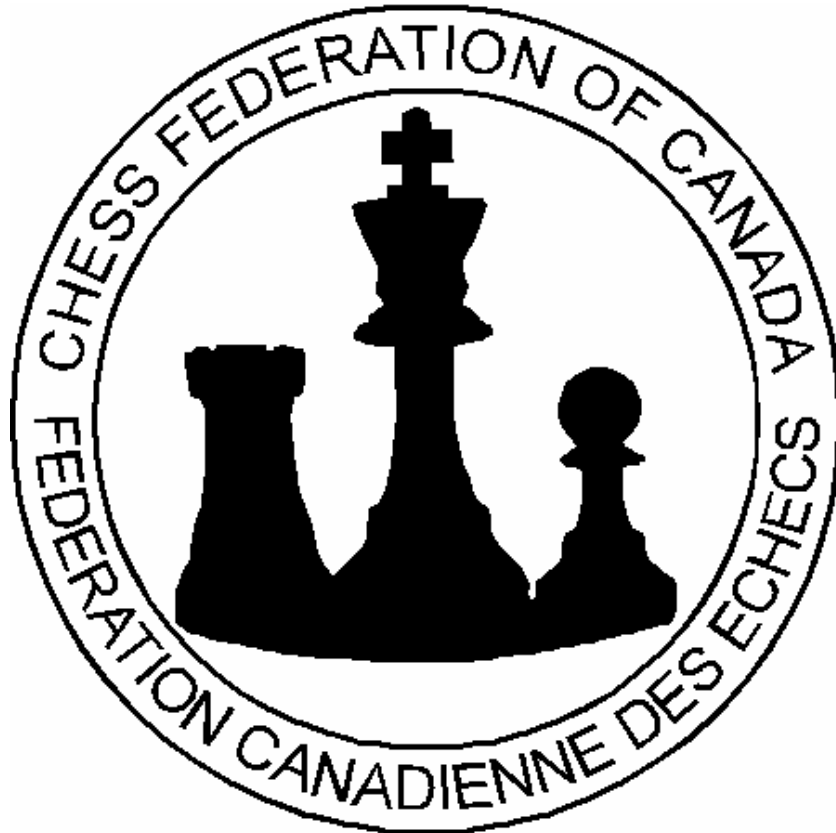


**CHESS FEDERATION OF CANADA
GOVERNORS' LETTER ONE
2007-2008**



Responses may be mailed, faxed or E-mailed to the Chess Federation of Canada, E-1 2212 Gladwin Crescent, Ottawa, ON, K1B 5N1, fax: 613-733-5209, E-Mail: info@chess.ca

ATTENTION ALL GOVERNORS: Anyone with an E-Mail address can have their Governors' Letter sent to them via E-Mail and save the CFC paper and postage costs. Please E-Mail info@chess.ca if interested.

Deadline for submissions to GL#2 is Friday, August 24, 2007

President's Message

First of all I wish to thank all Governors who participated in this year's annual meeting, either in person or by proxy, and to our past executive for their service. Thanks also to David Cohen for volunteering to record the minutes of our AGM. We were fortunate to have 5 former Presidents, namely Phil Haley, Martin Jaeger, Les Bunning, Maurice Smith and Halldor Palsson on hand to contribute their perspectives on a number of issues. I hope the increased AGM participation is a sign of renewed interest. It will take our collective best effort to reverse the current state of decline my friends but I am confident that we will prevail.

My campaign address at the AGM focussed on 2 priorities - the office and the membership. These are rather central files. I along with our new VP, Stijn De Kerpel and Treasurer Bob Gillanders have made a number of visits to the office since the AGM. We will continue to work closely with the office staff to improve the service levels and reporting. Tony Ficzero is our new Membership Co-ordinator and he is committed to his task of increasing our membership levels. Tony will have more to say about his plans in the next GL. Those plans will surely include all of us!

