Board of Directors Meeting
Cary, NC
April 19, 2012

The meeting was called to order at 12:29 p.m. EST by Chair Peter Scudner.

Members present:

Peter Scudner, Chair
Mike Babuin
Anne Cribbs
David Del Vecchio
Christian Lilieroos
Attila Malek
Han Xiao

Also in attendance:
Mike Cavanaugh, Chief Executive Officer
Dennis Taylor, General Counsel, Secretary
Dell Sweeris, USTTA Foundation President
Stefán Feth, USATT Men’s National Team Coach
Teodor Gheorghe, USATT Chief Operating Officer
Raul Calin, ITTF Global Junior Program Director (Competition Manager for North American Olympic Trials)
Larry Kesler, International Referee
Bowie Martin, CEO Martin-Kilpatrick
Sean O’Neill, USATT Webmaster

I. Preliminary Matters

1. Mr. Scudner noted that this was the first in-person meeting with Dennis Taylor serving both as General Counsel and Secretary. The meeting will be recorded to insure the accuracy of the Minutes.

2. Mr. Scudner welcomed Anne Cribbs to her first in-person meeting. He also welcomed guests Feth, Gheorghe, Calin, and Kesler.

3. Mr. Scudner thanked the Local Organizing Committee and the Town of Cary for the quality of the staging of the North American Olympic Trials.

4. Mr. Scudner canvassed the Board for any conflicts of interest. Mr. Scudner noted that Christian Lilieroos currently has an official role with the Mike Dempsey tournament as the Executive
Director of the corporation set up to run the company. Mr. Lillieroos stated the belief that he does not have a conflict.

5. The agenda was approved, without objection.

6. Mr. Calin spoke to ITTF looking forward to close cooperation with this event and the 2012 Global Junior Challenge. He looks forward to closer cooperation in 2013-2014.

II. Approval of Minutes

MOTION 1:

MOVED to approve the Minutes of the February 28, 2012 Teleconference, as submitted.

Movant: Christian Lillieroos
Second: Anne Cribbs
Unanimous approval by voice vote

III. CEO Report

7. USATT expects to move into the USA Volleyball building on May 3-4, 2012. USAV has been very helpful, and it is expected to allow USATT to share the USAV fiber optic system. Expenses for the move are within expectations.

8. Sponsorship discussions with the US Nationwide Table Tennis League (“USNTTL”) are ongoing. USNTTL has taken out ads on the USATT website and in USATT Magazine.

9. Mr. Malek reports that the USNTTL Board has decided to await recommendations from the USATT League Advisory Committee regarding how USNTTL should affiliate with USATT before taking further steps.

10. The North American Championships will be conducted in the US on August 31 – September 2. Four clubs are bidding on hosting the championships. They are from Los Angeles, CA; Broward County, FL; Pleasantville, NY; and Cary, NC.

11. The two finalists for the USATT tech overhaul have been notified, and they are eager to move forward in the bid process.

12. With their report on the initial evaluation of candidates, the work of the Technology Task Force (“TTF”) is complete, and the TTF is thanked for its efforts. Mr. Scudner then disbanded the TTF.

13. Two perpetual trophies are being created as awards for the US Open Men’s Singles Champion and the US Open Women’s Singles Champion. Costs will be split equally among USATT, the Fall of Fame, and the USTTA Foundation. (Mr. Sweeris noted that the Foundation’s participation has yet to be confirmed.) The award for the Men’s Champion will be named for
Sol Schiff. Three women are under consideration for the name of the award for the Women’s Champion. The Hall of Fame will make the final decision.

14. Mr. Malek noted that Homer Brown has proposed temporarily hosting a Hall of Fame Museum. Mr. Malek then asked if the Museum has come into existence. Mr. Scudner noted that the Hall of Fame holds decision-making authority on this question.

15. Yvonne Kronlage has written the Board, pointing out the importance of seniors and senior women to USATT. She asks that this importance be reflected in determining what events to host at future US Opens and US Nationals. The matter was referred to the Senior Committee.

16. The 2012 US Nationals will be held in Las Vegas, NV. The host Hotel will remain the same, but it has been renamed the Las Vegal Hotel. (Formerly, it was the Las Vegas Hilton.) Mr. Cavanaugh will be working to organize a Local Organizing Committee.

17. The Board discussed options for the timing of the USATT Assembly, hosted in conjunction with the Nationals. Mr. Scudner noted that the Bylaws require the Assembly to be held prior to the Board meeting. This bylaw is part of USATT’s relationship with the USOC. However, it is possible for the Board to meet both before and after the Assembly. Mr. Cavanaugh is responsible for the 2012 scheduling.

