to a year ago for Board Chairs, there was a conversation because everyone knew this analysis and legislature at US legislature was coming. We are one of the four countries in the world that does not have a Minister of Sport at the federal level. It's why we have trouble hosting global events. There was a thought that there should be a task force Of NGB's representatives.

**Gary:** The USOPC is changing their board composition and has their foundation chair as ex officio. With our association the Foundation has a voice but is non-voting.

**Dennis:** it is a distinction without a difference. At USOPC, it does not change anything as the actual foundation chair.

**Gary:** is our foundation rep allowed to sit in the board meeting and have discussions? That person can sit on the board and have discussion but no vote.

**Dennis:** yes, that is correct.

**Anne:** I had invited the USOPC to send a representative to our board meeting.

### **Regarding bylaw and mission statement revisions.**

**Anne:** summary/to-do list coming out of this? Dennis will send a note to Denise.

**Ed:** let's post this on our website as part of the minutes of the Board book. HQ, it is recommended that this deck be posted on the USATT web site.

**Anne:** I specifically asked Dexter if I could share this with the board. I think it's useful because too many times we act in a vacuum without understanding the effect of other organizations have on USATT.

### **10:51 Break**

### **11:05 Executive Session**



## **1:15 Return to Open Session**

### **Volunteers**

**Anne:** I put volunteer appreciation on the agenda. It's a short item. Worked with Tara last year on some ideas for volunteer appreciation. Then we lost our CEO, there was no staff available to implement and our ideas went into a pile some place. I'd like to bring it back. It was a good proposal. We would like to recognize the work of all USATT volunteers and would like to work on a recognition program for them. It's important to continue to encourage all the volunteers at USATT. Deepak, I'm interested in your outreach to the college players. Let's think about the best way to expand college players to USATT volunteers.

**Deepak:** most of the college players are also engaged in USATT as well. We can definitely talk through that. Jorg and Gordon had those relationships.

**Ed:** I suggest we do as we did with USTTA a volunteer of the year award. There is quite a bit discussion about making sure the USATT and NCTTA events don't overlap.

**Deepak:** I will talk to Sean and Virginia tomorrow to make sure there is no conflict in NCTTA events.

**Ed:** I don't know what has been discussed with the Tournaments Committee. I didn't realize there was a conflict with NCTTA and USATT on event dates. Dates need to be coordinated.

**Deepak:** it's a new team now; they used to plan and coordinate together. The Olympic qualifier turned up on Omnipong and not the USATT website.

### **1:24 Upcoming events:**

**Anne:** 2020 Nationals and US Open. Virginia sent me a report about Salt Lake City but it didn't make its way from China. The reason this is on the agenda is because a few months ago, the board requested we see an RFP of events next year so we can hear and decide about benefits, faults, consequences about utilizing a vendor or agency to run the events for us and not having to utilize USATT staff. Is it better for us to make money off the events and use it to support USATT.

Tomorrow, I will encourage Virginia to create an RFP that goes out to the community. This has been a request from the Board for the past several months.

**Dennis:** the board passed a motion five years ago that a US Open needs to be selected 18 months before the event and US Nationals 12 months before.

**Ed:** we need to make sure we get our site selection done way in advance. We are too late for 2020.



**Anne:** does it make sense we do it for 2021 because it's the year of the world championship.

**Ed:** I suggest there is not enough time for an RFP for July for the US Nationals.

**Anne:** should we suggest that we HQ to put together an RFP?

**Gary:** Bruce, what do you think of the time versus return for managing events.

**Bruce:** Ed, Rajul, and I recommended to outsource it.

**Anne:** the background to it was Richard Lee sent a proposal and they got together as a committee but no personnel got together to do it.

**Tara:** I'm thinking off topic right now. I'm concerned that there might be some athletes and members showing up tomorrow. The Decertification process is out there about Section 8. It seems we are pushing a lot of agenda items. There are more important issues to address than discussing the 18<sup>th</sup>. I think this is a pressing issue. Have you heard about anything Erica?

**Erica:** no.

**Tara:** we haven't addressed the biggest elephant in the room. If athletes and members do show up in this room. We could say we do have a plan and this is what we are doing. I hear us talking about all these things. Come the 18<sup>th</sup>, if we don't resign, all our work is for naught. We don't know what is going to happen after the 18<sup>th</sup>. None of us really know. We are in unchartered territory. If the athletes show up tomorrow we will have no answers for them.

**Ed:** can I have a definition of the athletes. Is it 3 or 300?

**Tara:** I don't know. I heard a rumor. No one really wants to lose our NGB status. It would be nice if we had a discussion on it.

**Ed:** I suggest the athletes will want to believe there is governance going on.

**Tara:** come the 18<sup>th</sup> we don't know what will happen. I did reach out to Onye because athletes and members are reaching out to me, like what was discussed on the AAC call. Because athletes and members do have a lot of questions. I asked what would happen on the 18<sup>th</sup> if all board members do not resign. Onye told me that if all board members have not resigned the decertification will start. I asked what happens if only 5 members resign. He told me that is up to Anne, Dennis, and Virginia to figure out what happens after that point. USOPC wants all nine board members to resign.

**Anne:** I responded to Bruce that there is board business to discuss and votes that need to be taken. If the board would like to take a vote to change that, I'm happy to do it.

**Bruce:** I would like to allocate more time to the discussion.



**Tara:** it would be nice to know what direction we will be going in.

**Bruce:** people ask me the question and I don't know what to say to them. I heard that Gordon got the demand letter. There was a leak to Gordon because he was making phone calls.

**Deepak:** is it possible to allocate time first thing tomorrow morning?

**Anne:** it's not possible first thing in the morning because we have conflict of interest training scheduled. People are welcome to come in, it's an open board meeting. We can set aside some time but there are things we have to do that have already been scheduled.

**Bruce:** this is supposed to be the last board meeting before the 18<sup>th</sup>. We should post something to the members.

**Tara:** should we put a statement out to the USATT community. The information is out there. Are there any plans? Are we resigning?

**Bruce:** what is the official board position?

**Ed:** I think we agreed to table it until tomorrow morning.

**Deepak:** as a board I think it's important to make a decision.

**Dennis:** 12 years ago, the board amended the bylaws changing all board members end of their current term of office and that did not require unanimity to pass. That did not happen at this point, so it's not possible to do that. There could be a letter of resignation that everyone signed off on. People could give their resignation effective a specific time. If that happened then of course the board could be.

**Tara:** I'll ask Dennis the question I asked Onye. Let's say five people resign and four don't. what happens at that point.

**Dennis:** you think I have this answer now?

**Tara:** does the whole board function even though part of it resigned?

**Dennis:** no bylaws get amended. And a question as to what is a quorum. I have been doing a lot of thinking on this but have not come to a lot of conclusion. The real question is if not all board resigns December 18, can the board still function. We have said the EGC cannot function with one member. What constitutes a quorum? What would be the effect of a remaining board's actions if it is, say, only a three person board? This is uncharted territory.

**Bruce:** are we obligated to reply to the demand letter?



**Dennis:** I don't believe we are required to reply but to respond to USOPC and tell them what has been decided. Give them our official position regarding the demand letter. Will the official decision be from nine people at the table?

**Bruce:** who was the letter addressed to? It was addressed to Anne and Virginia and cc'd to Tara and Dennis.

**Dennis:** if I were to write a letter in response to USATT's position about this, I have no direction in what to write.

**Tara:** how do we get our direction?

**Bruce:** we are directing everything in the agenda except this issue.

**Anne:** we have had business of the board and I feel like it needs to be done.

**Tara:** at first Anne said we don't need to have the board meeting and then an email came back that we should have the board meeting and have business as usual.

**Ed:** Tara you are not the only one that hears from athletes and members. Anne has already addressed this and said she would set aside time. Our actions have value. No matter what happens, there will be table tennis activity across the country.

**Anne:** thank you Ed, that is my suggestion. I know Deepak has to leave at 2pm today and I do not want to have this discussion without him. I also do not want to have this conversation without our CEO present.

**Dennis:** the board business we do now is binding until January 31, 2020.

**Bruce:** I don't think we should do something too important. If it is not important, why are we doing it?

**Gary:** what should we be thinking about for the 18<sup>th</sup>?

**Deepak:** I have a few thoughts which is the request for an extension is that the board is broken. An extension doesn't prove that the board can work together. So how can we change that if we can? The easy solution is everyone resigns. The other thing is, if we can prove that we can all agree.

**Dennis:** there was a decision in 2007 that one of the current board members should stay in place that would provide historical knowledge. Ashu Jain became that board member. It would appear that USOPC anticipated that when they said the two current athletes on this board would be eligible for reelection by the AAC. It's quite possible that two of the five interim board would be two of the people sitting on this board.



**Deepak:** so looking at the options it would be coming together. If we go that route, we should be one as a board and be responsible for the consequences. These are the things we should talk through. If there is a split, it's the individual's preferences. This is the third part of it.

**Anne:** I would like the athletes in the room to help craft a message for the athletes. What do you say to an athlete who walks in the door and asks about their training and efforts.

**Dennis:** after decertification, USOPC would take over the training. During the decertification proceedings, USATT is still the governing body. Give them the FAQ which USOPC gave to Badminton.

**Anne:** more top of mind to the individual athletes: what happens to me? Self interest is really important and it is what drives athletes. It is important to have an answer for them. That USATT isn't going to go away and the Olympic trials will go on. If I'm an athlete I would be just as concerned with what happens to the organization.

**Dennis:** if it goes through, USATT continues but what we know for sure is anything that has to do with ITTF and USOPC would no longer involved USATT. There would be a new NGB created. I would expect the NGB would try to assume many if not all of the tasks.

**Anne:** I ask Dennis to create a statement for the athletes to say no matter what, this is what will happen. What do people think? Will that be helpful to have?

**Erica:** if we are able to have a statement like that I do think it will be helpful. Something that will identify what the experience the athletes will have. It needs to be factual. I don't know how we are going to get the information

**Anne:** I am suggesting that whatever we decide to do is to address concerns that Erica and Tara are hearing from the athletes. All I envision is not a brief but a paragraph statement that says no matter what happens in the future but this is what athletes can expect. This is probably two sentences and can get expanded to what was said in Badminton.

### **Deepak left the meeting at 2:15**

**Ed:** what happened with USA Gymnastics? They went bankrupt but they were never decertified. The elite athletes were taken care of by USOPC.

**Tara:** I heard on the call on Thursday that there are concerns about what is happening and there is no certainty as to what happens after Tokyo.

**Ed:** the badminton people were rude, crude and rough with USOPC. Our history of actions were different but decertification were the similarities.

**Tara:** I don't know what the demands were on USA Diving.

**Anne:** *reading verbiage from badminton/letter from Sarah Hirshland.*



**Tara:** this would avoid USATT athletes calling USOPC as did the USA Badminton athletes.

**Gary:** why not just distribute the USA Badminton letter?

**Tara:** I'm concerned that it won't be the same for us.

**Dennis:** Tara, I would be comfortable with you passing out the badminton documents saying it is likely that the USOPC would deal with USATT the same way.

**Anne:** this is a step. Are the athletes comfortable with this?

**Tara:** yes. Hopefully what I was hearing was just rumors about the athletes showing up but I don't know either way.

**Anne:** we have a plan and message for our athletes so they can continue to train and continue on the plan they have set for themselves. Our approach will be in the minutes.

**Bruce:** since I joined the Board in January every board meeting has been acrimonious.

**Carolynne:** I have been on this board since August 2015 and have experienced many healthy debates in board meetings in the last few years but not dysfunction like this until recently. Anne, Dennis, Ed, have all been on the board longer than me and they can give their perspective.

## **2:30 Return to agenda**

**Anne:** we have 2.5 hours of working time left.

### **Strategic Priorities plan.**

**Anne:** Members of the USATT Board, staff, various stakeholders, and athletes met in Denver about this time last year when we did not have a strategic plan and we hammered out over the weekend a strategic plan for USATT. It was brought to the board for approval and Larry Hodges challenged us to get something done. This is why it was called Strategic Priorities instead of Strategic Plan. I worked with Mark to have the implementation plan, or at least have the staff come up with the first quarter implementation plan. One of the priorities was the financial reporting. It was determined the board didn't need to be involved in the implementation plan. We tried to get a date in the spring, and the date was in June and one thing led to another. I asked Virginia to work on it quite quickly and the PanAm games got in the way. Denise and Avery were doing strategic plans for the USOPC and Paralympic Committee. Finally, when they got people together for the implementation was at the end of August. Then they put together a group of stakeholders to do the implementation plan that is in the board book here. The one miscommunication was that the Board looked at the strategic priorities and came up with the top three priorities for the tranches of years that it served.