A number of agenda items were referred to the incoming assembly. No bids were received for CFC national events next year. I would like to see these bids awarded by the end of October. The AGM has asked the new Executive to renew discussions with the FQE. I was able to attend the Quebec Open for one day and met briefly with their Executive Director Richard Bérubé and President Daniel Rousseau. The FQE is receptive to more collaboration, and small steps were considered the most prudent initially. Motion 2008-02 deals with a website upgrade which is most worthy of your attention.

In closing, I anticipate a productive year of governance and your help is needed. Please roll up your sleeves and last but not least, please be concise with your comments in the GL.

Sincerely

Hal Bond, International Organizer, International Arbitrator
President, Chess Federation of Canada

Message from the Secretary:

Let me give a special welcome to those who are new to the Assembly of Governors and a hearty welcome to our returnees.

For the benefit of newcomers to the Governors, our Constitution is the CFC Handbook which is available either online or via the CFC Business Office. Each Governor's Letter consists of a message from one or more members of the Executive, the results of motions voted upon in the previous GL and discussions on any motions pending. Generally a motion gets discussed in two

Governors' Letters and voted on in the third. As per normally parliamentary procedure it is possible for a motion to be amended. Many motions originate from members of the Executive but motions from any Governor are welcome – please note that motions do however require a seconder. I often will second motions “for discussion” and while I don't pretend to be the world's greatest parliamentarian I can assist with the wording of motions to ensure they are both consistent with the Handbook and properly reflect what the mover means. When a motion would amend the Handbook, it is very helpful if a motion says “Paragraph ___ will be changed to read ...” so that no one is confused. (It should be noted that I receive lots of e-mails from both Executive and Governors some of which is for publication, much of it not. If I am in doubt I will ask but **it is very helpful** when e-mails for publication in the Governors' Letter are clearly marked as such.)

Most of all though we have the following objectives: (a) that all Governors feel welcome to participate, (b) that the business of the CFC gets done effectively and (c) that the business of the various affiliates gets disseminated at a national level. This is often done in what I feel is one of the most important sections of the Governors' Letters the “Comments from Governors” sections where information is shared among Governors. Past general comments have involved information on inter-collegiate events, FIDE news, how one goes about proposing stamps to Canada Post and much more besides. This is where bids for national events are published. Pretty much anything goes and I try to keep a light touch in editing with formatting and layout being the main job. Occasionally I send e-mails questioning whether someone actually wants a contribution published “as is” but that is rare. I will publish material from non-Governors when judged to be of national interest.

Discussions with various Governors have shown they prefer a single column format in Times New Roman 11 so while I would be happy to reformat any Governor's contributions as needed contributions in this format are most particularly welcome.

Now down to brass tacks:

The main business of Governors' Letter #1 is the minutes of the Annual General Meeting of the Chess Federation of Canada held in the Ottawa Marriott Hotel July 9th and 10th.

While preparing motion 2008-03 I read through section 3 of the Handbook most of which originated as motions from Governors. (http://chess.ca/section_3.htm) There have been many motions passed since then that are not shown in the Handbook and there's no question that this section of the Handbook could use a thorough revision with the main drawback being the lack of a “motivated volunteer”. (Those good gentlemen who have previously done the work could no doubt suggest a less kind term!) Some of the motions reflected here could stand a bit of review.

I would like to draw the following Section 3 paragraphs to the Governors' attention:

- 322: Awards Honorary CFC membership to GMs, IMs, WGMs, WIMs and IAs. There are quite a few players who hold these FIDE titles who have not received Honorary membership the usual reason being that most of these already were Life members.
- 327: This is a section often overlooked by TDs who end up submitting tournament membership fees to the CFC unnecessarily. Several years ago I was one of them since I submitted a tournament fee for a US WGM while knowing that her IM husband was ‘honorary’
- 334: this paragraph says that all incoming Governors are entitled to a free printed copy of the CFC Handbook. Given this document is available through the CFC website this could well be dispensed with or amended to read “on request”.

