

## Minutes of the 2010 US Chess Trust Meeting

The meeting was held on August 05, 2010, in Irvine, CA. Chairman Harold Winston opened the meeting at 1:05 PM and listed the Officers and Trustees who were in attendance.

Present in person were Treasurer Jim Eade, Secretary Myron Lieberman, VP for Chess in Education Tim Redman, VP for Scholastic Chess Sunil Weeramantry, Chairman Harold Winston, and Managing Director Barbara DeMaro. Chairman Emeritus Harold Dondis, Leroy Dubeck, Mark Fins, and President Shane Samole were connected by telephone conference call. Mitchell Denker, Steve Doyle, Joe Ippolito, and Beatriz Marinello were not present.

Others present for at least part of the meeting included but were not limited to: Scholastic Council co-chairs Stephen Shutt and Mike Nietman, College Chess Committee Chairman Jim Stallings, USCF Executive Director Bill Hall, USCF Executive Board member Bill Goichberg, USCF Publications Director Daniel Lucas, Chess Trust Secretary's Assistant Rachel Lieberman, Dewain Barber, Eric Enriquez, Russell Harwood, Matt Lodge, and Clemente Rendon.

Chairman Harold Winston then itemized four items that were not on the distributed agenda that would be added to the agenda. They were: Amending the charter to allow 14 Trustees, the Harold Dondis Award, E-mail through the Website, and the Denker Tournament.

Harold Winston moved and Jim Eade seconded the acceptance of the minutes of the 2009 meeting.

**CT10-001 – Winston** – We approve the minutes of the 2009 meeting as prepared by Myron Lieberman. **PASSED** unanimously.

Harold Winston gave the Chairman's Report. He noted that with the help of Harold Dondis, Jim Eade, and Shane Samole, he conducted negotiations with Rex Sinquefield and his attorneys to implement the move of the Chess Hall of Fame and Sidney Samole Museum to St. Louis. Drafts of the two agreements were signed in March, 2010. Harold Winston noted that Rex Sinquefield's best estimate for the opening of the Hall of Fame in St. Louis would be June, 2011 (Please note that subsequently the Grand Opening was scheduled for September 8, 2011.). Another major thing that happened is that through the work of College Chess Committee chair Jim Stallings and Mike Hoffpauir of the Virginia Chess Federation, we were able to get sponsorship from Booz Allen Hamilton for the Final Four of College Chess to the extent of \$10,000. The Denker tournament was quite successful. Dewain Barber set up excellent opening and closing ceremonies. Ursula Foster's son, Clifford Lester, spoke at the close about Ursula Foster's experiences hiding from the Nazis in Holland during World War II. Barbara DeMaro deserves the credit for keeping up the relationship with Ursula Foster's sons and arranged for Clifford Lester's appearance at the closing ceremony. Clifford Lester was very appreciative for being there and Harold Winston expects that the Ursula Foster prize will be continued. Mitchell Denker added some brilliancy prizes. Mitchell Denker and Dewain Barber collaborated in adding an upset prize. Harold Winston noted that he spoke at the opening and closing ceremonies and that Barbara DeMaro spoke at the close. New Trustee Beatriz Marinello was on her way back from Brazil and had not yet arrived at Irvine. Harold Winston repeated to Rex Sinquefield his desire and the desire of other Trustees for Rex to become a Trustee. He secured Rex Sinquefield's agreement to join the Trust. We simply have to amend the charter to increase the allowable number of Trustees to fourteen. Harold Winston announced that Diane Savereide would be present to be inducted into the Hall of Fame. Herman Steiner was expected to be represented by his two sons and Jackson Showalter by his Great Granddaughter for their induction into the Hall of Fame. Harold Winston commended the Editor of "Chess Life" (Daniel Lucas) for publishing a synopsis of the Chess Trust report to the Delegates in "Chess Life". He concluded the Chairman's Report by expressing appreciation for the cooperation of all of the Trustees throughout the year.

Shane Samole gave the President's report. He considered it to be a great honor for him and his family over the past decade to be managing the Chess Hall of Fame and Sidney Samole Museum. He thinks the opportunity that we have partnering with Rex Sinquefield for the future is "just incredible". He worked closely with Harold Winston to get the artifacts to Rex and now everything has been moved to St. Louis where the artifacts are being sorted. He noted that Rex has the A team of major league players involved in putting the museum together in St. Louis and that it would be a world class operation and one of the great things to see in this country. He said that he was excited to be a part of it and he was excited to continue to be a part of it going forward into the future.