Bruce put together a google doc of excel sheet. We sent that to Virginia and the Compensation committee to allow the implementation plan to be a document for Comp Committee and Board to review work of the staff. When the implementation plan was finally conducted, the Board priorities and what was identified from the October meeting did not overlap.

**Carolyn:** the board was limited to identifying three priorities for 2019, 2020 and 2021. There were several that overlapped but everyone expressed their thoughts differently. The memo from the compensation committee represents the priorities identified by the Board.

#### **2:46 Dan Reynolds joined the meeting as a guest**

**Gary:** my feeling on this if it is an overhaul of all tech or just a little piece of it. A lot of other stuff is fundraising around the Olympics and it makes a lot of sense to me. It is a worthwhile replacement of the other stuff missing because it's an Olympic year. If it really is an overall technology solution with the vision, I am ok with it.

**Anne:** what do you think of the para comment, that it is missing?

**Tara:** I'm always going to be a proponent of para efforts. Yes, it would be good if it could be inserted but where can we put it?

**Anne:** Tara, please review and look at it and suggest where it should go in the implementation plan and we'll add it to our list of suggestions.

**Erica:** I question whether it is too much or just enough for our staff.

**Anne:** I wanted us to look at it today to see what has been missing. The USOPC is really good at doing these plans and reviewing. We are fortunate to have their help with both the strategic plan and the implementation plan.

**Tara:** resource /athlete development is where the Paralympic efforts can go. We need some funding for it.

**Gary:** for me, on the "no" list, is under strategic partnership. It is the professional/pro league thing. I see that as a black hole as a priority for 2020.

**Anne:** what if you had someone to fund it?

**Gary:** Erica can address it.

**Erica:** the athletes will do much better in pro leagues in Europe.

**Anne:** so in your opinion, you don't think it would increase the opportunities and thus the play for professional athletes in the United States. The better choice is to go overseas.



**Erica:** for now, for sure. There is a possibility that someone on the staff has a plan. There was a pro league for a country, India, that hadn't traditionally been a leading country. But with the timing, I don't think the timing is now.

**Ed:** what they did in India was a shortened season in a concentrated area. The problem we have in our country is we are too big of a country. Our size is what hurts us for this.

**Erica:** we might be able to get publicity but the big issue is timing.

**Gary:** tomorrow, why don't we ask Virginia?

**Carolynne:** what I see missing from the Plan is utilization of volunteers. There is only one place in the plan presented that utilizes volunteers/committee Chairs and that is the US National event qualification/regionalization plan. I want to see utilization of volunteers and committees as a thread throughout this plan.

**Dennis:** if we get two things out of this plan implemented, I will see it as a success.

**Gary, Anne, Tara:** I agree

**Gary:** I would swap professional league with the architecture. What is the plan or what can be the plan to get the membership from 8,000 to 20,000.

**Tara:** what is the highest the USATT membership has ever been?

**Ed:** around 12,000. what we don't understand that it's not about getting members but retaining them. We gain and lose about 2,000 members per year.

**Gary:** people join and leave because of tournaments.

**Ed:** clubs should be driving memberships. Our membership system is not annualized or automated.

**Gary:** that comes back to the tech.

**Ed:** Gordon had a good plan of using Lily Yip's club as a trial but someone passed away before they were able to implement. I discussed this in Chicago with Virginia to see if they could implement it at one of the clubs there. We have to drive the numbers up.

**Tara:** but what do we have to offer?

**Ed:** we do have a lot to offer and there is a lot we can offer if we have better technology.

**Dennis:** is there anything in the original document about relationship with collegiate members? It is worth asking about it tomorrow. I believe an agreement has already been put in place.



**Carolynne:** I thought they were giving away 20 free memberships to university programs.

**Ed:** they are doing that but there is more to it and it is complicating tournaments and screwing with things at HQ.

**Anne:** anyone have anything else to add? It is really great to see the USOPC's support of the effort. It is good and it is part of their oversight of the NGBs.

### **3:10 360 review**

**Anne:** last week I got a memo from Boardspan, and they are offering through Davis Tutt at the USOPC the Boardspan initiative, a 360 employee review. I called and talked to them. The plan is that in January, the Boardspan people will set this up and have the review of HQ starting in February. Board members will be involved as will members of the staff.

### **3:12 Committee Reports**

**Anne:** I received two committee reports, HPC and PHPC.

**Gary:** I have a suggestion which is HQ should be responsible for pulling together committee reports. The board should not be getting into the granular level of collecting these. Not coinciding board meetings with big events should help. HQ needs to help and help prepare for these meetings. Bruce made a good point about getting the board book out a week in advance of the meeting. Anne, you said when we restructured the committees of the duties of committees that the committees should commit to the requirements. We went through a cycle of completeness and now we are going through a second cycle of incompleteness.

**Anne:** any other suggestions to go with that?

**Bruce:** someone just has to take the lead. It has been like this for a lot of years.

**Gary:** just like Mark Thompson is the athlete protection officer, someone needs to be identified as a committee lead. The liaison needs to be tracking their responsibilities, calls, meetings, etc.

**Dennis:** what insights can you share as the committee chair into the process?  
Since Ed is a committee chair and he has not furnished a report, so he has failed.

**Gary:** everyone gets a mulligan. Right now we are decentralized with no one managing it. I think good things will happen.

**Carolynne:** committees should have goals; goals should be driven by HQ. This ties back to HQ and utilizing volunteers.

**Dennis:** there is a disconnect between committees that report to the board and report to HQ.



**Ed:** I'm the chair of the clubs committee. I found no one to serve on the committee and we started to write a survey to see what the clubs needed. I later found out that we were sending a survey to the clubs and one came out of staff/HQ without us knowing and we don't have the results of it. There needs to be a solid connection.

**Carolynne:** there are some committees that need to report to the board and there are other committees that exist to support HQ.

**Anne:** whether or not that model still transpires. But I was impressed by the call for volunteers and member and the response. My fear is that volunteers do not feel appreciated and time valued. There are a lot of dedicated people that we can utilize.

### **3:25 High Performance Committee**

**Ed:** I have concerns that we had an ITTF Open and we did not have a single under-21 competitor. There were players from all over the world for this event in Toronto. We also have a number of elite males that are not entered to play in the US Open. I don't know if either of these events have timing issues.

**Tara/Erica:** we don't know why.

**Ed:** to me, it's going backwards. Before we had a program developed a few years ago, there was mutual commitment of what events would be played. This has changed recently.

**Anne:** let's celebrate Lily on her award of the Breakout Star of the Year. It's great for Lily, it's great for Table Tennis, and I also think the ITTF must be very proud because they want to support our athletes on the road to Tokyo and on the way to the 2021 World Championships.

### **3:28 Para Report**

**Tara:** had a call on Nov 25. The whole committee was present on the call. Discussed what players would be going to Factor 40 and Factor 20 in the Americas region. In 2020, we are going to encourage new para athletes to participate in the Costa Rica and the US para open. We need additional resources. We need para clubs across the country. We have maybe two TT players under the age of 20. We have no pipeline and that is a problem. We need some funds to get that going.

**Anne:** how much?

**Tara:** to start, even \$100,000.

**Ed:** we are losing some juniors that have been in the sport. I don't know if everyone understands how the para program works. You need ITTF world ranking points in order to make the National Team. We have had some players that were good enough to compete for the USA Para team but did not have the world ranking points to make the USA team.



**Anne:** would a conversation with the ITTF or Para be worth a conversation? If it is dictated with the ITTF, we should have a very serious conversation with them to have a tournament in the US as an effort to raise our numbers.

**Tara:** I think it's the structure of the program. To get on the ITTF Para world ranking you have to win at least two ITTF PTT matches I believe. If we have an event in the US that could help.

**Anne:** from my temporary tenure as the Continental President, During the time when we didn't have a CEO, I had to step into that role, so I still get their emails. They started talking about a Para Strategic plan at the ITTF. They said it is not available yet. It is coming. It will be interested to see what is in the strategic plan.

So what is our relationship with all other adaptive sports and gyms across the country? Do we reach out to them?

**Tara:** we try to but we don't have a lot to offer. This is why we lost someone to adaptive tennis. We need more support to get more people involved. Allow them to feel like they are a part of the team and allow them to continue on. We are getting some support from the USOPC but we still need more.

**Anne:** could the Para committee do more?

**Ed:** Jasna has done a wonderful job with putting some events together.

**Anne:** Tara, if you had all the money in the world, what would you like to see happen?

**Tara:** Shriners hospitals could be pipelines for us. Rajul at ICC said he would help us start something there. There are other clubs around the country. We can give the kids a paddle but they still need the money to play and travel.

**Anne:** the easy thing we can do is to get an event in the Americas in order for our players to qualify.

**Tara:** the US ITTF para event is penciled in for the calendar in July 2020. This is in conjunction with the US Nationals in Salt Lake or wherever it will be.

**Anne:** I see you are giving a few awards.

**Tara:**-Yes, the Standing Para Athlete of the Year and the Wheelchair Athlete of the Year. Tahl is the standing athlete winner and Jensen is the wheelchair athlete.

**Anne:** it would be nice if another board member joined you. Bruce will still be here on Friday so please extend him an invite.

### **3:43 Update on NGC and EGC**



**Dennis:** I sent an email right after the last board meeting to the NGC and asked them and sent them resumes and cover letters for the three candidates for the EGC and three candidates for the NGC. They have done a lot of discussion on those people and they have not made a formal recommendation to the board as of yet. On the EGC, we have three people interested and three slots available. The NGC have found the candidates all conflict-free. They have concerns about a parent of a para athlete sitting on a committee. Whenever the recommendation comes they will recommend that those three people be approved.

**Anne:** we have one person left on the EGC and we have three people who passed the NGC. How soon can we make this announcement?

**Dennis:** if you have a vote today, the announcement can go out to the three of them tonight and to the insider on Wednesday.

**Dan Reynolds:** I think it's a great idea to talk to the candidates before they are appointed. If you have questions, find out what is going on. Get their CV, give them a call, get a couple of them to do it and get a perspective of who they are.

**Gary:** to the extent that no one knew someone to serve a committee, the Committee of Committees called them. We didn't just blindly appoint them. Yes, we asked for hands to go up. I thought they went up.

**Dan Reynolds:** I didn't step down because of the time commitment. There were some people that stepped down because they were over-burned by complaints. It wasn't that way for me. I was proud to serve on the committee.

**Anne:** Dan, can we ask you to look back at your committee service – for each grievance that was filed, what was the approximate time frame on what time you spent on each issues?

**Dan R:** personally, it was more time commitment for me because I had to put everything together and present it to the committee. For the basic complaint, it was three or four days of gather info, 3-4 hours for each member of looking at compliant and determining how they felt about it. Then getting a panel together could take a month. Always had to get an athlete and that was difficult as well. We had a gate keeper who was an EGC member that would manage each case.

**Gary:** how many complaints were you juggling?

**Dan R:** between March and August had 3 to 5 each month of complaints and some would go on for six months. Some didn't have merit and they would get dismissed.

**Gary:** it sounds like this is about 15 hours a month per member. That is a huge commitment.

**Dan:** the panel has an easier job for doing this. When they get the compliant it has been sanitized.



**Anne:** Question to Dan: What other questions would you recommend?

**Dan:** from what I understand you have good people on the slate. Have a good look at them and a good set of people that are independent that are in the sport and understand what is going on. The legal background helps with due process and procedure. Someone with a background that deals with rules regularly will help them with this.

**Gary:** does EGC have a guideline to help with the process.

**Dan R:** we have our procedures.

**Dennis:** one of the candidates will be here in Fort Worth.

**Tara:** I know-two of the candidates and I should stay out of it.

**Gary:** anything you want to say about him?

**Tara:** I think the college tennis coach would be a great candidate. He cares a lot about the sport. It gave his son new life and new hope. The law student would be a great candidate. The retired attorney I do not know.

**Dennis:** the NGC has three applicants and one slot. I don't know much about any of them except superficial backgrounds. Of the three, one will be at the Open.

**Gary:** let's have the NGC interview the EGC & NGC candidates and give feedback to the BOD.

**Anne:** ok, so we have a plan now? The thought is to have the NGC to interview the potential candidates for both committees. I wonder if there is any chance we can get these people tonight and we could interview them. I continue to be anxious about the absence of the EGC.