341: concerns making the CFC a truly bilingual organization. I'd love to see it and hope to see the day when the intent of this motion can be a reality.

350: Has such a Management Committee ever been formed? If in 2007 this Committee is not felt necessary section 350 should be repealed.

387: I've not seen ads either in Chess Canada or the website use this terminology for a very long time. While most TDs routinely do the portions of this section dealing with finances I doubt many know it is required.

Should any of these be amended or repealed or otherwise changed to bring them to what we need in 2007-2008?

One personal "hobby horse" of mine is that I strongly dislike seeing the first news of the CFC AGM announced each year on a non-CFC site. I would like to recommend in the strongest possible terms that next year's AGM chair plan on producing a short one page news release for the CFC web site detailing who was elected and what was passed at the AGM. For this year's AGM the "news release" would have looked something like the following:

Chess Federation of Canada – Annual General Meeting 2007 – 9/10 July, Ottawa, Ontario

Here is a short, summarized list of positions elected / appointed at the AGM:

President: Hal Bond
Vice-President: Stijn De Kerpel.
Treasurer: Robert Gillanders
FIDE Representative: Nathan Divinsky
Youth Coordinator: Patrick McDonald
Rating Auditor: Pierre Dénomée

National Appeals Committee: Lyle Craver, Pierre Dénomée, Mark S. Dutton, Maurice Smith, Gordon Taylor.

Chess Foundation of Canada Trustees: Barry Thorvardson (4 year term expires 2011), Lynn Stringer (4 year term expires 2010), Maurice Smith (4 year term expires 2009), Lyle Craver (4 year term expires 2008), Paul Leblanc (one year term expires 2007).

Kalev Pugi Fund Trustees: Hugh Brodie, Patrick McDonald, Lynn Stringer

Auditor: Andrew Plunkett

Motions: For the full text of Motions 2007-05 through 2007-12 please refer to 2006-2007 GL#6

Motion 2007-05 (CYCC Regulations) Section 15 (rating requirements) was deleted and the rest of the motion PASSED

Motion 2007-06: Tabled and re-introduced as 2008-01 in GL#1

Motion 2007-07: Re TD Certification was amended to establish a committee to recommend procedures to accredit TDs and organizers at different levels in Canada. The amendment and 2007-07 as amended PASSED.

Motion 2007-08: Re Removal of CFC Executive Members DEFEATED

Motion 2007-09: Re CFC Governor activity DEFEATED

Motion 2007-10: Re Replacement of CFC Executive Members DEFEATED

Motion 2007-11: withdrawn by mover

Motion 2007-12: Re CFC Website – tabled and reintroduced in GL#1 as 2008-02

Other motions passed:

1. That the CFC approve in principle that its Permanent Trust Fund, the Chess Foundation of Canada, be incorporated as a separate non-profit corporation, details to be authorized by the Executive.
2. A vote of thanks and appreciation to Gordon Ritchie and CYCC/CO team.
3. Organizers of CFC sponsored national tournaments must provide the CFC with a full financial accounting within 30 days of the conclusion of the event.
4. All ethics items be referred to the Executive
5. That the Tournament Director Official Certification Program (TDOCP) be referred to the Executive
6. There being no bids received on national events, that all bids be referred to the Executive
7. That the CFC Executive mandated to review the situation with respect to chess in Quebec and examine possibilities for closer collaboration with FQE. (Note: this was primarily discussed with reference to French language services)
8. Northern Ontario receive permanent status as a 'province' for purposes of the CYCC. (It should be noted that this motion had the endorsement of the OCA President)

I would like to see this 'news release' made within 24 or 48 hours of the AGM. If planned for in advance I see no good reason why this could not be done for next year's AGM and certainly does not require the minutes to be completed first.