18. The streaming of major USATT events is now expected by the membership. Mr. Del Vecchio has been an integral element in streaming efforts so far, along with USOC. However, USOC involvement is concluding. ITTF is funding the streaming for the North American Olympic Trials, and Canada has hired Mr. Del Vecchio to produce streaming at one of its events. Following ITTF’s receipt of complaints regarding USOC-NBC’s streaming of the US Trials, ITTF is now aware of the high level of interest in the streaming of USATT events.

IV. Star System for Tournament Evaluation

19. The star system for assessing a level of tournament currently depends solely on the amount of prize money awarded. The Tournament Advisory Committee (“TAC”) has stated that it would like to create a more qualitative standard. The TAC was to have a proposal submitted to the Board by April 1, 2012. However, it is not yet ready for submission.

20. The TAC has been evaluating an issue regarding two team tournaments scheduled for the Thanksgiving weekend. One is sanctioned as a four-star event, and one is sanctioned as a two-star event. The TAC has determined that all rules were followed and both tournaments are properly sanctioned. The TAC report is attached as Exhibit 1.

21. No other tournament may be scheduled during a sanctioned five-star tournament. The long-term practice was to only award a five-star sanction to a tournament owned by USATT. That practice was amended on December 16, 2009 when the Board awarded the National Collegiate Table Tennis Association Championships a five-star sanction. NATT has requested that the Board award a five-star sanction to the North American Teams Table Tennis Championship. Mr. Xiao recommended that for-profit events not receive a five-star sanction, regardless of how the revision develops. Because the TAC is in the process of recommending a revision of the entire star system, the request will not be addressed until the revision is complete. No action was taken.
V. Revision to Ratings System for Juniors

22. The High Performance Committee put forward a proposal to revise the ratings system for juniors by use of a formula combining the individual’s USATT rating and tournament participation points. The proposal is attached as Exhibit 2.

23. Board member and Committee member Xiao believes the proposal is worth a try in an attempt to discourage players from “sitting on ratings points” before Trials or tournaments. Mr. Malek suggested posting the resultant rankings in USATT Magazine and rolling out the program as soon as possible.

24. Mr. Del Vecchio is worried about the accuracy of the system. There was a consensus that the program should be launched with a pilot program. Mr. Taylor strongly recommends posting whatever system is to be used, and then sticking to that system. Mr. Babuin would like to see a similar system adopted for the general membership.

MOTION 2:

MOVED to endorse the recommendation of the High Performance Committee for increasing junior participation in tournaments, and to ask staff and committee to work out implementation details.

Movant: Han Xiao
Second: Attila Malek
Unanimous approval by voice vote

VI. Events Task Force

25. Task Force Chair Babuin reported that the task was to put together a RFP for a junior team championship. The current proposal is only in a rough draft form. The Events Task Force (“ETF”) has not approved a complete proposal, and Mr. Babuin would like for the ETF to spend more time fleshing out the proposal.

26. Because of shortness of planning time, the ETF proposes holding the first event on Labor Day weekend of 2013. The ETF recommends contracting with a third-party to run the event. The thought is that USATT headquarters is not able to take on the direct running of another event.

27. Mr. Del Vecchio is concerned about the proposed revenue split. Mr. Babuin noted that if the event is only for elite athletes, participation will be minimal. Maybe an event analogous with the North American Teams would be more successful. Mr. Xiao suggested using the Cary Cup as a model. Mr. Lillieroos suggested that this event, with one age class, replace the US Open Team Championship. (The US Open Team Championship has not been held in over ten years.)

28. Mr. Scudner thanked the ETF for its hard work, and he dissolved the task force.
MOTION 3:

MOVED that the RFP for the proposed 2013 Junior Team Championship be put out for bid in August or September, 2012.

Movant: Mike Babuin
Second: Attila Malek
Unanimous approval by voice vote

29. Mr. Xiao proposed that the 2013 Junior Team Championship be held around Labor Day and be combined with an ITTF Junior Circuit event. Mr. Martin proposed that entrants in the Junior Team Championship play as representatives of a club. The team should wear jerseys with the name of the club on the back, and the individual competitors should reside within a specified distance of the club being represented.

MOTION 4:

MOVED that no US Open Team Championship be held in either 2012 or 2013.

Movant: Christian Lillieroos
Second: David Del Vecchio
Unanimous approval by voice vote

VII. Leagues Advisory Committee

30. Mr. Del Vecchio reports that the Leagues Advisory Committee (“LAC”) has no specific recommendations for League definitions or requirements. LAC discussions did not include USATT-provided benefits and support for leagues, and did not include USATT funding of leagues. The definition of a League should await preparation of the full structure of benefits to leagues.

