



USATT Board of Directors Teleconference Minutes

May 19, 2014

A. Call to Order, Roll Call, Quorum Established, Conflict of Interest Statements

The meeting was called to order at 5:09 pm ET by Chairman Mike Babuin. Roll Call was taken and a quorum was established. A routine call for conflicts of interest was made, and there were no conflicts reported.

Members present:

Mike Babuin, Chairman of the Board (COB)
Peter Scudner, Independent Director
Anne Cribbs, Independent Director
Kagin Lee, National Organization Director
Han Xiao, Athlete Director
Jim McQueen, At Large Member

Also in attendance:

Doru Gheorghe, Interim Chief Executive Officer (CEO), Chief Operating Officer (COO), High Performance & Technical Director
Dennis Taylor, Secretary & General Counsel
Deborah Gray, Chief Financial Officer (CFO)
John McFadden, USTTA Foundation Representative
Lee Kondo, Assistant Secretary

B. COI and COE Submission Status

Ms. Gray reported that some USATT committee members have not yet submitted all required forms. Until their forms are submitted, these individuals will be considered to be nonvoting participants.

C. Approval of April 22nd Minutes

MOTION 1:

MOVED that the Minutes of April 22, 2014 be approved.

Movant: Kagin Lee
Second: Peter Scudner

Discussion: There was no discussion.

The Motion was passed unanimously.

D. USATT Logo Usage Policy

USATT's policy regarding the approved usage of its logo was discussed. Certain commercial products have been sold with older and newer USATT logos attached to them. Of course, the current logo should be used, rather than older versions. However, since USATT's logo is intellectual property owned by the USATT, licensing fees should be paid to USATT for such logo usage by suppliers or vendors. Vendor contracts will be reviewed to determine whether USATT previously has permitted usage of its logo on products.

While USATT places equipment and product suppliers on USATT's approved list, use of USATT's logo on this equipment has not been approved. Suppliers should be contacted informing them that USATT approval is restricted to usage of their equipment and/or products in USATT events. Moreover, such approval does not extend to usage of USATT's logo on equipment and/or products, unless otherwise specified by written agreement. USATT approved equipment dealers obtain benefits which include discounts at booths at major tournaments and website advertising.

Implementation of a licensing fee for use of the USATT logo on supplier equipment/products was suggested. Currently, Mr. Kahler is negotiating a licensing agreement with one supplier. The Marketing Committee and the Board will be involved in this decision-making process. The Marketing Committee and National Office should conduct an inventory audit of USATT's intellectual property. Board members will be given copies of supplier contracts for their perusal.

E. CEO Search

The Board appointed Mr. Gheorghe as interim CEO. Prodigy Sports is in the process of conducting a nationwide search on USATT's behalf to obtain candidates for its permanent CEO position.

F. RailStation Rollout

RailStation's first phase, involving membership software implementation, appears to be functioning smoothly, as expected, with new members and membership renewals. Implementation of RailStation's second phase, involving tournaments, was recently begun. This phase involves more complex software issues than

those confronted in the first phase. USATT is balancing its desire to make software modifications with the need to control costs incurred for such changes. RailStation's third stage involves updating of ratings based upon player performance in tournaments. To ensure smooth transition, RailStation and NATT software will be run concurrently for a specified period of time.

After RailStation's software has been successfully implemented, USATT may consider whether it should assemble a task force to work with our Canadian counterparts to make recommendations for a common rating system that could conceivably be used by both countries.

G. First Quarter Financials and 2013 Audit review

Ms. Gray reported that there was a small loss of \$3500 for the first quarter, where membership and advertising was decreased. First quarter financials provide a snapshot foreshadowing performance for the remainder of the year. The national office spent \$5000 over budget, primarily for needed computer equipment, printer repair, and other necessary expenditures resulting from Mr. Cavanaugh and Ms. Grooms' departure from USATT. Sanctioning and other fees were discussed. Membership services was \$1600 under budget due to savings resulting from the shift from mail services (e.g., cards, renewal notices) to emails.

The digital magazine generated \$9000 in ad revenue for the Spring 2014 issue, constituting a \$6,000 shortfall to budgeted revenue. Annual giving was at \$4700 thus far, a slow start towards the \$38,000 year-end goal. General fund donations are budgeted at \$20,000, however, no donations were received in 1st quarter.

Auditors submitted an audit report containing their recommendations. The report will be submitted to the Audit Committee for review with Ken Waugh. Final review is scheduled at the Board meeting in Grand Rapids. The U.S. Open has generated 602 entries to date. A preliminary financial report for the US Open will be provided at the Board meeting.

H. World Championships

Mr. Gheorghe reported that the U.S. women's team performed well in the recent World Championships in Japan, finishing 22nd – 24th. Lily Zhang's performance resulted in a personal rise to a 66 world ranking. The U.S. men's team lost a close 2:3 match to Saudi Arabia, placing fifth in Division 3. This positive performance places the U.S. team at the borderline of Division 2.

Mr. Gheorghe expressed concerns regarding lack of funding for player development. He suggested that the Board further discuss the allocation of funding for player development at the upcoming Grand Rapids meeting. While some national team members are highly committed to improving their games,

others have competing priorities, such as school or family issues, which may detract from training. The USATT possesses the potential to build better U.S. national teams. We should discuss how best to develop our players' potential given limited financial resources.