Last but certainly not least there are still some provinces who have not yet submitted their list of 2007-2008 Governors to the CFC. While the Governor quota was only published in GL#6, we really do need your help on this. Please e-mail both me (lcraver@shaw.ca) and the Business Office (info@chess.ca) as it's important we finalize our list!

Lyle Craver
Secretary, Chess Federation of Canada

Message from the Treasurer

First, I would like to thank all those who have wished me well in my new role as CFC Treasurer. Your support is very much appreciated.

It has been customary to include the annual financial statements and management letter from the CFC's auditors in GL1 each year. Unfortunately, this has not been possible this year. At the AGM on July 9, it was reported that the loss for the year was approximately \$ 26,000 according to our Quick Books accounting system. A number of accounts require further analysis and reconciliation. The true loss for the year cannot be reasonably estimated at this time. I totally agree with those of you that consider this unacceptable.

The CFC experienced severe cash flow difficulties over the past year. This was forecasted in last years' management letter from Brian Watson. Quoting from his report:

“The Federation has incurred significant losses over the past two years and will encounter cash flow problems this year if trends continue. The solution is to increase membership revenues and to improve product sales. The other option is to take steps to significantly decrease general and administrative expenses, including salaries.”

A severe cash flow crisis occurred in late 2006. This precipitated a staff layoff and reduction in services to members. The quality of bookkeeping suffered as well. Karin Bond, an independent bookkeeper, left in the fall of 2006 frustrated with the lack of cooperation from CFC personnel. Without adequate cash, various accounts including payroll and sales tax went into arrears.

I returned to Ottawa briefly this week after returning home from participating in the Canadian Open, to begin the work of cleaning up the books. My first priority was to reconcile the bank balance and deal with the most critical outstanding liabilities. Some critical overdue accounts including payroll taxes and PST were paid. I will be returning early next week to the CFC office to continue the work.

I was disappointed (but not all that surprised) when I got my first inside look at the books this week. A significant amount of work needs to be completed before the release of any reliable financial data. I am pleased to report we have a new bookkeeper. Twyla is an independent bookkeeper with a winning personality and willing to help.

The current financial status of the CFC has been described in the AGM minutes as “fragile”. I agree. We must be extremely careful not to promise anything we cannot deliver. A priority item will be to prepare a 6 month budget and cash flow forecast.

The CFC membership and governors are demanding better financial reporting and accountability. The new executive team is committed to achieving these goals.

Gordon Ritchie in his report on the Canadian Open at the AGM, stressed the importance of financial accountability and probity in attracting and retaining corporate sponsorships for our events. A motion was passed unanimously at the AGM that all organizers of CFC sponsored national tournaments must provide the CFC with a full accounting within 30 days of the conclusion of the event.

I shall endeavour to provide regular communication to the membership via the GL's on our progress. Final annual financial statements (April 2007) and regular quarterly reports going forward will be reported ASAP.

Governors and CFC members are welcome to email me with their comments or concerns.

Respectfully yours,

Robert (Bob) Gillanders
CFC Treasurer
July 20, 2007

Minutes of the 2007 Chess Federation of Canada Annual Meeting

Outgoing Assembly of Governors

Monday, July 9, 2007

Marriott Hotel, Ottawa, Ontario, Canada.

Meeting commenced as announced at 10:00am.

(I) CFC President William Doubleday chaired the meeting.

(II) Secretary not present. David Cohen appointed secretary of the meeting.

(III)

(a) Present in person.

Life Governors: Les Bunning, Martin Jaeger, Phil Haley, Maurice Smith, Halldor Palsson.
Outgoing Governors: Richard Keep (Qc), Pierre Denommee (Qc), Hal Bond (ON), Michael Barron (ON), Barry Thorvardson (ON), Steve Killi (ON), William Doubleday.
Total: 12.

(b) Present by proxy.