31. The LAC may have further recommendations by the 2012 US Open.

VIII. Membership Statistics

32. Joyce Grooms prepared an analysis of USATT’s membership, encompassing such items as the category of membership, e.g. adult, family, junior; the length of a current member’s membership commitment; and the member’s age group. A copy of her written presentation is attached as Exhibit 3.

33. Two significant statistics were that the percentage member age groups at the end of 2011 is consistent with the percentage in September, 2009, and that the total number of members decreased by approximately 200 members. The total membership on December 31, 2011, was 8,659, compared to 8,857 in September, 2009. The distribution of membership by region remains consistent.
34. The membership application does not capture whether the applicant is disabled. However, the membership database does have capability of capturing that information. If a list of disabled members was provided to Ms. Grooms, she could enter that into the database.

35. Mr. Cavanaugh requested that Ms. Grooms amend the membership application so that the applicant can indicate a disability.

Mr. Babuin left the meeting at 2:21 p.m.

36. Discussion focused on the fact that USATT gains and loses members at a similar rate. Mr. Malek proposed that clubs should receive a 15% commission for life on a member’s membership fees. He indicated that such a plan would incentivize clubs to encourage membership renewals.

37. Mr. Scudner stated that our challenge is how our membership population matches against the population as a whole. Right now, USATT membership is little more than a rounding error as compared to the number of households that own tables. With a few valuable exceptions, members do not tend to maintain memberships over time; rather, they hold a membership when they sign-up to play in a tournament, let the membership lapse, and sign-up again when they again enter a tournament. To go from 8,000 to 800,000 members, USATT needs a new membership model instead of a new commission model.

38. Mr. Malek noted that most clubs do not care whether their club members are USATT members.

39. Mr. Scudner noted that right now, membership entitles one to play in tournaments, get a magazine, get a rating, and support USATT. The model is similar to other membership organizations that are struggling with membership numbers. Membership is viewed more as a consumer price point than as an ownership stake.

40. Mr. Malek noted that clubs have a better opportunity for retaining USATT members than does the USATT staff. Mr. Lillieroos proposed a free membership; the primary value to USATT would be the email address list. If USATT had 400,000 free members, the mailing list alone would attract sponsors.

41. Because of technical and implementation issues, the “free membership with the purchase of an Escalade table” promotion did not attract many new members.

42. The discussion was continued until Jim Kahler, Chair of the Marketing Advisory Committee, could join the meeting.

IX. Media Update

43. Sean O’Neill reports that he has administrative control of USATT’s Facebook page, and can analyze feedback on that page. Twitter is being updated on a regular basis. Mr. O’Neill has software allowing him to post simultaneously to AmericasTeams, Facebook, and Twitter.

44. All the key matches from the 2011 Nationals are archived and available on USATT’s YouTube channel. (Some early matches do not have commentary.) USATT receives money from ad banners running on YouTube. USATT has controls available for the YouTube channel, which
would allow USATT to make YouTube access a benefit of membership (or possibly have a premium channel, member channel and a public channel).

45. Mr. Scudner would like to explore combining interactive aspects of social media site with free USATT memberships.

46. On May 1, 2012, USATT will have been migrated to USOC’s http://www.teamusa.org/USA-Table-Tennis.aspx website. Usatt.org will remain available in search engine’s archives, but live hits will be redirected.

47. USOC is moving to a “building blocks” web format that is designed for “telling stories.” It is more photo-oriented than the older text-oriented format. Mr. O’Neill has successfully lobbied for more site control on TeamUSA than given to most NGBs. USATT now has 35 “tiles” to use, while other sports only have 22. (USOC wants to keep 2 for itself.)

48. One web site program being created is a “Deal of the Day” program. After a certain number of clicks, the view would get to a daily deal, such as a dozen 3-star balls for $1. The site is still a work in progress.

49. A further program under discussion is giving members the option to receive USATT Magazine online only. The primary member- benefit is that the member would receive the magazine much earlier than it would arrive in the mail.

50. When committees are repopulated in 2013, one of the requirements for Chair positions will be regular contributions to the website.

X. National Coach Reports

51. The Board reviewed the reports from the 2012 World Championships. Those are attached as Exhibit 4.

52. The coaches want more Pro Tour stops in the US.

53. Mr. Malek suggested that we need to encourage cooperation and coordination between the National Team coaches and the athletes’ personal coaches. Mr. Scudner noted that USATT cannot govern the amount and type of activities in an athlete’s training plan; those are the prerogative of the athlete and the athlete’s personal coach. USATT, rather, governs the selection of athletes for Teams, competitions, the related logistics, team preparation prior to events, and coaching during events.

