

II. HEARING PANEL RECOMMENDATION AND BOARD ACTION

4. Throughout the probationary period Glenn Merry, Chair of the Advisory Committee, reported back to the Hearing Panel on USAT's efforts in correcting the compliance issues identified by the Hearing Panel in its February 27 Decision.

5. On September 7, 2012, the Hearing Panel sent a questionnaire to USAT requesting that USAT respond concerning its efforts to address the compliance issues identified in the Hearing Panel's February 27 Decision.

6. USAT responded on September 14, 2012.

7. On September 17, 2012, the Hearing Panel met and discussed USAT's compliance and whether it would recommend to the USOC Board to extend USAT's probation. Although the Hearing Panel found that USAT had not addressed certain compliance issues, and was still deficient in some issues that it had addressed, the Hearing Panel also found that some progress had been made by USAT. The Hearing Panel voted to recommend to the USOC Board that USAT's probation be extended for a period of six (6) months with the proviso that any extension would come with additional requirements for moving forward and defined benchmarks. The Hearing Panel also determined to recommend that the terms of USAT's Transitional Board of Directors be extended to coincide with the probationary period extension.

8. On September 21, 2012, the Hearing Panel, through its Chair, Susanne Lyons, reported to the USOC Board. The Hearing Panel recommended that the USOC Board extend USAT's probationary period for an additional period of six (6) months until March 21, 2013. The Hearing Panel also outlined additional requirements and benchmarks that USAT would have to meet during the extended probationary period. Further, the Hearing Panel recommended that the terms of the USAT's Transitional Board members be extended until March 21, 2013.

9. On September 21, 2012, the USOC Board extended USAT's probationary period until March 21, 2013. The USOC Board also approved the Hearing Panel's other recommendations.

10. The Hearing Panel will retain continuing jurisdiction over this matter and report back to the USOC Board on USAT's progress in coming into compliance and the actions of its Board at the end of the probationary period.

III. ORDER

11. USAT's probationary period is extended until March 21, 2013.

12. The terms for USAT's Transitional Board members are extended until March 21, 2013.

13. USAT's Transitional Board members shall not involve themselves in the day-to-day activities of USAT, but shall leave those matters to the USAT Chief Executive Officer ("CEO") and appropriate staff.

14. USAT's Transitional Board shall focus its attention on the following priorities as outlined in the Hearing Panel's February 27 Decision:

- a. selection of Independent Directors;

- b. review of USAT governance structure;¹ and
- c. review and adopt changes to USAT's Bylaws.

15. The Independent Directors to USAT's Transitional Board must be seated by October 31, 2012.

16. The Advisory Committee will take on a more direct oversight role in USAT's affairs, including:

- a. USAT Board agendas must be reviewed by the Advisory Committee Chair prior to the Board meetings;
- b. the USAT Board must include an Advisory Committee member in all USAT Board meetings and calls; and
- c. the USAT CEO and a Board Representative (or Board Chair, once appointed) must hold biweekly calls with the Advisory Committee Chair.

17. USAT must hire a certified public accountant ("CPA"), or other financial expert, experienced in budgeting, analysis, and strategic financial planning by October 31, 2012.

18. The CEO and CPA or other financial expert hired by USAT must hold monthly meetings with the USOC Audit department. These meetings are mandatory and must be

¹ Paragraph 123 of the Hearing Panel's February 27 Decision provided the following directive:

USAT shall conduct a thorough review of its organizational structure and Board composition. The goal shall be the creation of a governance model that is optimal for the sport of Taekwondo today and for the future. This review shall look at ways to involve individuals who understand the history and have sufficient knowledge of the sport of Taekwondo, who have business acumen, who have financial expertise, who have experience in fostering membership growth and who have knowledge of improving sport performance. Of prime importance is undertaking a review of whether a constituency-based Board serves the best interest of the sport of Taekwondo. The review shall also investigate how real or perceived conflicts of interests, which result from a constituency-based Board, affect the Board's ability to carry out its responsibilities. The review shall also consider whether independent Board seats should be expanded and how independence should be defined. Also, the review shall look at the composition and responsibilities of the Nominating Committee (formerly Nominating and Governance Committee) and at ensuring a thorough, fair and trusted nomination and election process. Additionally, the review shall look at the role and function of clubs within USAT's structure, the structure and governance of state associations, and the recognition and role of affiliate organizations.


documented. Additionally, USAT must submit to a follow-up audit by the USOC Audit Department by January 31, 2013.

19. USAT must remedy the audit items identified by the USOC Audit Department in its Audit Report of July 20, 2011, prior to the end of the March 21, 2013. These remedies must be reviewed and approved by the USOC Audit Department.

20. USAT must approve and post on its website its IRS Form 990 site by October 12, 2012.

21. USAT's CEO must hold quarterly calls or in-person meetings with USAT's Athlete Advisory Committee.

Dated this 24th day of September, 2012.



Susanne Lyons, Chair

Sarah Konrad, Panel Member
Glenn Merry, Panel Member