**Dan R:** there were two complaints that were not filed. We had not chosen a panel for them and they were passed off to the USOPC. What we were going to do is let the new EGC to determine if they have validity. Onye has the complaints. There were three other complaints that were sent to me after I stepped down but I told them to hold on to them.

**Dennis:** whatever Onye is doing with those two complaints I am unaware.

**Bruce:** I don't know if this is helpful but I heard the Bay Area candidate didn't get along with coaches and clubs. I never spoke to him but I did see him around.

**Anne:** would you be willing to speak with him, Bruce?

**Bruce:** I am prejudiced. If I interview him and he doesn't get the position, he would have issue with me. My information is hearsay but it is confirmed by some coaches.



**Anne:** Dennis, from your knowledge, what would the timeframe be if we ask the NGC to do the interviews? Can they do it in the next two weeks?

**Dennis:** I do not think it will get done in the next two weeks. If you have a few board members make calls after the dinner tonight, I can send an email right now to see if the candidates will be available for a phone call tonight. That would be a start.

**Anne:** I don't think it's necessary to do the calls tonight. But I think it's important to go through the process. I do think it's important to put a timeline on it depending on what's happening in the future. Can we tell the NGC we would like the results back by the 10<sup>th</sup> of January.

Questions for committee candidates:

1. What is your understanding of what the role entails?
2. Why do you want to do this?
3. Do you have the time to do this? It could exceed 15 hours a month depending on the case load.
4. How has your personal/professional experience qualified you for the committee?
5. What do you like to do in your personal time? Tell us about your personal value system (top 3)?

Questions sent by Carolyne to Dennis with a carbon copy to Anne.

#### **4:28 questions of Sean around HP athletes**

**Sean:** Kanuk is paying in a German league and he has team matches going up against US Open. Victor is in school in SoCal and has final exams this week. Nikhil has a heavy February where he will be paying in the PanAm Cup; he was trying to maximize international play before the Olympic Trials.

**Ed:** it seems to me there was a rumor that they were not coming on purpose.

**Sean:** I'm not aware of that at all.

**Ed:** who else is not coming that should be?

**Sean:** One player is taking some hours at NYU. I'm sure final exams are going on for him. Wouldn't surprise me if he is taking time off. I'm aware of several others that should be there. Most of the players that we have that are not playing in league matches.

**Ed:** so we are looking at prior commitments either playing wise or schooling. What about the Canadian event?

**Ed:** it would seem to me there is an opportunity to play international players with inexpensive travel. It's odd to have a tourney so close with no one in the under 21.



**Sean:** if it was the junior world champs like it was in Thailand, I could see them maybe choosing to go to Canada. A lot of the players were in Thailand and some are training in China, like Amy. The US Open, as much as I always like to play in it, it's not a high priority. Our women are well represented but our men will be light.

**Ed:** how is it determined which events they should be competing in?

**Sean:** the way I understood it, Jorg put in a plan for the year. We have been fairly active internationally. We are not paying them large sums of money to play. We did get some operational gold money to help defray costs. As an association, we are doing the best we can to support. It takes a ridiculous amount of commitment. I am talking to Kanuk's dad about five hours a week. Spent no less than 15-20 hours to make sure he has what he needs.

**Ed:** in general, how has the transition been and what do you need?

**Sean:** The transition was atrocious. I did not have one piece of information. I had to spend about 60 hours a week to get what we needed. Dealing with the finances, we still have bills that hadn't been paid since before I started. It was the tracking of the receipts. Now I'm feeling much better.

**Ed:** did you help with the 2020 HP budget?

**Sean:** I submitted to VS about three weeks ago. This is the minimum though it might seem high. It's preparation for the Olympics. We added another week in China that was a request from the USOPC to prep for Tokyo. The HPC is a money taker. It is up to VS to bring in money.

**Ed:** what are you looking at Year over Year?

**Sean:** I don't have the numbers in front of me. The way Jorg budgeted, he included the Butterfly contracts and his own salary.

**Ed:** can you manage that and compare apples to apples?

**Sean:** he had direct athlete assistance.

**Gary:** it's a question of how you launder it through. Is it outside or inside?

**Ed:** my biggest concern was athlete participation.

**Gary:** on the topic of direct athlete support has been debated. Do you do it inside the budget or outside the budget? Sounds like Jorg had it inside the budget instead of outside. We have talked a number of times of avoiding going to athletes to collect reimbursements to the tune of five figures. Have you fixed this?



**Sean:** yes, I said to athletes that if you are playing in a Euro tournament, it is on you. If it is PanAm, we will manage and cover costs. If someone wants to play in the German Open, the athlete does everything. He has some grants and will apply for the grants.

**Gary:** so we won't be fronting money for the athletes anymore.

**Sean:** no. it makes no sense. If Kanak signs a contract with someone, I don't hold it or manage it.

**Gary:** it's a new policy by you and VS

**Sean:** I would just say it's an accounting thing and we cut it off. The USOPC will not be giving us direct athlete support because we don't have anyone in the top five in the world.

**Gary:** I'll have more questions for VS on the HP budget. But you don't recall how much you submitted to VS in gross dollars support for next year? The first budget I saw was HP area for \$500,000 but another one for \$1 million. Do you have any idea about gross dollar?

**Sean:** under \$250,000 for sure. When I get home I will text the number to Tara on the budget I submitted.

I operate on the lean and mean approach. It was about what do we have to do to have best results in the Olympics, manage Hopes program and other training camps we would do.

**Gary:** I'm looking at a budget for tomorrow with \$400,000 and \$99,000 for HP & PHP but you are saying you asked for about \$250,000. I think that is where Jorg's was also but he would have said his budget was around \$600,000 because of pass through. Please send Tara your HP budget.

**Anne:** thank you for being available. We appreciate it and appreciate what Lily has done this last week. When you talk with fellow HPD at the USOPC, given the Borders report and new reforms, will there be new money for development for all the NGBs since going away from money for the podium.

**Sean:** most of my talks, I see us going to all sports being treated equally. Eager and excited about that. I hope we can take advantage of the coaching opportunities. That is an area that needs revisiting. Many coaches are excellent but many other coaches are running clubs full time. I'd like to get coaching money to create pipeline coaches to go from Hopes to Lily and Kanak. We didn't take advantage of coaching money last year but will take advantage this year.

**Anne;** thanks

**Gary:** the Accounts Receivable that was owed back to athletes families, have you collected that? Are we writing that off? What's the steps?



**Sean:** haven't been involved to any bills prior to my arrival. My understanding is most but not all have been sent out to billing or online bill pay and they have come in. That would be a Tammy or VS question. Most of the parents. I think we are going in the right direction.

**4:48 Kagin Lee joined the meeting**

**Ed:** it was a missed opportunity for not having any athletes under 21 in Canada. He's also not right about the international events. The entry fee events internationally have to come from the association.

**Tara:** on the para, we have to pay our own. Para does not put out any money for us. Why not have the athlete pay for it themselves?

**Ed:** you can't. the association has to pay for them.

**Anne;** this is a budget thing so let's move on to the agenda. Go to board book and look at Deepak's recommendation.

**Gary:** this redline came back in the middle of September and had a clean redline for the bylaw proposal.

**Bruce:** Deepak's recommendation is to not move this bylaw forward.

**Anne:** Deepak never met with the committee. We gave him an extension at the last meeting. The important thing is that the committee has never met. The third thing is that if I made a choice and had the ability to do it, I would pass the motion and take out six and seven – to approve it up to five.

**Ed:** I think five and six is micro level work but seven needs to be done. Participate in internal and external meetings as reasonably determined.

**Anne:** I interpret that as sitting in on meetings on vendor contracts.

**Ed:** we need to define what a significant contract is.

**Gary:** the audit committee language is basically a dormant committee that sits around, doesn't know what is going on, then when the audit comes out, it reviews it to follow GAAP, and be ok with it. If we had point 4 in the bylaws previously. This has nothing to do with the current administration. It would have been very helpful to have active oversight during previous CEO tenures as well.

**Bruce:** but look at the statement of participating in internal and external meetings. Board members should not intervene in operation. You want to participate in meetings.

**Ed:** yes, in audit and finance committee meetings.



**Gary:** the problem with the Arent Fox report was this committee and bylaw came out before their report was written. This bylaw was in committee for redline. They reported on this. What Ed is saying is that we are whacking the active management part, so it is not active management. Ed brings up a good point. Ensuring best practices and oversight, who is going to do what?

**Ed:** the audit committee should be the one reviewing data and making sure there is best practices.

**Gary:** I will tell everyone that we have lost a lot of money and the board needs to be aware of what is going on and raise the flag. The way it is currently structured is we swoop in and review a GAAP audit. There is no one ensuring fiscal health. The financial statements indicate we have a negative net worth on the balance sheet and have lost \$300,000 since June.

**Anne:** however, Alturic has not finished what they started.

**Gary:** back to Bruce – Bruce, I want you to be happy and feel like this is not micromanaging. I have no interest in doing any of that. My hope is that those calls and the oversight can go down and be infrequent if things are humming.

**Bruce:** as you mentioned, the audit committee did nothing for 11 months. If we can modify the process to have early signs.

**Gary:** that is what this proposed bylaw change is trying to do. The Audit Committee recommends independent auditors; perform audit of staff operations, budget and policies annually, and other duties as assigned by the board. So the duties proposed in the bylaws are what we are trying to identify.

**Anne:** currently the audit committee meets once a quarter but we added weekly meetings to figure where we are with the finances. So what would make you feel more comfortable.

**Bruce:** it is also timing. We might not be here in a few days.

**Ed:** so let's set up a future board for success.

**Dennis:** let's set up a duty of meeting quarterly or monthly and that might be all it needs.

**Ed:** I don't think so. It's not best practices and it's not what other non-profits do. They are actively involved in review and oversight. They don't have time to deal with items at the micro level.

**Gary:** we were trying to find "the cookie." Let's assume we are not here in the next week. The cookie should be offered to a committee to review. I'm want to identify what the responsibilities of the committee should be.



**Ed:** the board discussion or committee should be made. Maybe it's time now to make a motion and have a discussion about it.

**Anne:** that is my recommendation.

**Ed:** motion to remove 5 and 6 and in #7 remove "internal and external"

**Gary seconds the motion.**

**Discussion:**

**Bruce:** so what happens if we pass it. It's the new bylaw?

**Erica:** please explain what removing internal and external does?

**Ed:** that it removes the feel of micromanagement. I believe if the committee was tasked with more oversight, we would not have the issues we are having now.

Bruce: opposed

Tara: approved

Gary: approved

Erica: approved

Anne: approved

Ed: approved

Carolyne: approved

Motion to approve the Bylaw passes 6-1 (Deepak and Rajul not present for the vote)

Dennis requested to post this approved by-law and incorporate into USATT bylaws.

**Anne:** that motion passes. Let's go to the next bylaw. The next bylaw is that three in person meetings are way too expensive for us. I originally thought it was great for people to come and see the open and other events USATT does. We don't get to see the Open we don't get to enjoy it. The only thing I question is whether it needs to state in the bylaw that BOD meetings are not connected to events or tournaments.

**Ed:** I am hoping this helps the staff focus on doing the work rather than us doing it in the board meetings.

**Anne:** if we find we need to add another board meeting it doesn't preclude us from doing that but at least it does not dictate that we do 3 in person. If we do not, we are in violation of our bylaws.

This bylaw must be posted for 30 days and voted on by the board after the 30 days. Dennis will take care of this and be certain the language is correct. We are just deleting "3 in person" and substituting "2 in person". Should be fairly simple.



**5:21**

**Anne:** thank you for your attention today and participation. I think we accomplished a lot.

### **Sunday December 15, 2019 USATT Board Meeting Notes**

**8:44 Anne started the meeting**

**Anne:** We have a quorum

Board members in attendance are:

Anne Cribbs

Gary Schlager

Tara Profitt

Bruce Lui

Deepak Somorapu

Ed Hogshead

Carolyn Savini

Erica Wu

Staff Members present: Tammy, Virginia

Also present, Dennis Taylor

Not present: Rajul Sheth

**Anne:** Welcome Virginia back from China. Interested to hear how the trip went.

Reflections from yesterday's meeting. It went very well. A lot of good conversations and we have some lists to send to Virginia of suggestions to execute for the future. Notes were taken by Carolyn and Dennis and they have been distributed for revisions/corrections/clarification and this is an effort to get the meeting notes out quickly.

Any conflicts of interest to declare?

*None heard.*

As discussed yesterday, we may have conflicts to disclose after the Melanie Herman meeting. We received money from the USOPC for conflict of interest training. Originally it was supposed to be at the end of October but not everyone could attend. This was offered in our response to the letter of concern in August. We postponed to this meeting and it was my hope that everyone could attend. Unfortunately, everyone is not here.