54. Mr. Del Vecchio pointed out that USATT does not have the resources necessary to develop top-level players.

XI. 2012 US Open

55. Mr. Sweeris reports that in addition to the traditional US Open events, this year the Open will also feature an ITTF Global Junior Circuit event and ITTF Advanced Umpire Training.
56. Mr. Del Vecchio pointed to Dean Johnson’s direct communication model for the 2011 US Nationals as exemplary of the principle that communications regarding the tournament will be controlled by whomever runs the tournament website. He believes that membership is unaware of all the good things happening at this year’s Open.

57. ITTF still have not approved the Junior Circuit entry blank.

58. Mr. Martin opined that bidding out the Junior Circuit separately from the Open could mean more financial opportunities for USATT.

XII. Financial Report

USATT CFO Deborah Gray joined the meeting, via telephone.

59. Ms. Gray presented a report on the financials for the first two months of 2012. Compared to the end of February 2011, membership revenue and web revenue are down. Membership is down by 436 members. The slight increase in membership fee amounts does not make up for the decline.

60. There is no auto-renewal process. Staff mails out renewal reminder cards six months in advance of a member’s membership expiration date. There is also an end-of-year bulk mailing to those who renewed in that year, requesting continued membership renewal.

61. Formal renewals of web advertising are on hold pending the launch of the TeamUSA site and its revamped ad structure. As such, the web revenue shortfall may be temporary. To help bridge the gap, Ms. Gray has initiated a short-term renewal process. This has been positively received.

62. As of now, we are only down three club tournaments as compared to last year; however, there appears to be a trend of fewer participants than previously in recurring tournaments. The decline in participation has a direct impact on membership numbers.

63. Mr. Lilleroos had several questions/comments regarding the organization of the 2012 budget. He raises the issues now because he did not participate in the meeting during which the budget was approved.

a. There is a major heading for National Teams. Under that heading, there is a subheading for elite athlete programs. The Olympic program junior and cadet teams are listed under elite programs, but the Paralympic program teams are not. He thinks that should be changed. Among the reasons are that there is no breakdown of funding for junior and cadet paralympic teams.

b. The $20,000 administrative expenses for Paralympic programs should not be there. However, USATT received $20,000 from USOC for Paralympic administrative support. This is a new USOC grant awarded because USATT’s incorporation of Paralympic management into the Chief Operations Officer’s (“COO”) duties was distorting COO output. Of the $20,000, $19,600 will pay for the new Paralympic Manager and $400 will pay for related phone calls. The caption is new to reflect changes in USOC funding patterns. In 2010 and 2011, any Paralympic administrative support funds provided by USOC were used to partially fund the COO in his Paralympic administrative role. Mr. Scudner recommends questioning the independent auditor as to how best to list caption
headings in future budgets, and Mr. Lilleroos’s concerns should be forwarded to the
auditor.
c. Further questions were raised regarding the amount and allocation of USOC Paralympic
base funding. They were referred to the Audit Committee.

64. Ms. Gray noted that USOC allocates funds in categories that it itself designates. USATT must
report quarterly as to how the funds are expended, using those USOC-designated categories.

65. There will be no Value-in-Kind allocations from USOC in 2012.

66. Regarding the tables and balls used for USATT tournaments are not recognized as income;
related sponsor dollars are recognized as income. The auditor will be specifically questioned as
to the non-recognition of tournament tables and balls.

Ross Brown joined the meeting at 4:35 p.m.

Jim Kahler joined the meeting, via telephone, at 4:35 p.m.

XIII. High Performance Report

67. Mr. Scudner started discussion by asking Mr. Brown, Chair of the High Performance Committee
(“HPC”), to speak about the lower than seeded performance of the Women’s Team at the Pan
Am Games, and about the resources available to assist our athletes in performing at their highest
level.

68. In addition, Mr. Scudner noted that the Board had asked the HPC to name a 2012 Paralympic
National Team, after consultation with the Paralympic Development Task Force (“PDTF”) and
the Athlete Advisory Committee (“AAC”). Mr. Brown was requested to speak on that topic as
well.

69. The HPC requires End of Year Reports for each Team player in December of each year. Those
reports are then given a detailed review by the Committee.

70. Our younger players are now beating our older players. This is a positive development;
however, there is still a long way to go in both playing level and in resources.

71. Regarding the selection of a 2012 Paralympic National Team, the HPC has received and
reviewed the recommendations of the PDTF and AAC. The HPC cites two complicating issues.
First, this is April. Setting standards for selection after the time for attaining those standards is a
process fraught with peril. Also, three of the five members of the PDTF are candidates for the
Team. The HPC noted that the PDTF recommendations favored inclusion of PDTF members on
the team; the HPC was leery of the conflict issue.