Harold Winston moved a vote of thanks for Shane and his family. There were three seconds heard.

**CT10-002 – Winston** – The Trust gives a vote of thanks to Shane and his family for all of their work on the museum over the years that it was in Miami. **PASSED** by acclamation.

Jim Eade moved a vote of thanks to Al Lawrence for his work in the transfer from Miami to St. Louis. Shane Samole pointed

out that Al Lawrence spent countless hours going between Miami and St. Louis and was involved in the packing of every box. He indicated that it could not be done without Al's help. Harold Winston also acknowledged Al Lawrence's help in getting the plaques for the new inductees and seconded the motion.

**CT10-003 – Eade** – The Trust gives a vote of thanks to Al Lawrence for his work in the transfer of the museum from Miami to St. Louis. **PASSED** unanimously.

Jim Eade moved a vote of thanks to Harold Winston for his ongoing work in the transition.

**CT10-004 – Eade** – The Trust gives a vote of thanks to Harold Winston for his ongoing work in making the transfer possible. **PASSED** unanimously.

Managing Director Barbara DeMaro then gave her report. Many thanks to Barbara DeMaro for providing her report in machine readable form. The following is from that report:

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The application I submitted for the Combined Federal Campaign (CFC) was again approved. (see attached list of charities that the Trust is included with). We are listed right alongside of American Cancer and Red Cross. We're fortunate that this approval continues year after year, bringing in on average more than \$20K each year.

The FSECC Florida State Employees Campaign application was once again approved. (these are additional means outside of our donor database to increase revenue)

I have continued to promote ads in Chess Life, program booklets, flyers and in our annual letter for members and others to make provisions in their Wills to the Trust. It takes years to build these relationships and we have recently started to see results. This past year we have received 2 more legacy donors. I have been working with the lawyers in completing the necessary paperwork to receive the payouts. (Weglarski & Whatley)

I spoke at the Denker closing ceremonies and introduced Clifford Lester to present the Ursula Foster award who along with his brother Rick have continued for the past 5 years to fund a \$1,000 donation in memory of their mother. I asked everyone there to get one friend or family member to donate to the Trust, any amount. I also spoke before the first round of the tournament about the Trust, what programs we fund, encouraged members and friends to set up legacies to the Trust, or fund scholarships in memory of a loved one and asked them to continue to say Yes to Chess.

#### **CONTRIBUTIONS:**

Total Contributions were **\$98,322** vs \$106,364 for last year. Considering the declining economy the Trust has fared well.

General	\$68,931.00
CFC and electronic transfers	19,567.00
Patron	500.00
Denker	6,000.00
Nearing	3,324.00

#### **EXPENSE BREAKDOWN:**

##### **284 chess sets and boards w/postage**

Sets were distributed to various states some include CA, NC, OH, TN, RI, IN, KS, NY, VA, TX, MI, NE, FL. Thanks to USCF sales for making the transition from Excalibur to USCF sales in handling our chess equipment needs so efficiently and quickly.

##### **94 scholastic & youth memberships to needy kids**

distributed to various states throughout the US. Prison memberships were also funded.

<b>Olympiad</b>	<b>16,896.00*</b>
<b>Denker</b>	<b>6,000.00</b>
<b>Scholar Chessplayer</b>	<b>7,500.00**</b>
<b>World Jr.</b>	<b>800.00</b>
<b>World Youth</b>	<b>9,000.00</b>
<b>Collegiate Final Four</b>	<b>4,000.00</b>
<b>Pan Am Youth</b>	<b>3,100.00</b>

**Schein-Friedman Scholarships** **13,250.00**

**Memberships paid USCF** **1,753.00**

\*Includes CT budgeted amount of \$13,000 plus reimbursement to USCF of donations made through USCF website.

\*\* Includes \$2,500 contribution from Sunil Weeramantry's National Scholastic Chess Foundation

**Samford Fellowship** **118,026.00**

Through the generosity of Frank Samford, as administrator for the Samford Fellowship we paid out \$118,026 this past year. We continue to value and thank Frank Samford for his long standing support of this prestigious fellowship.