I did not hear of any conflicts.

**Anne:** anything anyone would like to discuss?

**Virginia:** I have someone on the phone, an attorney, who will explain to everyone here about the demand letter, so we know the ramification of the demand letter. He will call in.

[setting up for the Conflict of Interest Training with Melanie Hermann]



## **8:58 beginning conflict of interest training with Melanie Hermann on Ethics, Compliance and Conflicts of Interest.**

**Melanie:** encourage you to take notes. Slides will be sent to Anne for distribution to the board, committee chairs and USATT Foundation.

Cover three major topics and reserve for questions.

Start with definition of Fiduciary. This comes up when talking about governance, ethics and responsibilities. It is talked about a lot but not often defined. It is the highest legal duty from one party to another. It means to act in the other's best interest. A legal and ethical obligation to act in the best interest of the organization. The other, in the case of Table Tennis, is USATT. It also means once is brought responsible for managing the financial assets to ensure it is in good financial health.

Duty of Obedience, duty of care, and duty of loyalty overlap.

Duty of Obedience: actions are consistent with and obedient to the organization's central purpose. I work with a lot of organizations with one central purpose. With the NGBs, my understanding is there are two central purposes. One is to achieve success at the highest levels of the sport and competition. The other is to grow and build support for the sport in the country. To an outsider, the purposes seem compatible but what I have seen working with NGBs over many years is that this can be difficult. There is a struggle for many organizations to balance the interests.

Duty of Loyalty. This is all about putting aside own personal or professional interests, including those to the sport, and ensuring you are faithful to USATT in board meetings with regard to the resources and assets of the organization. With the exception of Independents, most board members have deep interest and personal interest to the sport. This is really hard to do but it is essential to do. If you cannot vote in a way and act in a way where you put USATT interests first, you shouldn't be on the board. Some of the NGBs have had turnover recently because they cannot put their business or personal interests aside when coming to board meetings.

Duty of Care. Means being prepared. The tricky part is it asks us to give same amount of attention and commitment to the organization where we volunteer as we would to our own business. Yet, again, going to Duty of Loyalty, this isn't our business. This is a group of people that are volunteering. We don't own it. We are here for a period of time to ensure the organization is successful and financially healthy.

Questions on these duties before moving on?

*No.*

Additional prompts on Duty of Care. Ask myself if I have the information I need to have



before making a decision. If I don't have the information I need to have before making a decision, we should hold off. Have we made assumptions? Think about risks we are taking on if we go in this direction. What are potential consequences. And have we learned from past experiences? These are prompts to use to test if the board is discharging Duty of Care.

Ethics & Compliance.

Contrast what the words mean. There are a lot of words in governance where words look to mean the same, but they are different.

Ethics means doing things right.

Compliance refers to doing what is right based on applicable laws, policies and procedures or regulations that apply to us.

These are two different things. It is hard to live up to these expectations without understanding what they mean.

Qualities for ethical leadership.

- **Selflessness.** It is important that as you deliberate and reach conclusions and take action, the purpose should be to benefit the organization and its stakeholders. Not derive personal benefit to self or friends.
- **Integrity.** With respect to board service, it means not putting yourself or making outside commitments or obligations that would seep its way into actions or work as a member of the board. When you gather around the board table and engage in governance of the organization, you need to be bound by what is best for the organization. It is important to bring concerns to the board table but not promise to constituencies that you will vote in a certain way. You come together as a board to make decisions in the interest of what is best for the organization. Make sure you come to board meetings to bring information of constituencies, but you are not to vote as they would want you to vote but act to further the interest of the organization.
- **Objectivity.** Most of us would like to think of ourselves as objective and not easily influenced. It is important to make decisions based on merit. Other than the list here with the definitions, what other consideration beyond these things would seep into decisions that the board would make in the next year? I'm asking the question of the board in what ways you are at risk of not being objective? Think about this: what are the important decisions you will be making and how can we be ethical.
  - Gary: in the near term, we will be making decisions on a budget for 2020. That will be today.
  - Anne: that was exactly what I was going to add.



- Gary: we have decisions on some key committees to populate. Two important committees to populate on NGC and EGC. Two important committees to populate with capable people.
- Melanie: I encourage you to be objective with your decision. Do what is in the best interest of the organization. Apply Duty of Obedience and Duty of Care. It all looks good, but things are left unsaid, for example, in the case of the budget. Did we put personal interests aside when voting on resources and goals of the organization.
- **Accountability.** Doing what you agreed to do and holding people accountable and expecting others to do the same. What gets boards tripped up is people doing what they are supposed to and not upholding Duty of Care. When serving as volunteers, we don't call people out for lack of accountability. We will call people out and hold people accountable. Someone needs to be the point person on this. Often is the Board Chair or NGC chair. Someone needs to have difficult conversations with board members to live up to commitment to organization. Can be doing certain work, attending meetings, failing to live up to code of conduct and high ethical standards set for yourself. A committee member who doesn't attend meetings; a committee chair who takes a committee in a different direction; a board member who tells staff what to do outside the governing team. When you sign up for the role of Board/Committee member you sign up for structure.
  - Gary: question – if something is happening at the board level that people think should be corrected but we are having trouble with self-enforcement and getting the board member to correct themselves, how do we self-police that and fix the problem?
  - Melanie: at least two approaches. One is having the point person [referenced above] to speak one-on-one with the person and say “the things you have been doing are inconsistent with responsibilities as a board/committee member. You can't do those things and you need to stop/start.” I've seen that work pretty well. Another approach is to bring it up in a board meeting; “you know, we went through this training together. I'm concerned that the actions of my colleagues are inconsistent with what we are required to do as a board.” You can either approach individually or bring it up on agenda.
  - Gary: on the vote a board member off – how do you do such a thing and not be viewed as bad people treating someone unfairly.
  - Melanie: Here is an example. On a board that I served on we had an issue with a fellow Board member. We didn't have a prescribed process, but we talked about the issue. I don't remember if board member was on a call when we discussed



it; there were minutes that highlighted it. Then we had a vote and she was voted off. Our board chair called and wrote a letter to explain why she was voted off. You have to follow your own rules – bylaws have rules. And there is always the risk of being called unfair.

- **Openness.** Huge number of stakeholders wanting to know what you are doing and why. Be as open as possible about your decisions but there are exceptions. Personnel decisions should be restricted from the public. Decisions about hiring, firing, disciplining CEO. Safe Sport issues cannot be discussed when investigated. Err on the side of being open. Know that there may be perceived negative reactions when a decision is made in closed session but have talking points ready.
  - Examples: personnel matters
  - Safe Sport matters under investigation
- **Honesty.** This comes up in a lot of different ways in NGB deliberations. Be honest if there is a conflict of interest on an issue being discussed. When you don't disclose a conflict of interest you are being dishonest to the organization and hampering the board from making the best possible decision. It is hard for people to disclose COI but you have a legal and ethical obligation to disclose COI when it is relevant. If it is on the agenda, disclose the COI at the start of the board meeting. Disclosures should happen at the beginning of board meetings. Look at the agenda and ask yourself if you have a conflict.
- **Motivations.** To serve ethically, you have to ask yourself why you are taking this on? What do I have to gain? If your motivations are this will help my business, help my resume, help my job, etc.; then you are doing this for the wrong reason. This is when ethical leaders step down.
  - I have worked with a number of board members and NGBs or non-profits that cannot give the role the time and focus it deserves and this is why I have to step off. This is an ethical violation because you signed up to Duty of Care. If you cannot attend to this as you would your own business, you are not acting ethically.
  - Being vigilant, diligent is also holding the highest standard of ethics.
  - We all see ourselves as ethical people with high integrity and are accountable. They see weak behaviors in others when it comes to ethics, but they don't see it in themselves.
- **The PLUS filter.** This is a self-check to determine if something is ethical. It reminds you to ask four questions:



- What are **policies** and standards of conduct say about this? Do I have to vote a certain way?
- What is **legal**? Are their laws or regulations that prohibited
- What would people think about this decision if they were privy to facts. **Universal** values.
- Does it **satisfy** my personal definition of what is right, good and fair? When we make decisions that make us feel uneasy, it suggests it was not an ethical decision. Would the organization be impacted? Would this hurt the organization? Or, how would I feel if an article about this were in a major publication about the issue was made about us? How would I feel about this being widely known?
- Identifying Conflicts Suggestion: as you look at Board agenda for the day, run through these prompts:
  - Is there a matter on the agenda in which I'm known to have strong views? It may suggest I have a conflict of interest. If you come into a meeting and have made up your mind in advance and are not open to other views, you have a conflict of interest. Your job is to make a decision as a collective body. It's not about taking polls at home. It's about talking about issues and waiting to make the decision until have a chance to talk to others.
  - Is there a contentious matter on the agenda where you will not be respectful of others views? If so, you have a conflict.
  - Can I look at these topics on the agenda with the long-term future in mind as well as immediate needs of the organization. This happens sometimes on boards when making decisions of what is best for the board for today but may haunt us in a few years. As board members, you are fiduciaries. Protect the assets of the organization for the long term. Could this ben an ethical violation even if it would be great for the short term?
- Questions comments before moving on?
  - Anne: we have trouble as a board in determining COI. We had audit from USOPC and were told 5 or 6 of Board had COI. I asked USOPC how they define COI. I was always taught it's about personal gain to be made. I was told by USOPC that the first inkling of COI is if you do a Google search and your name comes up. So for me, Anne Cribbs, Table Tennis, and BASOC, what comes up is BASOC was involved in Ping Pont Diplomacy in 2007, so the USOPC thought I had COI in 2018. The other example was athlete reps had



COI because they sit at the table and make decisions. Can you give us simple definitions on COI and perceived COI?

- There are lots of different ways to define. Not just one definition. I've never heard about doing a Google search, seeing an affiliation and calling that a conflict. The key thing – you can have a COI vis a vis a certain decision the board is about to make. You can disclose it, but you are not disqualified from service. Anyone who is not an Independent board member will have COI from time to time. It's about how you handle it. I don't know details of the audit. My assumption is there is not conflict, but rather, it hasn't been handled well. You must discuss possible conflicts, and address it. It should be in the minutes. If you have years of minutes and no disclosure of conflict, that is a problem.
- Dennis: this came up with USOPC with annual disclosure forms that everyone fills out and they said 6 of 8 were not properly filled out. Looking for guidance on how to better fill out the forms.
- Melanie: sure, this is a problem across entire non-profit landscape because people believe COI is a bad thing. People who think that disclosing that I have one means I'm a bad person. But we need to change that. All board members of NGBs, except sometimes Independent directors, are actively involved in the sport. They own a business, they are athletes, etc. Having a COI is not a bad thing but not disclosing it and pretending you do not have one is a bad thing.
- Melanie: one example is when a board member is trying to personally direct the organization to do a certain thing. For instance, independently calling the staff and directing them to do certain things. It is a COI because you cannot direct a staff. Generally speaking, the only employee of the board is the CEO and the CEO supervises everybody else. If you have a culture of encouraging the board/staff. No one on the board has the legal authority to call the staff to stop doing this and start doing that. Your CEO is the person that manages the operations of the organization. Dipping in and directing the staff is a COI. You don't hire your bookkeeper to be your auditor. If you want someone to oversee that, according to the rules, you don't hire the same person to do the work.
- Carolyn: is there a distinction between one person stepping in versus a committee whose responsibility it is for oversight of a particular area?
- Melanie: COI definition simply means there is a conflict present if there is a certain advantage with a particular transaction – there is a COI.