72. In the end, the HPC has named the three players representing the US at the Paralympic Games,
Pam Fontaine, Tahl Leibovitz, and Tara Profit, as the 2012 Paralympic National Team.
73. The HPC will move on to setting criteria for the 2013 Paralympic National Team that all can use to plan their schedules for 2012. Those criteria will be in place by April 30, 2012. The HPC will continue identifying which resources should be devoted to Paralympic teams.

74. Mr. Lillieroo, who is also the Chair of the PDTF, said that the HPC was bound by the PDTF and AAC proposals. The AAC proposal would have named 11 athletes to the National Team, as opposed to the HPC naming three athletes. After a review of the relevant motion, Mr. Lillieroo agreed that the HPC was not bound by PDTF and AAC proposals.

75. The PDTF proposed 2013 criteria in February 2012; however, as of the date of the instant meeting the AAC has not proposed any 2013 criteria.

76. Mr. O’Neill suggested that the deadline of May 1, 2012, for naming a new Paralympic Head Coach might impact on the timing of determining the criteria for selection of the 2013 National Team. Mr. Brown noted that proposed criteria will likely be solicited from candidates in the interview process.

77. Mr. Malek stated that USATT is spending more money than before on international travel for National Teams, but it is seeing lesser results. Mr. Scudner requested that at the Board’s September meeting the HPC provide a side-by-side review of the most recent quad’s High Performance Plan with the actual results. The results of that review could then be taken into consideration in the development of the High Performance Plan for the next quad. That Plan is due to USOC in October, 2012. In a similar vein, the End of Year Reports of coaches will be due shortly after the Olympics.

78. The PDTF has proposed a trials for the 2013 Junior Paralympic National Team be conducted in conjunction with the 2012 AAU Junior Nationals, and that those trials be the exclusive selection method for that team. The HPC is looking for ITTF guidance.

79. The PDTF is also suggesting a restructuring of the HPC for its consideration of issues regarding the Paralympic program. Specifically, the PDTF is proposing a Paralympic subcommittee within the HPC. Also, the PDTF wants authority to select a Paralympic representative to the HPC. Mr. Scudner directed the HPC to review that PDTF recommendation.

Mr. Jain joined the call, via telephone, at 5:19 p.m.

80. Mr. Scudner recommended a review of the USATT committee structure to identify which committees serve more as extensions of staff rather than in an advisory capacity to the Board.

XIV. Legal Briefing

81. Mr. Taylor reports that executive session will not be required for this briefing.

82. One Grievance is outstanding. It is scheduled to be heard next week. It involves a sanctioned tournament in Maryland and an USATT member who allegedly was coaching in contravention of the rules and for actions that transpired after the Referee carded the member.
83. There is a potential Grievance that may be filed as a result of the conduct of a reportedly non-USATT member spectator at a sanctioned tournament in California. The spectator in question is, however, a member of an USATT-member club.

84. The Ethics and Grievance Committee has been asked to develop the following recommendations for the Board: (1) should there be any guidelines for spectator at USATT-sanctioned events, (2) if so, to whom should they be applied, and (3) how should any guidelines be administered.

85. Mr. Taylor gave a presentation regarding the law applicable to the funding for disable athletes. The US Court of Appeals for the 10th Circuit has already spoken on the question of comparing funding for Olympic programs and Paralympic programs. (The most relevant case was appealed to the US Supreme Court; that court declined to hear the case.) The bottom line is that once funds with a stipulated purpose are spoken for, USATT has the discretion to allocate remaining funds as business and political purposes dictate. The full PowerPoint presentation is attached as Exhibit 5.

XV. Marketing and Fundraising Advisory Committee Report

86. The Committee had a productive conference last week with Table and Clothing Sponsor Joola. Ideas coming from that meeting included:
   a. A promotional video, lasting less than ten minutes, that could be broadcast on internet sites, such as TeamUSA, Joola, and YouTube. It would be modeled on the NBA’s “I Really Love this Game” promotion (but with a unique “catch line”). The timing is now to take advantage the celebrity of Susan Sarandon and others who do love this game.
   b. Partnership with online merchandise store. Items would include co-branded items and some USATT–branded items that carry the Olympic rings.
   c. Including a promotional gift with renewal notices. Ideas range from co-branded racket covers to backpacks and duffle bags.
   d. Further opportunities for Joola to act as a technology-partner with USATT.