Life Governors: Nathan Divinsky (Bond), Peter Stockhausen (Bunning).
Outgoing Governors: Wright (BC) (Bond > Thorvardson), Bluvshstein (ON) (Barron), Starr (ON) (Barron), Tsui (NL) (Smith), McDonald (Bond > Thorvardson), Nikouline (ON) (Bond > Killi), Dutton (ON) (Bond > Killi), Craft (NB) (Bond > Keep), Duff (NB) (Bond), Mallon (ON) (Bob Gillanders), Urquhart (Bond > Haley), Craver (Smith). Total: 14.

Grand total: 26. As no more than 10% of the total vote can be held by proxy, a maximum of 2 proxies per Governor was declared. Proxy holders and their re-assignment are shown above in parentheses.

CFC members present: Bob Armstrong, David Cohen, Frank Dixon, Paul Beckwith and his son Edward, Bob Gillanders, Wilf Ferner.

(IV) Moved Bunning/Smith to dispense with the reading of the Minutes of the 2006 Annual Meeting, and to approve them. Motion passed unanimously.

(V) President's Report (oral) by William Doubleday.

\$39K loss early in the fiscal year (after he took over upon the resignation of Chris Mallon). Auditor advised closing operations, predicting insolvency by January. Spending was stopped, and employee Bob Gelblum was laid off. At the low point there was only \$4K in cash, so payments were delayed. Operations were turned around, with a subsequent profit of about \$13K resulting in a year end loss of about \$26K.

Successful Canadian Youth Chess Championships (CYCC) and Canadian Open Chess Championship (CO) are due to volunteer effort. CFC is not near "death's door" but the situation is "fragile." Need an increase in membership. Problem: quality of service to members is down.

Charitable status was endangered. Les Bunning intervened, so the threat is reduced.

Challenges ahead are to make tough choices re: declining memberships and revenues. We can send this year's World Youth Chess Championships (WYCC) team, but the CYCC program is not currently self-sustaining. "Enormous challenges ahead to remain vibrant."

Moved Bunning/Thorvardson report be accepted.

Discussion: Barron: Why is Canadian Junior Champion Gerzhoy not yet listed in FIDE records as representing Canada? Doubleday: Don't know.

Barron: Why tournament reports to FIDE not on time? Doubleday: Executive Director was busy.

Barron: Did the President assign priorities to the Business Office? Doubleday did not answer.

Thorvardson: President assigned priorities, people had problems as a result, but we need to move on.

Bunning: Agree, let's move on.

Smith: Want info on why Revenue Canada audit situation started.

Bunning: CFC is an educational charity. Trouble had nothing to do with receipts. I sent the government material on chess's educational value, and it's with them to review.

Palsson reviewed the history. Round of applause for Les Bunning's free help with this situation.

Executive Director (ED) Dave Gordon arrived.

Killi: Congratulations on your report. Focus on organizational survival, not funding CYCC second place finishers. Any advice?

Doubleday: Build up over-the-board (OTB) tournaments, grass roots support for Tournament Directors (TDs). Need prestigious, quality image. Need Executive members with marketing experience. Leads to sponsorship. Details help individuals, but not the bigger picture that we need to improve. We are rules based now, but non-governmental organizations (NGOs) are usually value-based. Need more fluidity to survive.

Killi: What would happen if we started over (disbanded the CFC and re-established it)?

Doubleday: Wouldn't help.

Dixon: Prefer that the Chair recognize people in turn.

Cohen: We all recognize Frank.

Motion passed unanimously.

(VI) Secretary's Report.

Written report read by Doubleday. Moved Bond/Thorvardson to accept the report.
Discussion: Doubleday: Lyle is a 'keeper'; he coped well with the frustrations of the job.
Motion passed unanimously.

(VII) No audited financial statements; no Auditor's Report. ED distributed unaudited financial statements (balance sheet, profit and loss) which he had prepared.

Bunning: I am seeking an opinion on whether an audit is required.

Palsson: Audit mechanism is required, but not an actual audit.