I. Meetings with ITTF and Youth Olympic Games Status

Mr. Babuin and Mr. Lee attended recent ITTF meetings held in Japan. Mr. Lee made several recommendations to the Equipment Committee which were approved. Mr. Babuin commented that the new "noncelluloid" ball is being manufactured by three companies in China, one in Japan, and one in Germany. However, it is expected that the celluloid ball will continue to be used at the upcoming U.S. Open and Nationals.

The ITTF's Board of Directors recently decided to permit players from different national associations to play as partners in doubles events. This policy change reverses previous requirements that doubles team partners be from the same association. Under the new policy, for example, a doubles team might comprise one player from the United States and another player from China. The new ITTF President, Mr. Thomas Weikert from Germany, will take office in September 2014, with Mr. Adham Sharara, the current ITTF President, stepping down.

Both Lily Zhang and Krishnateja Avvari qualified for the Youth Olympic Games. USATT's High Performance Committee interviewed candidates for the coach position, and Lily Yip was selected from among the highly qualified candidates.

I. European Para Opens, Proposed 2014 North American Friendship Tour and 2015 America's Challenge Event

Tahl Leibovitz, USA, won his event at the recent Slovakia Para Open event. It was a significant achievement, since both China and Sweden were represented at these games.

The Chinese Table Tennis Association wants to have a North American Friendship Tour. At present, preliminary plans are to send ten (10) Chinese players to the United States and Canada in Fall 2014, contingent upon obtaining visas and clearing other administrative hurdles. Both East Coast and West Coast players should have the opportunity to compete with these Chinese players. Perhaps three players from each of the U.S. men's and women's national teams will be selected to compete.

The USATT presented a proposal to the ITTF for a 2015 Americas Challenge event to be held in the United States. In 2013, the successful Americas Challenge tournament was conducted simultaneously with U.S. Open event in Las Vegas. At that time, ITTF provided a matching prize money incentive—however, that incentive will not be extended to USATT in 2015. Also, ITTF

approved a 2015 Super Series tournament to be scheduled in Korea at the same weekend as the 2015 U.S. Open. For both the proposed 2015 Americas Challenge event and other future ITTF approved tournaments, the USATT intends to obtain bids from cities throughout the United States.

ITTF requests that there be actual television coverage of their events, rather than live streaming only. Thus, it becomes critical for USATT to partner with a nationally syndicated TV broadcaster, particularly if USATT wants a major ITTF approved tournament (e.g., Super Series) to be held in the United States. USATT's marketing committee and the USOC will be consulted for their input.

J. Old Business

There was no old business.

K. New Business

Mr. Gheorghe mentioned that certain individuals (e.g., Mr. Malek) might wish to use USATT membership addresses and other contact information both to promote tournaments and for other non-tournament related purposes. Mr. Taylor said that historically, such membership addresses/lists were available for purchase for a nominal fee by tournament directors for the purpose of promoting upcoming tournaments or league events, and by candidates in USATT elections. Some equipment sponsors also have been given membership lists under the terms of their contracts. The USATT considers its membership information database to be property of value, which potentially can be used to generate revenues.

The USATT's decision to make such membership addresses/lists available to others should be balanced by USATT membership's reasonable expectation that their information will be kept private. Mr. Gheorghe was given the responsibility of working with Mr. Taylor to create a workable policy regarding the sale and distribution of membership address or other information (e.g., email addresses) to others. As in the past, the USATT can set reasonable prices for such membership address/information.

Once a new CEO is selected by the Board, this CEO will have significant marketing responsibilities, which include evaluations of any potential candidates intending to raise funds on behalf of USATT.

China Cyber requested that the USATT develop a relationship between sister cities in the U.S. and China, based initially on Ms. Ariel Hsing's participation in China competitions. Mr. Gheorghe noted that it might be advantageous for the US to send a couple players to play in the China super league. Also, if USATT pays airfare, the China B team might be willing to conduct exhibition matches in

the U.S. The Board requested that Mr. Gheorghe provide it with the details regarding these proposals.

At 6:19 pm, Ms. Gray left the meeting. Mr. Gheorghe and Mr. McFadden remained in the meeting with COB approval.

L. Legal Briefing, Closed Session

At 6:20 pm, the Board entered closed session for legal briefings and other discussion. No minutes are taken during closed sessions.

Mr. Taylor left the meeting at 7:00 pm. Open session resumed at 7:07 pm (ET).

M. Consideration of Mr. Chui's Request for Reinstatement of Playing Privileges

MOTION 2:

MOVED to reinstate Mr. Lim Ming Chui's playing privileges, effective July 1, 2014.

Movant: Peter Scudner
Second: Han Xiao

Discussion: After serving a specified period of his suspension, Mr. Lim Ming Chui requested reinstatement of his playing privileges. The Board noted that Mr. Chui met requirements needed to be considered for reinstatement under the terms of the USATT Board's Final Decision (on Mr. Chui's appeal), including submission of two letters of recommendation.

The Motion failed with a vote of 3-3-0.

In favor were Mr. Xiao, Mr. Lee, and Mr. Babuin. Opposed were Mr. Scudner, Ms. Cribbs, and Mr. McQueen. There were no abstentions.

Mr. McFadden left the room at 7:21 pm.

N. Next Board Meeting

The next meeting will be an in person meeting on June 29th – 30th in Grand Rapids, Michigan. Mr. Gheorghe requested that Board members forward their travel plans to him, if they have not already done so.

O. Adjournment

The meeting was adjourned at 7:26 pm (ET).

Respectfully submitted,

Lee Kondo
Assistant Secretary