87. Mr. Scudner noted that USATT’s membership is barely a “rounding error” when compared to the number of people in the country that play the sport. To penetrate the larger playing market, Marketing Committee has explored such ideas as offering incentives to become a Supporting Member, which does not have competition privileges, or a free membership, with the ability to upgrade to General membership. Another concept is giving ratings to those who compete in informal situations, such as the basement. Such recognition might be sponsorable and encourage both manufacturer involvement and increased formal competition opportunities.

The meeting recessed at 6:06 p.m. EST to observe the draw for the Trials.

The meeting resumed at 6:41 p.m. EST. Mr. Del Vecchio returned to the meeting.
MOTION 5:

MOVED to approve Carlos Ko as the athlete representative on the Hardbat Advisory Committee.

Movant: Han Xiao
Second: Attila Malek
Unanimous approval by voice vote

Note: Bylaw § 9.3 requires each committee and task force to have at least twenty (20) percent Elite athlete representation defined consistently with the USOC’s requirements and Ted Stevens Olympic and Amateur Sports Act.” Mr. Ko does not meet the definition of an Elite Athlete. However, he competes at a high level, and the AAC recommends approval. The consensus was that because hardbat competition lies outside the scope of Olympic and Paralympic competition, the rules for composition of the Hardbat Advisory Committee do not require strict adherence.

Mr. Del Vecchio left the meeting at 6:46 p.m.

MOTION 6:

MOVED to approve Andrew Horn as the Liaison for the Tournament Advisory Committee.

Movant: Attila Malek
Second: Anne Cribbs
Unanimous approval by voice vote

88. Mr. Lillieroos suggested that Daniel Rutenberg needed to be replaced as Staff Liaison for the Paralympic Development Task Force because he is no longer a member of staff. However, the Bylaws name the position as “liaison,” not “staff liaison.” Further, Bylaw § 9.17 states that “the Board may appoint any director, member of USATT paid staff, or USATT volunteer to act as a liaison between the Board and any committee.” Mr. Rutenberg remains a USATT volunteer and, thus, remains eligible for the position. No change was made.

89. The Board reviewed its contact information list. No changes were necessary.

90. Committee Chairs are requested to recommend replacements for Committee members who are no longer eligible because they have not completed a Conflict of Interest disclosure or executed a Code of Conduct statement.

XVI. Mike Dempsey Memorial International Table Tennis Championships Report

91. On December 16, 2011, the Board noted its desire to stage a Paralympic event every year. Because of capacity constraints at Headquarters, the Board decided to stage its next event in 2014. However, Mr. Lillieroos stated on that date that a group in San Diego was available to run such an event in 2012. The Board endorsed the concept. The event would be an ITTF event. A local organizing committee (“LOC”) has been organized. ITTF is waiting for USATT to endorse the LOC.
92. There have been many teleconferences between the LOC and Headquarters. During those teleconferences, it became clear that Mr. Lillieroos was the leader of the LOC, and the LOC was a sole proprietorship of Mr. Lillieroos’s. It has also become known that regardless of any authorization USATT gave for a San Diego company to run the event, ITTF will continue to hold USATT fully responsible as the official host, including financial responsibility. The financial responsibilities for various failures in the event could lead to a minimum of a $20,000 fine and a maximum outlay of hundreds of thousands of dollars to return entry fees, travel costs, and media outlays.

93. Mr. Scudner believes Mr. Lillieroos may have a conflict of interest between his interest as a Board member and as the sole proprietor organizing the event. Mr. Scudner asked Mr. Lillieroos to speak on the topic and explain his role in the event. Mr. Lillieroos stated that there was no conflict at the moment because the tournament has not yet been sanctioned by ITTF, and his negotiations with USATT are not yet complete. Only if the USATT-LOC negotiations reach agreement would there be a conflict. The conflict would stem from Mr. Lillieroos being the Executive Director of the event.

94. Mr. Lillieroos currently is organizing the event as a sole proprietorship; however, he hopes to form a for-profit corporation to run the event. The exact corporate form has yet to be determined. Furthermore, as of this date, Mr. Lillieroos has created a bank account dedicated specifically to this event.

95. Mr. Scudner clarified that it was important for the Board to know “what hat a member is wearing” when speaking. As an example, he noted that when Mr. Malek was speaking in a previous meeting regarding the US Nationwide Table Tennis League, he moved from his “Board chair” to the end of the table to demonstrate the capacity in which he was speaking.

96. Mr. Sweeris stated that the USTTA Foundation had raised money to support the event, but that the money was to be distributed to a non-profit corporation rather than a for-profit corporation. Mr. Lillieroos stated that there had not been a decision as to whether the LOC would be a for-profit or non-profit corporation. While such an entity, for-profit or non-profit, is being formed, he needs to operate as a sole proprietor in order to sign contracts for the event. Mr. Sweeris said that the Foundation in general cannot give money to an individual.