- Anne: the athletes have a seat on the BOD to represent the interests of the athletes. However, are you saying that both athlete reps should recuse themselves when talking and voting about funding or conditions for athletes? It gets murky to me because they are on the board to represent the interests of the athletes. I know you represent the board first and athletes second but how do we distinguish?
- Melanie: this is confusing to all NGB boards. This is how I explain it. When you are a representative of a group, your job is to bring the perspectives of, in this case, the athletes to the board conversation. They should be listening to the sentiment of the athletes. This is a hard job because a lot of athletes may not feel the same way. What is the athlete's perspective? But it is not your job to do the bidding of the athletes. If a group of athletes tell you, "if you don't vote a certain way you won't be our representative next year," this is unethical. This is unethical to live up promise made to athletes and not in best interest of the organization. I'm hoping that in months to come, there will be more clarity.
- Anne: I don't think we as a board want the athlete reps to not vote on athlete funding or other athlete issues. So, do the athlete reps have to preclude or recuse themselves?
- Melanie: I don't think it means recusing themselves but they should acknowledge the conflict exists. If you are voting on funding for elite athletes, it should be disclosed. USOPC knows that every athlete on board has a conflict in this area. If, as athlete, you acknowledge that job is to bring perspective to the board/table, then, when it is time to vote, does the Board allow the athlete reps to participate in the vote? If you do, it's fine with me, but need to have confidence that they are voting for what is best for organization.
- Tara: both athlete reps on the board are not active athletes. Does it make a difference on decision making of athlete reps?
- Melanie: go back to the question "if you are able to vote on what is best for the organization, USATT, knowing that if I was competing, the decision may not have been right for me." You have to ask yourself that question. You have a COI but can you put aside the personal interests. And, you haven't told anyone in the athlete constituency group how you plan to vote.
- Anne: still confused. If athlete reps come to board meeting where we are discussing funding for High Performance. If we, as a board, decide they



are conflicted and they can't vote, if we don't allow them to vote – given the USOPC wanting athlete involvement – what are the optics of that in the community?

- Melanie: I would approach differently. In this case, voting on funding of High Performance program, encourage the athlete reps to participate in the discussion and hear their thoughts on needs and if more resources should be devoted and why. Get the benefit of insight and wisdom/perspective. Then, after hearing their perspective and stance, it would be incredibly inappropriate for them to participate in the vote if they know they can only vote one way. They can recuse themselves from the vote. Some organizations prefer to have people who recuse themselves to step out of the room during the vote. Allow them to fully participate in the discussion. It is not black and white. Your options are: First, disclose. Then, disclose and participate in the vote. Or, disclose participate in discussion but not be in the vote. Or, disclose and do not allow them to participate in the discussion and the vote. You have to think about this in context.
  - Example: you are going to have a vote on spending a lot more money in High Performance for 2020 but you know that if that happens, the organization could be in financial crisis in 2020. While it may be right for athletes in 2020 it could hurt the organization in 2021. If that is the kind of decision you will make, even the athletes must look at long term and not short term.
- Areas in which conflicts arise.
  - Many boards have COI. It does not mean they are disqualified from service, but concern is about COI and not disclosing them. If not disclosed, as a board, you are not taking the right action. If not disclosing COI on the forms, you are not even getting to first base.
- Types of COI
  - Financial and non-financial.
  - Individual versus organizational (employer)
  - Inconsequential – won't ask someone to recuse themselves and goes up to legal/unethical.
    - Example: board wants to buy new property and someone on the board owns property that matches the specifications desired by organization.



You must determine that eventual purchase is in best interest of organization. You need to ensure that the price being offered is a fair price. Ultimately, when voting to buy property, the member who owns it is not in the room. You may end up purchasing his property but only after knowing it is a fair price and he is not participating in the discussion.

- Example: member of BOD who works for a company that is a corporate sponsor of the organization. From time to time, board votes on raising fees for sponsorships. It does not serve in the best interest of that board member's day-to-day business. That Board member should recuse himself from those discussions and any vote that may take place.
- Example: Heavy handed oversight and a Board that is too much in the weeds. Calling staff and asking for things. Demanding things. This is COI. Can't be a manager and overseer at the same time. Hands-off is the opposite end but still a COI. Not engaging in information. The Board member is conflicted because he not discharging Duty of Care.
- What to do with COI:
  - Disclose conflict. Do it on the COI disclosure form that you're asked to complete every year. I would think that all but independent members of the board have a conflict in at least one area. Some may have multiple COIs.
    - Example: One owned a business related to the sport, had a child that played the sport, etc.
    - It should happen annually when filling out the form and have a discussion at the start of board meetings when an item in area of conflict is on agenda.
      - Four different options (disclose, recuse, prevent, restrict)
      - Carolyne: some board members will always have conflicts. Do you always restrict?
      - Melanie: sometimes it's a good thing to have people with conflicts on the board. The conflict suggests a connection to the very thing we do. They love what we do, are passionate about what we do.
      - Carolyne: when do you know to restrict? Or, if voted board member, when to remove them?



- Melanie: if with every comment or position they take they are not able to put what is important for the organization first over themselves. I have seen this before. Every single time, no matter what the vote was, the position was of course we need to do this because it is what is best for...x. If they have so many conflicts of interest they recuse themselves at every turn. You have to follow your own rules with your own legal duties. I have an example where a board member called into question a decision the board made and he made us look bad, made us look stupid as an organization, and he insisted he had the right to free speech. But he cannot do things that harm this organization. By bad mouthing us with a regulatory body you have done something to hurt the organization. As a board member, you have to go. Things come up where people seem like they are qualified to serve and have been elected by the constituency to serve but when cannot put personal interest aside, they have to go.
- Carolyne: what if someone does not recognize a conflict at the start of a board meeting.
- Melanie: If I recognize that someone has a conflict and he or she does not state it, any board member can step up to identify it. The right thing to happen at that moment is for the board member with COI to recognize it and discuss how to handle the COI of said-member. As a group, as soon as you start recognizing COI and discussing it as a group, it becomes so much more comfortable. We just talk about it. We are polite, professional human beings. We have had meetings where we are talking about other people's conflicts; it is a natural thing to discuss.
- Anne: we have our own form from 2011. The USOPC has forwarded three forms that have not been approved that they are suggesting. Do you have a form that we can use or share with us?
- Melanie: No. the best form is the one that prompts you to name things likely to come up. My form says do you work for a company that is a current corporate sponsor. Because we ask that question, people fill it out and say yes. So, your form should prompt members to answer likely COIs. It should prompt thinking.
- Dennis: I believe one of the things that comes up when people make personal decisions about disclosure revolves around



materiality. Whether conflict is specifically material to merit disclosure.

- Melanie: my gut is that this is not relevant.
- Dennis: there was a candidate for a position who runs tournaments, therefore this person pays a sanction fee to the organization, collects membership fees from various people who come to the tournament. This person occasionally hosts for-profit camps where national team athletes pay a fee for training they receive.
- Melanie: so would this committee make decisions about where to hold tournaments or facilities to use?
- Dennis: the committee is wondering if this person should have a high profile position.
- Melanie: It comes down to whether this person will have a really hard time to vote in a way that would hurt chances in building their business. If making decisions where this person has so many irons in the fire, they won't be objective. It's not materiality, it is whether this person has too many personal interests. They should not be involved in making decisions where they have so much to lose and everything to gain.
- Dennis: in the last 10 years, have you seen evaluations of potential conflict situations evolve into a different type of analysis?
- Melanie: 10 years ago, we were all filling out forms saying we have no conflict. High performing non-profits have had a huge shift. Let's disclose things. Let's err on the side of disclosing things. Having a conflict is not a bad thing. I'm seeing an overall change in how boards see COI. It's about making sure we handle them appropriately. Using your example, there are probably situations where someone will have so many conflicts, multiple agenda items, multiple board meetings that it is unproductive to have that person on the board.
- Anne: the screen says final questions. We all appreciate you walking us through this. You did this for us a few years ago but we have new board members. Let's go to questions of the board.
- Erica: question on overseeing versus managing. I understand the difference between the two. If the board's role is to oversee, and there are things the board is worried about,



what tools does the BOD have to guide the organization without managing? Or is the board unable to do that and just sit back and guide?

- Melanie: if the BOD feels like the organization has gone off the rails, not doing what it needs to do. You have a few tools. Impose discipline on CEO. These are the things you need to do differently and give time for CEO to do it. Or, make the change in the CEO. If the BOD is not happy the recourse is all about discipline or replace CEO.
- Erica: this is the only thing?
- Melanie: yes, you should not undermine the CEO. Either discipline or fire.
- Anne: All good from everyone else. Thank you, Melanie. We look forward to getting your slides. Please send to me and I will forward to board for record and minutes.
- Ed: one quick questions. Can we use this PPT to train NGC and committee members?
- Melanie: yes. Absolutely.

**10:31 Break for five minutes.**

**10:38 Return**

Virginia: we have retained Steve Hess, an attorney in Colorado Springs to assist with the Demand Letter from the USOPC.

Steve Hess: I'd like to start with an overview of my take on proceedings of USOPC. I heard from Virginia on possible arbitration, section 9 proceeding, section 10 proceeding to get us decertified and section 8 proceeding. I have been doing Olympic law in Colorado Springs since 2000. My practice has been big ticket construction litigation and representing NGBs. I have represented 24 Olympic sports either on behalf of NGB or athletes. Since 2008, it's been almost exclusively with NGBs. I have represented about 12 NGBs in different matters. I am outside counsel for Wrestling, Tae Kwon Do, Bobsled, (several others). With regard to experience, I've been involved in four separate actions on Section 8 or Section 10. Section 8 is when the USOPC seeks to decertify. Section 10 is when someone other than USOPC demands the NGB is decertified. I have also been retained at the behest of NGBs going through substantial organizational changes. These are almost always generated by the USOPC rather than the organization itself. I have not seen Section 10 after Section 8. I have not seen initial letter about getting house in order. I have seen the USOPCs letter about hiring Arent Fox to do a legal investigation and come up with conclusions.

Here is the background on how the process works on what you can or can't challenge. There are two separate ways that an NGB can get decertified. It doesn't mean you go away as a corporation. You are an Illinois non-profit and cannot go away. What the USOPC can do is prevent you from having anything to do with Olympic/Paralympic movement.



The process is to appoint a hearing panel to decide if the NGB is honoring its status under the Ted Stevens Act. The hearing panel makes a recommendation to the Olympic committee and the Committee decides but always does what panel suggests.

Section 10 is where outsiders want to control the NGB, not where the USOPC wants to control the NGB.

Under the Section 10, there is a battle over whether the NGB is satisfying its legal obligations. It can get appealed to an arbitrator.

A Section 8 is different. It is much more oppressive. Once the complaint is filed, a hearing is set. The hearing panel comprises of an NGB representative, usually a CEO of another NGB, and an athlete representative. Then a hearing is held, and a decision is made.

Procedurally: I will outline the timing under Section 8 by referring to Section 10 because the USOPC has never gone through a Section 8, by discussing the Tae Kwon Do Section 10, complaint which was filed in August. Parties messed around about Administrative remedies, consolidated hearings, or mediation to get to a result – however, none are relevant in this case. The parties tried mediation and it didn't work. On November 11<sup>th</sup>, they reported to a hearing panel. Two weeks later, the hearing panel said mediation didn't work so now it's in front of the hearing panel. Once in front of the panel, they set hearing date for January 5<sup>th</sup>. This was conducted over the span of a few days and in a week they put Tae Kwon Do on probation. A hearing panel will be put together, a month and a half will go by, and then a decision is made. Under Section 8, it is a question of whether the hearing panel will find that the USOPC's unhappiness and dis-satisfaction is so baseless that the USOPC should be forced to continue to recognize the NGB should continue against its will. Will a hearing panel made up of a NGB representative, athlete and USOPC representative tell the USOPC that they should recognize the NGB. Keep in mind the political situation we find ourselves in. 10 years ago or so there might have been a chance an NGB could take on USOPC. The USOPC itself is under siege and it's under siege for having lost its control on NGBs. In fairness, this was brought on by a few NGBs who lost their way with Safe Sport. Your issue is not a Safe Sport issue but it's about whether USOPC can govern its NGBs. Today the question is, in this political environment, will the USOPC be in front of Blumenthal Commission with evidence that it went to Section 8 hearing and lost and by own by-laws, then NGBs are more powerful than USOPC. If you think you have a fighting chance, you should go back and read the newspapers politically.

Note that I have not said anything about whether the Arent Fox report is true, factual, or whatever. If USOPC independent audit and outside law firm concluded there is enough fractioning, the USOPC should not do business with it anymore. The only thing that matters in Section 8 is if USOPC is acting irrationally.

The people involved understand how these things work. The person responsible for writing the report at Arent Fox serves on AAA panels. I've had four cases in front of her. The reason USOPC goes to people like her is they consider her integrity unimpeachable and they will rely on her integrity. If you fight it, you have major league people who did investigation. It was not a kangaroo court. You can see that Arent Fox exonerated USATT in several points.

Turn to the legal standards if you decide to fight and seek alternatives.



I was not able to look at the articles of incorporation. You are incorporated in Illinois. The bylaws are on the website. Bylaws make it clear you are to serve as the NGB and it is the obligation of USATT to do what it takes to be the NGB. Seek to maintain recognition of USOPC as the NGB. You will comply with requirements.

As Directors of the corporation, each has a fiduciary duty to promote USATT's best interests. If there is a dispute about whether to remain an NGB or not. Each Director is required to fulfill the bylaws. Under Illinois law, you are protected personally so you are not liable for acting with willful unlawful conduct.