#### **CFC APPLICATIONS AND ACTIVITIES OF THE MANAGING DIRECTOR**

- Once again the CFC application was accepted for the Chess Trust with more than 2500 applicants. The Chess Trust is listed on the Office of Personnel Management's (OPM) website in Washington.
- Continue to make telephone calls to large donors, and past donors thanking them and getting increased donations. Thank you cards and notes sent.  
Wills—Letter of Intent that was introduced several years ago continues to get results. Large donors are called immediately.
- Ads in US Open program booklets and ads in Chess Life promoting the website and promoting the Letter of Intent to get legacy donations.
- Dondis Award
- **Scholastics**—We need to do more with this untapped market and need your help with your scholastic contacts and friends. For years now I have included the Denker and Samford parents in our annual appeal.
- **Trustees**—I suggest that each member of the Board contact 5 of their friends and/or family and request a donation to the Trust.

Priorities continue to be:

1. Submission of financial data and follow up with auditors re audit/990sand coordination and follow up for all filings.
2. Processing of Chess Trust donations
  - a. sending thank you letters
  - b. maintaining donor base
  - c. maintaining Chess Life donor list
3. Receipting and making deposits to the bank
  - balancing bank statements
  - maintaining CRs and disbursement spreadsheets in Excel and Quick Books
4. Administration of Samford fellowship
  - a. sending monthly stipends
  - b. approval and sending expense reimbursements
  - c. coordinating and liaison with Frank Samford and Allen Kaufman
  - d. responding to emails to fellows etc
5. Processing requests for chess sets and memberships
  - a. coordination with USCF sales re shipments
  - b. maintaining, approving and sending memberships to eligible schools
  - c. tracking amount owed USCF for free memberships
6. Respond to all emails forwarded by USCF.
7. Respond to all calls re equipment to schools, prisons, hospitals, memberships, Wills, etc
8. Fundraising
9. Publicity

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Barbara DeMaro thanked USCF Director of Publications Dan Lucas for his help. She mentioned that Dewain Barber was going to step down from the Denker tournament and was grooming Matt Lodge to eventually replace him. Matt Lodge and Dewain Barber would be co-chairs of the Denker Tournament Committee for the next two years. Dewain Barber introduced Matt Lodge, who expressed his excitement at the opportunity. Dewain Barber noted the new shiny medallions this year. He thanked the Trust for its support and expressed his commitment that the Denker legacy will be secure and that the tournament would continue to be an active part of the US Open. Harold Winston provided information about this year's Denker tournament. He noted that 48 states participated and that a 49<sup>th</sup> player, an alternate, also participated. Harold Winston stated that the winner was FM Stephen Zierk of Northern CA.

Myron Lieberman moved to thank Dewain Barber for all the work that he has done and will continue to do for the Denker tournament and welcome Matt Lodge as co-chair of the Denker Committee. Harold Winston seconded.

**CT10-005 – Lieberman** –The Trust thanks Dewain Barber for all of the work he has done and will do for the Denker tournament and welcomes Matt Lodge as co-chair of the Denker Committee. **PASSED** unanimously.

Jim Eade then gave the Treasurer's report. He mentioned that starting in December of 2007 the Investment Committee (Jim Eade, Leroy Dubeck and Steve Doyle) decided to shift from an equity position to a cash equivalent position. He noted that he knows the risk is greater but is concerned with no return on the cash position. This year they decided to put \$150,000 back into equity funds. He noted that all of the funds in the Trust's portfolio are Morningstar rated for average risk and average gain. Treasurer Jim Eade then requested that the budget be passed and invited discussion.

An extensive discussion followed. Among those contributing to the discussion were Trust Treasurer Jim Eade, Trust Assistant Treasurer Leroy Dubeck, Scholastic Council co-chair Steve Shutt, Trust VP for Scholastic Chess Sunil Weeramantry, Trustee Mark Fins, Managing Director Barbara DeMaro, College Chess Committee Chair Jim Stallings, Trust VP for Chess in Education Tim Redman, USCF Executive Board Member at Large Bill Goichberg, USCF Executive Director Bill Hall, Trust Secretary Myron Lieberman, Trust Chairman Harold Winston, and Denker Committee Chair / equipment supplier Dewain Barber.

During the discussion regarding the Armed Forces line item, Dewain Barber said that he had received the request for sets to be shipped to the military in Afghanistan. The sets were shipped directly by American Chess Equipment and Dewain Barber said he was pleased to give them. Harold Winston thanked him.