97. Mr. Scudner noted that it has been established that Mr. Lillieroos has the potential for a conflict of interest. It is now disclosed, and Mr. Lillieroos would be in conflict if there was a vote on the issue. General Counsel Taylor disagrees. In his view, Mr. Lillieroos and USATT have been involved in “arms-length” negotiations. By definition, they have a conflict of interest. However, Mr. Lillieroos should be allowed to speak at this meeting, as a potential vendor, not as a Board member.

Mr. Del Vecchio left the meeting at 7:02 p.m. The quorum is lost.

98. Mr. Scudner read relevant parts of the ITTF contract for the event. Specifically, he read sections discussing USATT responsibilities. In general, USATT may delegate authority to operate the event, but USATT may not delegate responsibility should something go wrong.

Mr. Babuin returned to the meeting at 7:10 p.m. The quorum is restored.
Mr. Xiao left the meeting at 7:12 p.m. The quorum is lost.

99. Mr. Lillieroos stated that Mr. Scudner was reading from a different contract than the one he held. Mr. Scudner stated that he had received an email from ITTF stating the same things as the contract from which he was reading.

Mr. Malek left the meeting at 7:15 p.m.

100. Mr. Scudner stated that the Board must determine if it is willing to take on the risk, and if so, to whom USATT should engage to operate the event. This is being raised because the current posture of negotiations is who will pay to transport USATT flooring to and from the event. However, that is a relatively small exposure as compared to an ultimate failure. If USATT engages Mr. Lillieroos to operate the event, what expectations would USATT have for Mr. Lillieroos to take to protect himself and USATT.

101. Ms. Cribbs noted how important it was for the Board to see the proposed budget for the event to determine the scope of the risk and the advisability of assuming that risk. Mr. Scudner estimates the potential exposure to be approximately $250,000.

102. Mr. Lillieroos stated that the expenses would be comparable to the World Junior event operated by the BASOC organization in 2008.

Mr. Malek returned to the meeting at 7:19 p.m.

103. Mr. Lillieroos estimated that the event would draw approximately 150 athletes and staff, as compared to the 123 athletes and staff who participated in the 2011 US Para-Open.

Mr. Del Vecchio returned to the meeting at 7:20 p.m. The quorum is restored.

104. Mr. Sweeris asked how the Local Organizing Committee intended to use the supportive funds raised from a private source. Mr. Lillieroos indicated that the uses were varied and included preparation for hosting the event again in 2013.

105. While supportive of the event’s concept, Ms. Cribbs again requested to see a pro forma budget. Given her experience with the World Juniors, she might be able to spot issues not currently being considered.

106. Mr. Scudner suggested that the Board needs to look at whether USATT has the staffing resources to be responsible for the event. He also suggested looking into forms of financial protection, such as a performance bond or insurance.

107. Mr. Lillieroos again stated that the ITTF contract was between ITTF and the LOC, excluding USATT. While USATT must apply for the ITTF sanction, ITTF would then award the sanction to the LOC. Mr. Scudner again stated that ITTF will not sanction the event without the participation of USATT, as confirmed by ITTF staff.

Mr. Xiao left the meeting at 7:38 p.m. The quorum is lost.
108. Ms. Cribbs suggested exploring the cost of a performance bond, and placing that cost in the budget. She also suggested partnering with the San Diego Sports Commission.

109. Mr. Sweeris suggests that there are too many loose ends from the Foundation point of view. He also disclosed that some outside funds have been raised for the event, those funds have been donated to the Foundation, the Foundation has paid a commission on those funds, and the Foundation has already advanced some funds to Mr. Lillieroos for purposes of organizing this tournament. He believes the loose ends can be overcome, if protections are put into place.

110. Mr. Babuin suggested that Evergreen Letters of Credit were a superior choice to a performance bond. He also asked if ITTF had liability insurance that it offered to member associations, similar to the USATT injury liability insurance that is offered to clubs running sanctioned tournaments. Mr. Scudner stated that ITTF recommends that tournament organizers purchase travel insurance.

111. In response to a question, Mr. Lillieroos stated that the entry form had not been designed, and it could not be designed until ITTF has granted its sanction for the event. However, it is a standardized entry form, with just a few blanks to be completed.

Mr. Sweeris left the meeting at 7:42 p.m.

Mr. Xiao returned to the meeting at 7:43 p.m. The quorum is restored.

112. Mr. Scudner also noted the possibility of USATT owning the event, and hiring Mr. Lillieroos (or his company) to operate the event for USATT. Mr. Lillieroos stated that his organization would not run the event if under USATT supervision. He could not raise money if USATT is involved.