I advise that taking any steps that would enable to move forward with decertification, and if you decide to take on the USOPC, that is an issue to question whether you are fighting to maintain your position or USATT's position.

It is a flat-out demand from the USOPC. It is not a suggestion. Not an ultimatum, it is a demand.

If you decide to fight, there will be a quick hearing. What you have to ask yourself is who will be calling the shots for USATT in fighting the decertification. If you have a split on board members, if some think you can resist, point finger at other board members. There is no attorney on the planet that I know of who would look at a situation like that and say I know how I will get instructions to fight a Section 8. There is no way one attorney can represent everyone on the Board because everyone has a different interest.

If there are internal conflicts on the Board, the Board would have to retain an attorney and the Board would have to decide how to direct the attorney. The attorney would have to propose the remedy. The practical difficulty in defending a Section 8 would be huge.

There is a question whether each of you contributing is for maintaining the organization or maintaining your Board position.

My perspective on what can be done: the suggestion that everyone resign immediately and then sometime later have an interim board appointed – what you could do is agree with the USOPC is that you will all resign when a new board is appointed and you will participate in the process. I don't think the USOPC would ever allow a new board to appoint its successors. I think the USOPC would go to a long list of people interested in the Olympic movement and fill the Board with the Independent directors and move on.

My recommendation is to accept the recommendation with the modification that you will resign once a new board is appointed.

Again, I'm not suggesting you would have a robust opportunity to participate. If you decide not to, some can resign and some can fight the Section 8.

The Arent Fox report got out, I don't know how. It's not flattering but it's not damning.



If you all agree to resign effective the date the new board is appointed, you can say you were instrumental in constructing the new USATT as a governing body. As a practical matter, I don't see much in the way of alternatives.

I think that fighting this anymore is worthless.

The last email I saw was a request of Onye for more time for rebuttal and discussion. Observations: asking them to do that was a fine idea. Other NGBs have done that and there have been negotiations. In those cases, the letters come from Rick Adams. This letter came from the attorney. The fact that you were asked and turned away is a strong indication that the USOPC will not negotiate in any manner, probably because they decided they will press forward. What they won't contemplate is any negotiation to leave the board in place.

That's all I have to say.

Dennis: I would like to clarify a few things you said. First, something that is not relevant to something you said is there is no Section 10 complaint right now. The Section 10 complaint was filed and USOPC sent it back. Probably because if there is a Section 8 demand in place there isn't a need for Section 10.

Steven: if they turned Section 10 away that is a bad sign for you guys.

Dennis: in your experience in Colorado, what other remedial steps has a Section 8 panel come up with?

Steven: in a Section 10, what they can do: Section 10 used to say before booting someone they have six months to turn around, now they can yank NGB certification. Now, the USOPC would appoint an attorney to the panel they recommend to the panel something like expand the number of constituents, increase Independents, and for a period of two to four years, there are controls that are in place for the Independent directors. If you look at the Section 10s that have been filed, there have been a lot of retooling for Speedskating, Shooting, etc. So, what could they do? They would do something less dramatic. But this isn't a Section 10, this is Section 8 where the complainant is the USOPC.

Anne: Steve, I appreciate you being on the phone and for Virginia for making it available. I would like to ask the Board members to go around for questions on proceedings. We have athletes in the room that would like to speak as well.

Erica: quick questions. One suggestion is to have the board resign with caveat that we won't step down until the new board is seated. Given you seem sure that USOPC is not open to negotiation, do you see a chance of that triggering a Section 8?

Steven: Onye's letter said everyone is to resign immediately and then a new interim board is appointed. Rather than saying we will resign immediately, the effect is you cannot actually do what the USOPC wants. I think the UOSPC would be amenable in accepting resignations on a date a new board is in place. What they would not be amendable to is if a few of us resign or if



we extend the date.

Gary: how does that get done before Tuesday? The negotiation of the cliff effect of Tuesday deadline.

Steven: you would pass a resolution to accept the USOPC recommendations as modified as limited resignation date and then someone would call Onye and say USATT wants to play ball but what you suggested legally is clumsy as a matter of corporate law; we will cooperate to get this done but not as outlined.

Gary: so we would agree in writing for a future resignation subject to when the new board comes on so Onye can see it? So, there is a guarantee of a resignation at a future determined date?

Steven: yes. And then you would have me or someone else communicate to Onye the process you would follow. Waive the 30-day notice provision to changes in the bylaws. Then change the bylaws to say we will have an interim board and then a permanent board.

Gary: how many Section 8s have been adjudicated at the USOPC in history, to your knowledge?

Steven: I don't know if the USOPC has ever adjudicated a Section 8. They came close with Karate but I didn't get involved until late in the process. But none have actually been completed.

Gary: so none have gone to a three person jury?

Steven: not that I'm aware of. There have been a lot of Section 10s. But I don't know if a Section 8 has gone all the way through. The USOPC website has all the decisions that have been made on Section decisions. There are no reported cases under Section 8.

Gary: have any Section 8s started and then some deal or other agreement was made in the interim period between the filing and hearing?

Steven: I think that happened with USA Karate but I'm not sure. I was asked to come on to help the reorganized board when the previous board abandoned ship. The same thing happened with the US Tae Kwon Do Union. In 2004, the US Tae Kwon Do Union was told by USOPC that they would no longer be the NGB. So, if your question is what do I know about actual Section 8s that have been filed but resolved, the answer is I don't know. With Speedskating, Shooting, Tae Kwon Do, and Karate, Section 8s were threatened but don't think they were filed.

Gary: what is the due process of the hearing? Is this like a normal court where there is discovery and document exchange and people can come up with evidence to the contrary? Or is this a different set of standards.



Steven: in a Section 10, by way of contrast, there is a specific legal standard whether or not the complainant can show the NGB is failing to satisfy the requirements of an NGB as implement by the USOPC. In the Section 10, the hearing panel reads the NGB provisions within the Ted Stevens Act and look at list of requirements, look at USOPC bylaws and say, has complainant demonstrated that the NGB is failing to satisfy its obligations? A Section 8 is very different. It says a corporation may review all matters and they take action if considered appropriate. There is no legal standard in Ted Stevens Act when USOPC must recognize the NGB. It says the corporation can file an action, pursuant to other information or organization review, then the CEO initiates a hearing. The hearing requirement that the NGB is given a reasonable opportunity to present factual evidence and legal argument. Upon conclusion of hearing, panel shall prepare report to the Board on the organization's noncompliance or deficiency. Noncompliance is regarding either the Ted Stevens Act or its bylaws, but it can be based on deficiency as well. And there is no appeal. The Board consideration is only considering the reports and recommendations provided to it. If you stand up and say we can prove through facts and evidence that we have satisfied our obligations, the USOPC can say that you are deficient in how your organization operates and we do not want to do business with you anymore.

Gary: so it is a moving target and we are not going to know what they will consider deficient or noncompliant or not good enough. It seems hard to prepare. Some of it is subjective and some of it is objective. It seems to be amorphous versus a typical court.

Steven: it is somewhat amorphous, but you have benefit of Onye's letter which said USOPC demands and reform is based on the Audit and Confidential Report. This means their litigation game plan is to cut and paste the findings from Audit and report. They can't just show up and say they don't like you anymore. They show up with what the audit revealed and the Arent Fox report. You could, if you fought this, go through each one of those and try to explain there is no basis for it. It involves in conflicts. An attorney might tell you what you confess and say your remedy is to exclude some board members. In a nutshell, it is not complete. USOPC game plan is on page three of the report.

Gary: the fact that the report was sent out as final with no opportunity with correction of record. There are people in the room that there are assertions in the report that is factually incorrect; other parts of report are totally accurate. It has been leaked into the market and there are character issues that people feel is defamatory. How do we rectify the record with no correction of fact moving forward? I'm ready to move on but if there is some correction of fact, I'd like to see it corrected.

Steven: USOPC would say this is an independent report that serves a recommendation. We have not made any findings. We have no ability to make findings. We are not in the process of collecting counter evidence to it. Is it strange they would just accept this report? Yes, it is. They don't rely only on this report. They rely on audit reports. Often, audits are misdirected. There is zero chance they will negotiate a correction of the report. You may get the USOPC to understand as a condition moving forward that you want to pass a resolution specifying your disagreement of the report. State that people's character and conduct has been positioned unfairly. You have the right to pass a resolution as a matter of public record that puts your



position in writing. The report does say we are not pointing fingers at anybody and not coming to conclusions about specific individuals.

Carolyne: nothing

Ed: nothing

Deepak: thanks for the information, Steve. You mentioned the seven items on the list. For discussion sake, if you see all seven, this can happen again. The fact the bylaws and construct of the Board, we will have debates, we will have people reach out to the USOPC also. At the end of the day, you also identify our objective is to be an NGB. There is no suggestion from USOPC saying how we can avoid ending up in the same situation three or four years from now and the same things won't show up again. The rest of the points are anybody can do this. I don't see a solution other than saying "let's put another board in." I know it's up for debate and we are at the situation where we have to make decisions. Did you hear anything like this in your experience where the USOPC comes up with the solution?

Steven: there is a massive debate within NGBs about how good the USOPC itself is in putting Independent members in place for exactly the same reason you mentioned. There are arguments that putting the NGB in the hands of Independents because it takes away the people who know the sport and are committed to the sport. The USOPC position has been they recognize it and understand there will always be friction, but sport governance is about good governance and getting some Independents involved at the outset will dissolve the problems listed in numbers 1 to 7. They honestly believe that a change in the governance will help the organization out and eventually will populate with people with expertise. What the USOPC believes is that by getting fresh blood in with more corporate governance and they don't have infighting, they can turn attention to the organization itself.

Bruce: nothing

Tara: you have been very insightful. Thank you for your time. You answered my questions.

Dennis: you have spoken about demand #2. I believe it says no later than Jan 31, 2020 an interim board will be put into place. I don't recall anything saying there must be a certain amount of time passed before a board is put into place. We have a Nominating and Governing Committee, which determines who Independent members will be. The USOPC letter says they will work with that committee and they will be imposing their view on Independents for NGC suggestions. And then there is the time that will take to organize an election to determine who the athletes will be on the interim board. So, do you see impediments saying an interim board may not be set until the end of January?

Steven: no. what the current board would have to do is you can't just have a mass resignation effective the 18<sup>th</sup> and have no one on the board. You have to change the bylaws to have the right constitution of the board. You have to change the bylaws in order to have the interim board.

Pam Fontain: what happens to the para program if we decertify?



Steven: the corporation is governed by the Board of Directors. The day to day operations will not change. The bottom line is changing the board does not change the para program at all. The new board would have to have representatives from the para movement but nothing happens with the programs on a day to day basis.

Pam: if the board chooses not to resign what happens to us?

Steven: nothing should change if the board chooses not to resign. I haven't heard anything about the para program being in jeopardy.

Anne: thank you Steve.

**11:47**

Anne: Virginia, thank you for arranging the call. A few athletes are in the room who would like to speak. Then we will break for lunch.

Sebastian DeFrancesco: I am an AAC representative and our concern is what the letter said and we want to know what you are doing about.

Anne: ok, thank you.

Sebastian: I want an answer.

Pam: you can answer his question.

Anne: as you can see, we received the letter. We receive the Arent Fox report and it has been distributed widely though it says it should not be. I felt as chair of the Board it was important for us to meet this weekend. Each one of us will look into our hearts and thoughts and process the information from the attorney and other areas and we will make our decision.

Sebastian: so will you make decision in the next three days.

Anne: we have been asked to make a decision on the 18<sup>th</sup>. I cannot speak for all the board and I think there will be enough of us who will make decision by then but it's not right at the moment for me to say anything. Do any other board members have anything to say?

Bruce: if it was up to me to make a motion so everyone on the board can resign by the 17<sup>th</sup>.

Tara: I would second that.

Deepak: we are collecting the information. I would not have an organization without a Board. I like the suggestion from the attorney. Right now, we are collecting the information, but the best interest is not to have an organization without a Board. I really like the suggestion from the attorney. That is what I would suggest too. Get back to USOPC and tell them about



attorney suggestion.

Tara: do we think the USOPC has a plan for that gap between when we resign?

Gary: it needs to be asked.

Tara: I wonder if they have a plan for it?

Gary: your motion is a cliff effect. The suggestion of how to handle the gap creates a cliff effect.

Deepak: we don't want our organization without a head.

Tara: we have a few days before the 18<sup>th</sup> to get an answer. It gives us a few days to have a plan for the gap.