The budget discussion continued. Harold Winston brought up the proposed second International Conference on Chess in Education. It is not in the budget. The proposal, presented by Tim Redman indicates that the University of Texas at Dallas (UTD) would match a \$15,000 donation by the Trust for the conference. It was noted that already the Trust has received \$6,000 (\$2,000 per year for three years) in donations for the conference. This includes earmarked donations from Jim Eade (\$3,000), Tim Redman (\$1,500), Leroy Dubeck (\$1,000) and an unidentified donor (\$500). Harold Winston attended the first conference and believes that it would be a worthwhile expenditure for the Trust. He said that it offered many good ideas regarding chess in the schools and chess in education. He believes that the second conference could have a big impact in promoting more school chess programs. Tim Redman pointed out that the request was for \$5,000 per year for three years starting in September. The Provost of UTD has committed to match that donation. Tim Redman noted that the first year the money would go to publicity and development of a website which would be linked to the US Chess Trust website if the Trust decides to be a co-sponsor. That would enable people who go to the website for chess in education related information to see the US Chess Trust as a link. The second year USCF would be a partner, providing a site at the location of the National K-12 Championship. The heaviest expenses would hit at about the time the UTD matching funds would be received. Dissemination of information and an upgrade of the website to make it searchable would be the main activities. Discussion continued regarding the conference.

Harold Winston took a roll call vote regarding whether to budget \$5,000 for each of the next three years for the conference.

**CT10-006 – Winston** – The Chess Trust budgets \$5,000 per year for three years for the International Chess in Education Conference **PASSED** 7 in favor and two abstentions (Tim Redman and Mark Fins).

The Olympiad had already been discussed earlier but the topic was set aside until we could get input from USCF as to what they request. Discussion resumed when Bill Goichberg was present, but he indicated that USCF Executive Director Bill Hall should provide input and the discussion was set aside again. Bill Hall became available at this time and participated in a renewed Olympiad discussion. He confirmed that the cost of the Olympiad would be \$85,000 to \$90,000 and \$30,000 has been received from the Kasparov Chess Foundation. He indicated that anything the Trust can offer USCF would appreciate. Harold Winston suggested the Trust offer a base amount of \$5,000 plus earmarked donations. That amount had general Trustee support.

After additional discussion on the budget Treasurer Jim Eade moved the budget's adoption, but it was not immediately voted because of other items that could affect the budget. Mark Fins was asked last year to look into Managing Director Barbara DeMaro's compensation. Harold Winston called on him at this point. Mark Fins suggested an 8 to 10% increase. Harold Winston asked for a vote on an 8% increase. That would add \$2,800 to the budget.

**CT10-007 – Winston** – The Trust increases the compensation of Managing Director Barbara DeMaro by 8%. **PASSED**

Harold Winston then seconded Jim Eade's motion to adopt the budget and the motion was voted at this time. Please note: The approved budget is presented as Appendix A to these minutes.

**CT10-008 – Eade** – I move to adopt the budget. **PASSED** unanimously

Jim Eade indicated that he and Harold Winston nominate Mark Fins for the Dondis Award.

**CT10-009 – Eade/Winston** – Mark Fins shall be given the Dondis Award this year. **PASSED** unanimously.

Harold Winston moved and Leroy Dubeck seconded to amend the Charter to allow up to fourteen Trustees, then to elect Rex Sinquefield to become a Trustee.

**CT10-010 – Winston** – Move to amend the Charter to allow up to fourteen Trustees. **PASSED** unanimously.

**CT10-011 – Winston** – Move to elect Rex Sinquefield of St. Louis, MO, to the Trust. **PASSED** unanimously.

Next to be discussed was the possibility of the Trust accepting donations of chess sets. Harold Winston indicated that he talked to Frank Camaratta about this and that Frank Camaratta was willing to help value donated sets and also store sets until the Trust decides what it wants to do with them. Harold Winston moved to accept chess set donations under those conditions.

Leroy Dubeck cautioned that there must be a paper trail. The sets must be sent directly to Frank Camaratta who must notify Barbara DeMaro in writing of their value. Barbara DeMaro must provide a written acceptance letter to the donor with the value documented for tax purposes. This was agreed. The motion was then voted with a second by Harold Dondis.

**CT10-012 – Winston** – The Chess Trust will begin accepting donations of chess sets with the understanding that Frank Camaratta will provide an appraisal of value for the Trust and also be willing to store them. **PASSED** unanimously.

Next on the agenda was the concept of Strategic Planning including Fundraisers. As Beatriz Marinello was not present Harold Winston suggested that we can discuss this by e-mail.