Mr. Babuin left the meeting at 7:45 p.m. The quorum is lost.

113. Mr. Malek asked if the Mike Dempsey Foundation donated money for the event. Mr. Lillieroos stated that it did not.

114. Ms. Cribbs inquired about the timing for the event. Mr. Lillieroos stated that the deadline for entries would be August 15, 2012. The competition itself would start November 29.

Mr. Xiao left the meeting at 7:47 p.m.

The meeting took a break at 7:48 p.m., resuming at 7:57 p.m.

XVII. Paralympic Development Task Force Report

115. USATT does not have a Paralympic recreational program. What Paralympic recreational opportunities exist are organized through various multi-sports organizations, such as Disabled Veterans. There are probably ten such organizations running table tennis events.

116. To make a Paralympic recreational program work within the USATT auspices, the biggest necessity is a separate ratings system. The PDTF recommends use of the ITTF ratings
system for USATT Paralympic events. There would be one major distinction. The ITTF system has different levels of tournaments; under the USATT adaptation, all events would be treated as the lowest level. ITTF releases its ratings every three months. Under this proposal, USATT would use the higher of the player’s ITTF and USATT rating. The advantage is that if a non-USATT member is competing in a USATT-sanctioned tournament, the player’s ITTF rating could be used for seeding purposes.

117. Mr. Lillieroos stated that the reason there are only thirty Paralympic program athletes in USATT is that USATT does not offer them anything. USATT should offer the separate rating system that uses the ITTF calculation formula, a revised membership form that includes a checkbox for Paralympic status, and USATT needs to establish and maintain a separate Paralympic-member database. Then USATT could partner with the other organizations already running recreational Paralympic table tennis ("PTT") events. Mr. Lillieroos predicts that implementation of these steps would yield 1000 PTT members.

118. In addition, the Tournament Advisory Committee needs to be taught how to run and sanction Paralympic events.

119. Mr. Scudner noted that the revised membership form and the create of a PTT database were management events, not requiring Board action. Staff is directed to review the membership form and add a PTT database to the eventual new technology system.

Mr. Babuin and Mr. Xiao returned to the meeting at 8:13 p.m. The quorum is restored.

120. There was discussion as to who would perform the calculations of PTT ratings. Currently, NATT charges one rating processing fee per player per tournament. NATT then calculates regular USATT ratings and USATT Hardbat ratings as applicable. The expectation is that NATT would make a similar arrangement for the processing of PTT ratings.

**MOTION 7:**

MOVED that USATT adopt a Paralympic Table Tennis ratings system for USATT-sanctioned Paralympic Table Tennis events based on the ITTF Paralympic Table Tennis ratings algorithm.

Movant: Christian Lillieroos
Second: Mike Babuin
Unanimous approval by voice vote

121. Mr. Xiao clarified that Paralympic Coordinator would be the “go to” staff person, fielding questions arising about aspects of the Paralympic program.

Mr. Scudner left the meeting at 8:26 p.m. The quorum is lost.

Mr. Babuin left the meeting at 8:28 p.m.

Mr. Malek left the meeting at 8:30 p.m.

Mr. Malek returned to the meeting at 8:32 p.m.
122. There was general discussion regarding having a Paralympic section of the USATT website, including a list of organizations who organize recreational Paralympic Table Tennis programs.

Mr. Scudner returned to the meeting at 8:34 p.m. The quorum is restored.

123. Mr. Lillieroos asked about whether Paralympic donations can be applied to the USOC matching program. Mr. Scudner explained that the USOC match is a general fund match. A donor could specify his/her donation for a specific purpose, but the funds received from the match would go into the USATT General Fund. We can create our own matching program later, but the USOC program described above concludes at the end of 2012.

124. The Task Force will be asked to give its final report at the September meeting. Then the Task Force will be dissolved.

125. The Junior Task Force and the Communications Task Force have completed their tasks with the change in junior focus away from scholastic programs and with the addition of communications staff members. These two task forces are dissolved, and they are thanked for their efforts and products.

XVIII. Old Business

126. The AAC has not completed its recommendations for selection procedures for the 2013 Paralympic National Team. Mr. Xiao will circle back to the AAC to request action on that item.

XIX. New Business


128. Mr. Xiao suggested at least a once per year joint training camp with the Olympic program national team and the Paralympic program national team. The concept is to remove any “us v. them” notions.

129. The next meeting will be in Colorado Springs on September 21-22. The meeting will be held in conjunction with the USOC Assembly.

The meeting adjourned at 8:57 p.m.

Respectfully submitted,

Dennis Taylor, Secretary