Bruce: we do have a head. We have headquarters and staff.

Deepak: the CEO gets the direction from the Board. You won't have anyone to oversee the head – the CEO. That is my thought process.

Anne: because of the athletes sitting in the back of the room, I want to add. As an athlete a long time ago, I always wanted to know what would happen to me, my training. We talked about this yesterday. We all need to make sure that the athletes are not distracted or somehow harmed. We understand you do not have as much control over as you would like.

Pam: we appreciate that. Also, for USA Badminton, their direct support and insurance has been stripped from the athletes. I understand what you are facing but it is not the reality. It is affecting the individuals who have already qualified.

Anne: thank you.

Sebastian: from athlete standpoint, we are for the athletes. This is not for your own resumes. You are supposed to support athletes. We are getting caught in a conflict between one opinion and another opinion. Us as para athletes, we don't get much. I am a five-time Paralympian and have never gotten money from USATT.

Anne: yes, we appreciate the plight.

Sebastian: we want you to make a decision soon or we will file a lawsuit against USATT.

Anne: it is really important for USATT to recognize the fact that the requirements of demand have not been caused by violations of Safe Sport. I don't think it's fair for USATT to be lumped into the same category as USA Gymnastics, Karate, Diving, etc. We have done a good job adapting to Safe Sport and have worked hard at it and will continue to work hard at it.



Sebastian: I don't know if that is true. I want an answer.

Anne: Sebastian, it is time to stop now. We have other business to tend to during this meeting time and are limited with the time we have left.

Sebastian: you need to listen to the athletes.

Carolynne: Dennis, point of order?

Sebastian: no, this is my point of order.

Dennis: the point of order is that the guests of the Board meeting speak at the will of the Chair. This is Anne's decision as to how to conduct the meeting. She has two hours left in this meeting and there are things to accomplish in that time.

Sebastian: I know it's an open meeting and I have a right to speak.

Dennis: your right to speak is at the Assembly.

Jasna: Athletes and members can't speak to board members.

Gary: how did we get the attorney?

Virginia: he is a consultant for Archery and others. He is also representing USATT in other matters pending.

Gary: I would like a summary of his recommendations.

Virginia: he needs to first talk to Onye. He has not talked to Onye yet.

Gary: we need to understand the steps. Time is not on our side to execute the process.

Dennis: I think there is about a three-week period before an interim board is put in place.

Virginia: I can call Onye right now and ask him.

Gary: No, don't call Onye. Let's use professional counsel to contact him. I would feel more comfortable having an attorney who represents us call Onye. Even if this is a collective thing, people need to make individual decisions to make their decision. I think it can all get done but we should organize and put a professional in charge of it.

Virginia: this is all before the 18<sup>th</sup>.

Bruce: is this one of the goals that we want to stay as the whole board?

[Virginia leaves the room]



Gary: I'm happy to speak for myself. I have no personal interest in staying. This is charity work for me. I'll go into the night and disappear. What is important for me is that the report is corrected. It is not contingent on resignation.

Sebastian: [no permission given to speak] why did you approach concerns about the report before it was published? You did know what it was said but didn't do anything about it until now.

Gary: there are subjective things in the report that no one knew what was said until the week of Thanksgiving.

Sebastian: and now it's December 15.

Gary: yes, that is why Anne asked for an extension for a correction of the record. It's not contingent on my resignation but it is the fair thing to do. Back to Deepak's point, the randomization of how Boards are assembled, Deepak identified the root of what is needed. For Board selection: make sure they are qualified and have been trained, and have to take a test. Board selection is the reform that will prevent this in the future.

Bruce: we have done a lot and should not determine the interim board.

Gary: it's Board selection and the USOPC needs to support the NGBs in selecting qualified boards that are trained and verified.

Virginia: [returns to the meeting room] I just spoke to Onye and we will have Steve write a proposal to him and get back to us in 24 hours as to whether there will be an extension or not.

Ed: this should be a decision by the board and not by the CEO.

Virginia: I just asked what is the possibility there.

Anne: given everything that is going on, it is best to proceed and ask Steve to send a letter to Onye. Let's go around the room and get everyone's vote on it.

Gary: yes; Erica: yes; Ed: no; Deepak: yes; Bruce: yes; Tara: yes; Anne: yes; Carlyne: abstain.

12:11 break for lunch.

12:21 Meeting back to order.

Anne: Deepak please give your 10-minute report about the NCTTA organization.

Deepak: we are working on 2020 Nationals. Last year, we had over 1,500 athletes participate from 157 varsity teams, about 50 women varsity teams. This year regionals are happening around February and then the finals. We also do scholarship programs for incoming freshman



and we talked about volunteering with NCTTA and US Open here this week. A lot of the volunteers come, do various things like media, umpiring. The whole structure is seven members of the Board of Directors; at the regional level have six regional directors. At the committees there are 11 regional chairs. Our main sponsor is iSet and Doublefish.

Anne: who are the people – where is iSet?

Deepak: iSet is from Canada.

Anne: what is the range of sponsorship?

Deepak: do not know dollar amounts but know they are involved.

Ed: a lot of it is value in kind.

Anne: who negotiates that?

Virginia: iSet.

Deepak: no, it's NCTTA. Members of the board. Chris Wong. He is very active. The BOD run the whole show. We do a lot of donations. After the tournament, the tables are sold to the schools and various local clubs. All equipment is gone after tournament is done. We work closely with USATT, with the CEO and the staff. The report itself is 12 pages. There is a lot of information here. Table Tennis at the college level is increasing every year. The volunteers are very involved. Some are professors or parents or alumni of NCTTA. Everything else is very processed. I've been working with these guys the last five years. For me, those three days and all the meetings is a different level of volunteering. None are paid. When I go and referee, it's all volunteer. That is one of the key things. I think they are maturing every year. The processes are growing. They have some fixed places right now on the Nationals. They go to the conferences. That is the high-level points.

Anne: thank you, it's a wonderful report, Deepak. We really appreciate you bringing it all to us. I'm glad to see USATT has a full-page ad in the program, that is good. Great to see the work of all the volunteers and the people that support it. I'd like to write a quick letter to the organization of recognition and thank you. Virginia, I'd like to work with you to get that on our letter head.

Gary: I read about the free memberships. Is that all four years?

Virginia: no, it is annual.

Gary: theoretically we would give it to them every year?

Virginia: yes. The idea is that they come to some of our tournaments.

Gary: when did we start?



VS: June or July.

Gary: did we pick up any members or revenue?

Virginia: I'd have to check the numbers.

Anne: any more questions for Deepak?

Sebastian: Anne, I'd like to thank you for the opportunity to be here. Thank you for allowing us to speak.

Anne: we wish you the best in the tournament and hope to see great results.

12:33 athletes leave.

Anne: Virginia, please give us update on China.

Virginia: I went for update on qualification system. Now we are part of PanAm. We are still doing a meeting with Europe and Asia. They are not happy. We proposed that we would like to be independent as North America representative for the world, but it was already a done deal. People are not happy. There was not enough communication with the continents on the changes.

As for World Champs 2021, Janis was there from the Houston Sports Commission. She has not yet signed agreement with ITTF. ITTF is forming a new for-profit entity. Nothing of the terms change, just the entity. Houston is putting up about \$2.5 million and ITTF is putting up the rest to a total budget of \$7 million. Once that finalizes, we will go to Janis for a Memo of Understanding to facilitate the whole World Champs with our volunteers and their expertise to ensure we have some financial reward in helping with them. When they did the championships for Weightlifting, they hired someone from Weightlifting to sit in their office for a year to help with the event.

Anne: we had a discussion yesterday about how to showcase the 2021 World Champs. Deepak had a great idea about the importance of understanding the responsibilities for the ITTF, Houston Sports Commission and USATT leading up to the event.

We are excited about Lily's performance and the Stars Award.

Virginia: I asked the head of the China Association if she can get into the Chinese league. Our team members can get lonely in Germany. There is another player who wants to train with a second team so she can train with them. There are opportunities there.

Anne: I want the minutes to show how proud we are of Lily as a player and a person. It's important to have a female athlete who is recognized by the world. We congratulate her.



Ed: I think it's very important to understand the track she took. She might be the one, or one of few, to compete, earn a college degree, and then go back to competing. The back story is very important to show our juniors that it can be done.

Virginia: yes.

Anne: I'm glad you brought that up. It's also good for the parents of athletes who have Olympic dreams that you can compete and go to school and go back to competing. The parents of our players want their kids to go to the best schools in the country and for a long time, our players just dropped out so they could go to school.

Erica: Erica is unimpressed by Lily. Just kidding 😊

Ed: There is a player in this area who has just been accepted to Harvard. He is a young student.

12:41 on to finances.

Virginia: on the revenue side, we have three areas: event, membership and club, and grants. I separate into three categories. For the events, we will have Olympic Trials in February, US Nationals in Salt Lake City, and US Open in Ft. Worth. We will have a few ranking tournaments. We don't have a junior nationals but want to have it. I get feedback that parents think this is great. One of the events we will create is junior nationals in September. I am working with David Sakai on Team Championships in Vegas. Joola has team championships on the east coast but missing something on the west coast. If we can create something on the west coast that can create the same environment on the east coast that would be great.

Anne: is the junior event open to international?

Virginia: no, only US.

Anne: how many players do you anticipate?

Virginia: for this event, we had over 250 juniors. We expect about 350-400 entries. It is for 18 under

Ed: you said Pan Am is in September but the budget shows December.

Virginia: yes, they want to move it to September. The Open is in Ft. Worth again. This time, we only have 80 tables. Do you think that is too small?

Ed: I don't know how many square feet there is.

Virginia: we get state grants per event. Everything will stay the same for next year.

Ed: that is a change for the state of Texas. I'm familiar with the grants because we do it with



NCTTA. On the events, will this Team Event compete with Joola?

Virginia: they are east coast. Ours will be more international and on the west coast. Our perspective is that west coast events will attract International players.

Ed: I think this hurts one of our main partners by taking players away from their event.

Virginia: not really. We are going to make changes for next year. We have over 300 sanctioned tournaments. If you average 100 people per event, that is close to \$200,000 in revenue. So, the rating processing fees, we realize that the more tournaments we have, the more revenue we will generate. There is something wrong with our membership structure. The short-term tournament pass fee, this last year we have 1800 members purchase tournament pass which is one-third of total members here. If we can reduce membership fee and cancel tournament pass, we can generate more revenue.

Ed: that is a mistake and wrong. We can show this is a bad idea by data. Conversion is the way to change. A \$5 processing fee added on will reduce the number of players in tournaments.

Virginia: we can split the revenue with the clubs.

Ed: I suggest the plan of attack is on the full year.

Bruce: historically the rating fee was separate, but we raised the membership fee and considered the rating fee included. If you maintain membership fee and add rating fee on top, that is more money. Didn't Butterfly or something similar try to have an event? A team event on west coast if done properly will be good.

Ed: yes, but why the same weekend?

Virginia: no, not on the same weekend. We are just trying to find a way to increase our revenue. If we can consistently generate \$2.5 to 3 million in revenue a year, we can get more grants from USOPC. This is why we are against the idea of outsourcing our events to third parties.

Anne: since you brought that up, the board would like to see what an RFP would look like. I would like headquarters to just do that for one of the events to figure out how many staff hours we would get back.

Virginia: it depends on who gets the revenue. If someone runs our open. The revenue is over \$500,000. Let's consider profit. If someone wants to partner with us, we have to agree who gets the revenue and profit share.

Anne: I think we understand that, but we would like to see some options of what proposals would look like. We had a committee that reviewed the Richard Lee proposal (Ed, Rajul, Bruce) and felt that was too one-sided. Until we have the data, we don't really know.

Virginia: if you look at proposal Richard gave us, it was a guarantee of \$30,000.



Deepak: we don't want to get into that. What we talked about yesterday is a situation where we plan for at least 18 to 24 months on the bidding process. None of us agreed the Richard Lee proposal was good.

Virginia: I want to run the US Open. If we can generate 20% of profit margin or 10% profit margin it is the bottom line.

Deepak: not necessarily. We cannot take this as a baseline. You need to know what is out there. If you do not have that information, you cannot make an informed decision. You have to look at what will help you make these decisions better. Let's try to see what is out there.

Virginia: absolutely, yes.

Ed: in fairness to Richard, I spoke with him afterwards, he said he didn't know what we wanted and he would have negotiated. I have a question on Pan Am. It is an elite event?

Virginia: yes. Grants revenue is about 90% accurate. We are expecting more donations for the Olympic year. Going to expenses, Sean and I spoke yesterday. We are concerned about High Performance budget.