Harold Winston pointed out that at least he and Barbara DeMaro prefer to not get their e-mail directly through the Chess Trust website. They want their e-mail to go to their own accounts. Mail can be forwarded from the Trust account to other individual accounts. Please note that Secretary Myron Lieberman still prefers not to have yet another e-mail address to check :-).

Harold Winston then moved Barbara DeMaro's new compensation.

**CT10-013 – Winston** – Managing Director Barbara DeMaro's compensation shall be \$37,800. **PASSED** unanimously

Harold Winston indicated that he wants to set up a committee on the museum consisting of Rex Sinquefield, Shane Samole and Harold Winston. They would be the liaison with the museum. Shane Samole is willing to step aside as President and it is Harold Winston's intention to create a new position, President Emeritus and nominate Shane Samole for it.

Next was the election of officers. Each officer was voted separately. All votes were unanimous.

**CT10-014A – Dubeck** - Leroy Dubeck nominated Harold Winston for Chairman. Harold Dondis seconded. **PASSED**

**CT10-014B – Winston** - Harold Winston nominated Jim Eade for President. Harold Dondis seconded. **PASSED**

**CT10-014C – Winston** - Harold Winston nominated Leroy Dubeck for Treasurer. Harold Dondis seconded. **PASSED**

**CT10-014D – Winston** - Harold Winston nominated Myron Lieberman for Secretary. Leroy Dubeck seconded. **PASSED**

**CT10-014E – Winston** - Harold Winston nominated Tim Redman for VP for Chess in Education. Leroy Dubeck seconded. **PASSED**

**CT10-014F – Winston** - Harold Winston nominated Sunil Weeramantry for Scholastic VP. Leroy Dubeck seconded.  
**PASSED**

**CT10-014G – Winston** - Harold Winston nominated Harold Dondis for Chairman Emeritus. Leroy Dubeck seconded.  
**PASSED**

**CT10-014H – Winston** - Harold Winston nominated Shane Samole for President Emeritus. Leroy Dubeck seconded.  
**PASSED**

Harold Winston then asked for pledges for donations to be matched by the Delegates (as is traditional).

Harold Dondis pledged \$1,500. Harold Winston pledged \$600. Leroy Dubeck pledged \$1,000. Jim Eade pledged \$1,000. Myron Lieberman pledged \$300. These pledges are in addition to earmarked donations offered during the discussion.

Harold Dondis indicated that he needed to leave the meeting at this point and he requested that the Investment Committee consider investing cash in short term bonds. Harold Winston thanked Harold Dondis for his participation. The Investment Committee of Steve Doyle, Leroy Dubeck, and Jim Eade was continued.

Harold Winston thanked the Trustees and Leroy Dubeck thanked Harold Winston for running a very efficient meeting.

The meeting was adjourned at 2:35 PM.

## APPENDIX A

### US Chess Trust Budget 2010-2011 Adopted Irvine, CA

Item	Budget (10-11)
<b>USCF Requests:</b>	
Membership for needy kids	2,000
Olympiad	5,000 +earmarked*
World Youth	10,000
Prison membership subsidy	500
Chess sets/boards	2,000
College Final Four	0** use \$\$ Booz earmarked
Scholar-Chessplayer	7,500
Pan-Am Youth	1,000
Pan-Am Junior	0
World Junior	1,000
U.S. Blind	1,000
Pan Am Intercollegiate	<u>1,000</u>
<b>Total</b>	<b>\$31,000</b>
<b>Other:</b>	
Polgar Girls	0
Armed Forces	0***
VA/Prisons	500
Website	9,000
College TOC	1,000
International Conference on Chess & Education	<u>5,000</u> ****next 3 years
<b>Total</b>	<b>\$15,500</b>
<b>Fixed Expenses:</b>	
Denker	7,200
Insurance/Admin	41,400
Misc. Admin	0
D&O	1,198
Other Admin Expense	11,000
Audit	6,000
Mailing	7,500
Shipping and Handling	<u>3,000</u>
<b>Total</b>	<b>\$77,298</b>

**Total (all categories) \$123,798**

\*\$5,000 toward Olympiad plus any earmarked donations.

\*\*\$10K received 4/19/10 by Booz Hamilton will be used for 2011 College Final Four.

\*\*\*Dewain Barber will fund armed forces chess sets.

\*\*\*\*\$5K budgeted for next 3 years, then matched \$15K by UTD in Sept 2012. \$5K paid by CT 9/4/10 Check #3218.

Pledged: \$3K Eade, \$1K, Dubeck, \$1.5 Redman (3yrs)