Deepak: before you go into expense, the structural change of the membership, is this something you have done work on and know how much to expect?

Virginia: rating process fee per event.

Bruce: per event?

Virginia: no, per tournament. We average 100 players per event, that is about 35,000 players times \$5 which is \$175,000 extra revenue for charging the ratings process fee.

Deepak: where I'm going is, if you are increasing something, something else will come down.

Virginia: we are decreasing the membership. We look at other NGB membership structures. Our membership is actually very high. The purpose is to attract more members. One thing we'll do at Nationals next year is to have the clubs involved. The members have to say they belong to a club and the club has to be affiliated with us. This way we will get more clubs involved in our events. Next year is Olympic year; we don't want too many changes.

Bruce: it could be a problem for some areas where they have players but no club.

Virginia: you have to. This is an effort to get more clubs to get more members.

Anne: you could do what the IOC does with Russian athletes. We could also review creating a virtual club thru technology for unaffiliated members.



Dennis: historically we have done this before. It did not work out for that very reason. For example, in Montana, there may be 3 members over several hundred miles.

Virginia: so where do they play?

Dennis: in a basement or with other players who are not members.

Gary: how do you look at Potomac? Is that considered a club?

Dennis: it used to be but the owner refuses to do Safe Sport.

Virginia: the goal is to get them affiliated with us.

Deepak: the key thing about increasing membership fees is looking at the benefits the memberships will get. How we move that forward is they will play more tournaments. With your proposal, members who cannot afford to play more tournaments will be affected.

Virginia: we are investing in technology. It will be easier for players to access ratings. Over 80,000 players have ratings but are not members. If you want to see your rating, you have to pay.

Deepak/Ed: that will not be good. When are you implementing it?

VS: January 1.

Ed: that will not work.

Virginia: we are going to give them backdoor access.

Ed/Deepak: you need to come up with a different way of doing this.

Ed: the only thing that worked was the tournament pass.

Virginia: the tournament pass is not helping increase our membership at all.

Ed/Deepak: there are a lot of people that only play one tournament.

Deepak: I'm sure you have looked at this Virginia, but you need to look at all the data and information.

Virginia: it's hard for us to keep all the data. If they were members it would be easier for us to keep track of the data.

Ed: so, it is a one day or one event membership and you work to convert it. Did you consult with the tournament committee on this?



Virginia: not yet.

Ed: that is a problem. How about the tournaments you have scheduled? Did you consult with the tournament committee on that?

Virginia: it's really only junior championship and one other.

Ed: there has to be coordination of dates between USATT, NCTTA, and the Tournaments Committee.

Virginia: but this does not overlap with NCTTA calendar.

Ed: we just talked about this yesterday and there are issues with NCTTA events and USATT scheduling events for the same days.

Anne: my hope for 2020 is your office with your leadership will work hard with the committees from the beginning so they feel like their input is useful. We would love it if the answer is yes, everyone has been consulted.

Virginia: yes. Sure.

Virginia: the High Performance expenses includes Sean's salary of \$100,000 and you take off \$50,000 from the ranking tournament. I added \$30,000 of coaching fee in there and Sean's expense budget is \$250,000. We have para budget at \$99,000. I did not put athlete direct support in the revenue.

Gary: so under expenses, event accommodation and meals, the \$153,000, what is in that?

Virginia: this has nothing to do with High Performance, this is with events.

Deepak: what would help us is to have the previous year budget as well to see how much we are deviating from the budget Year Over Year [reference to the 2020 Budget as presented for approval only showing the 2020 Budget; typically when presenting a budget for approval, an operator will present the previous year's budget actuals – or how much was or was not spent/generated – and the requested budget].

Gary: You said this year we would not hit the 150,000 on the digital agreement.

Virginia: We just hit the mark last week.

Anne: thanks to Lily.

Gary: I want to make everyone aware that there is nearly \$500,00 in donations and sponsorships and what Virginia is saying is that in an Olympic year she expects that will go up.

Virginia: we have sponsorships on two different items. Butterfly is about \$56,000, another one



at \$50,000. The \$180,000 on the sponsorship (tournament) is already done. Non-tournament is not done.

Gary: so in terms of miscellaneous donations, it is not done. So there really is about \$280,000 that you have to get in order for this to balance? Ok.

Virginia: technology is a fixed fee. We want to create a new platform software for membership of clubs. This will make a difference.

Gary: do you expect a rental of Sport 80?

Virginia: the question is how they integrate with Simply Compete and OmniPong. The goal is about getting the real time data. \$100,000 is the fix fee/set up fee plus the monthly fee. We have two platforms recommended by USOPC and we are looking at how they integrate. It's doable, it is not that expensive. The only problem we have is Simply Compete is not responsive.

Deepak: yesterday we talked about Safe Sport stuff. I see less expenses on that.

Virginia: we have to pay annual fee to the Center for Safe Sport every year. It's about \$10,000.

Deepak: one of the things we talked about yesterday is to have more funding built in for someone to keep track of all they (safe sport) are asking. Perhaps a dedicated staff person, depending on the coming requirements. Dennis was to create a job description.

Virginia: we are going to build that in the technology.

Deepak: looking at the changes and what they are asking, we may need people, we may need to spend more on background checks. Increasing memberships will increase those things. This is something you will need to look at.

Virginia: we do have \$10,000 on background check.

Deepak: so once you have what you have now for 2019 and we can compare with the proposed budget for 2020 we will know if you have enough or not.

Virginia: we are going to change to a new company that will cost less for a background check company.

Deepak: you may have to increase this based on new requirements. And the international background check fee is quite steep.

Virginia: \$2.2 million in revenue for this year. Hopefully this year we will break even. We were getting \$75,000 and \$60,000.

Ed: you are double stating the \$60,000. it goes into the US Open.



Virginia: I didn't put it in the budget.

Ed: yes, you did, it shows in the last copy of the budget

Virginia: the profit is in the budget. We get the grant. We need 80% of 1300 attendees. It is an average of 1000 people per day.

Gary: so this is the profit, this is the \$66,000 on the sheet.

Virginia: we have 40 tables and we already sold five tables. This is revenue we haven't accounted for.

Ed: so, you are saying this year we will break even we will not lose any money as association.

Virginia: for Quickbooks, you cannot go in and look in accounts that are not closed.

Deepak: URC where is that?

Virginia: I put it in officials.

Deepak: this is a conflict of interest for me.

Virginia: this is \$145 and includes trips we send them overseas. This year, it was around \$100,000 so it is increasing.

Gary: I have a question. I know Chris is gone and we save the \$50,000. Somewhere Altruit fees are on here. Is this with the 50% grant? So, it's about \$1500/month. So \$400,000 of salaries and benefits. It seems low to me without Chris.

Virginia: low or high? This is from this year and I took out Sean's salary into High Performance.

Gary: His expense is in HP. It would have been \$500,000 which is what I thought it should have been. I'm fine with this as long as we meet all the revenue/fundraising.

Anne: we need to make sure we keep budget versus actuals. I'd like it on a monthly basis but will settle on quarterly basis. We have not been presented with a P&L, we do not have balance sheet, we do not have Accounts Receivables and Accounts Payable. This is because Altruit is still settling accounts. In the future, I want to make sure we have this.

Gary: this audit was done a few weeks ago?

Virginia: Lane just sent us the information on Monday.

Gary: it's too bad we could not have gotten the books.



Anne: you can hear the frustration in my voice. This is difficult to lead an organization and not know where we are on our financials. It is really important for any board to have current financials. This is what we have been working on. this is what we started with in January last year with our working group. I am frustrated and I hope for the future we have the tools we need to make informed decisions to pass a budget.

Ed: I don't see how we can do it. You charged Virginia a month ago to get the audit done – over a month ago! We should have it by now.

Anne: will anyone make a motion to approve the budget?

Gary: I will make the motion

Virginia: they just got the information on Monday. We won't get it for a few more weeks.

Gary: pre-tournament, the books I've last seen show a loss of about \$300,000 this year. If we pay all the payables and collect the receivables and take all our cash, we will have a negative net worth. There will be no money. These are the only books we have seen so far.

Ed: one correction. It shows minus \$315,000 but you have to put in expected profit of the Open so it puts us at negative \$200,000 net loss for 2019

Gary: I see things like doubling our working capital.

Virginia: we have revenue coming in before end of December. You have to include that.

Gary: all I have seen is November.

Virginia: I am telling you all this revenue is expected in 2019 and is \$400,000 in net positive cash.

Gary: that would be great. My point is that if you saw a negative net worth or no net worth, you might look at this budget and say I hope all these things happen and hope we break even. But why don't we cut back expenses? It is very hard to approve a budget when you are flying blind on the financials.

Virginia: you cannot just say that you approve 2019 budget when you have no numbers from 2018. We do not want to open the book when the book is not closed.

Ed: what you are telling us and what is happening are two different things. You promised \$500,000 unfettered if you were hired as CEO.

Virginia: this year I raised \$600,000

Ed: no, you did not. A lot of that money was already booked before you were hired.

Anne: can I step in please? Given time we have left, I'd like to make a decision on approving the budget or not. Is it the consensus that people do not have enough information?



Gary: the budget is well prepared, and it makes sense to me. I have no problem with the budget if people don't care to see the 2019 financials and current financial statements. To not have financial statements at a board meeting like this is frustrating. I have November numbers.

Virginia: it is more about trust than the puzzle.

Ed: the board did not do the best job in the last four to five years. We cannot trust what we cannot see. We can trust but must verify. Here is what will happen. We will be done as an association if we are removed as a board or if we are bankrupt. Pick one.

Deepak: I think we should talk one at a time. We are making a loss now and I think it's important to know what we are doing and how we will close this year. I don't know how it will impact if we need to approve today. My biggest concern from the membership is that we are only getting this information now. We could have talked about this two board meetings ago. I don't agree how headquarters is planning to go with the membership but it is moving from one bucket to another.

Anne: I'd like to see if anyone will make a motion to approve the 2020 budget. I also have a strong request to headquarters to see the 2019 numbers from Altruit. I see this budget is a good guideline for 2020. Could I have a motion to approve?

Gary: I'll make the motion

Tara: I second.

Gary, yes. Tara, yes. Bruce, yes. Deepak, yes. Ed, no. Carolynne, no. Erica, yes. Anne, yes.

Gary: this will help you stay ahead of the game and it will help Tammy.

1:44 August Minutes

Anne: we do not have time to get to the August minutes. These August minutes should be posted and their lack of posting created incorrect information in the Arent Fox report. We need to get these posted. I will review in the next 48 hours and request all Board members do the same, sending any corrections to me. There will be an email vote by Wednesday am.

The minutes of September, October, November meeting minutes are not approved and posted on the USATT web site in accordance with our promises in the audit report. I think this is a big black eye for the association because we need to be communicating with our membership on a regular basis. A recommendation for the future is that headquarters identify a staff person to attend the board meetings and calls to take notes and create minutes. These draft minutes will then be approved at the following monthly meeting of the board and posted on USATT web site. There should not be a three to four-month lag in posting the minutes for the membership.

Anne: Dennis resigned as Secretary in July, but had stepped back in to help with it became apparent the headquarters was not able to provide staff due to lack of personnel and time. I



suggest that headquarters seek guidance from other small NGB's how to solve this issue. Perhaps the Board uses a rotating board member to take minutes.

Note that the actions and motions are posted right after each board meeting. For the record, the audit is posted and I understand the 990 positing is coming.

1:46

Anne: we have information coming back from Steve the attorney. Dennis and Virginia, please tell us.

Dennis: briefly, Steven has sent three immediate steps he is recommending this board to take with the USOPC demand. The second email you have from me is a forward of a board resolution that would assist him in his conversations with Onye and rest of USOPC. The attorney recommends to pass a resolution that USATT does not accept the Arent Fox report.

Include the suggestions in the minutes from Steve, along with his credentials.

Include the vote – Dennis you have it I believe

Tara – signed

Deepak – signed

Erica – Signed

Bruce = signed

Anne – as a personal standard does not sign any documents under pressure, without reviewing and understanding them. Not signed

Ed – not signed

Carolyne – abstained

Rajul – not present

1:50 Directors Carolyne and Erica left the meeting

The meeting was adjourned at 2:15

Anne wished all a happy holiday season and thanked the board members for good, thoughtful work on behalf of USATT this weekend recognizing the board's willingness to work together to discuss and address difficult situations.

Respectfully submitted,

Carolyne Savini

USATT Independent Director

Concluded by Dennis Taylor after Ms. Savini's departure