Doubleday: New bookkeeper. Need a new simplified chart of accounts by an accounting volunteer familiar with QuickBooks software.

A few line items were queried by Governors. For example, the ED explained that a large donation of \$10,000 was given out as a grant of \$9,600 to teach chess, so the CFC kept 4%.

Moved Bunning/Jaeger: Financial statements deferred to the Incoming Treasurer.
Motion passed unanimously.

(VIII) Report of the Treasurer (oral report by Pierre Denommee)

Need 3,000 paid members for the federal Ministry of Sport to consider us. They specifically designated chess as an activity to not be financed (Grade 'B' Olympic sport). Therefore, a lobbying effort is needed, as was done in other countries which fund chess. Potentially worth about \$100,000/year in funding. Coach Canada cannot certify our coaches, since they receive federal funding in the same way. This in turn prevents Quebec government funding.

Received the financial statements today, so not prepared to comment on them.

Bunning: Sport emphasis conflicts with education emphasis.

Thorvardson: Need strategic plan to not give mixed messages to government. Need high membership numbers to get their attention.

Smith; In Olympic sports, only medal winners get federal funding.

Denommee: International Olympic President doesn't want chess in the full Olympics.

Jaeger: Education is a provincial matter.

Doubleday: That shouldn't stop the federal government.

Thorvardson: Ontario Minister of Education needs to approve, but the Minister won't ever get asked by the bureaucrats. Use community development, or whatever works in a particular province; need to ask, and listen carefully to the response, to discover which

method this is.

Moved Bunning/Smith to approve the Treasurer's Report. Motion passed unanimously.

(IX) Permanent Trust Fund report.

Written report distributed.

Bunning: Pugi fund is intended for elite players, not for WYCC.

Doubleday: Problem of whether revenues from the fund (interest) are enough to service the Life Members.

Bunning: Assets can be seized by the government if CFC loses its charitable status. In practice, the CFC would simply convert to becoming a non-profit corporation. The Fund was initially separate (1955), but was merged into the CFC upon the CFC's incorporation in the 1970s.

Moved Bunning/Palsson: CFC approve in principle that its Permanent Trust Fund, the Chess Foundation of Canada, be incorporated as a separate non-profit corporation, details to be authorized by the Executive. Motion passed unanimously.

Moved Bunning/Bond that the report be approved. Motion passed unanimously.

At 12:35pm the meeting was adjourned until 1:55pm. Richard Keep absent.

(X) Other reports.

CYCC/CO written report submitted.

Gordon Ritchie, Chair, Organizing Committee presented Peter Hum (Publicity), Tom Muir (Corporate Sponsorship), Tim Bouma (Web site), and Lianhua He (Parent Liaison). He described the completed CYCC as a 'smashing success' and proudly stated that 'parents and kids were blown away.' The event had 189 players at the Chateau Laurier Hotel's Grand Ballroom. The CO had 281 players, including 22 grandmasters and a total of 33 players with FIDE titles. The Association of Chess Professionals (ACP) had just declared this event to be the kick-off to their annual tour.

Ritchie took over the event (from the organizer who had won the bid for Ottawa) 7 months ago, which was late in the corporate cycle for sponsorships, so this made his task more difficult.

Ritchie is willing to help future organizers, if: there is financial accountability and probity for the event and for the CFC; there is clear post-event financial reporting; and sponsors are treated right (i.e., they receive appropriate publicity in paper and on TV).

Ritchie said the CFC needs a cleaner template for these events (CYCC/CO), and made the following suggestions for improvement:

1) Running back to back events is difficult for a small group of volunteers (exhaustion); need some time separation.

2) CO: change from 10 rounds to 9 rounds, so it will be the international standard of 1 round/day.

3) Pairings must be made so that rounds start on time. CYCC was 1.5 hours late because of registration problems. CO was also late starting, and the 2 games on the second day made the situation more difficult. Need a tested pairing system. Need an appropriate time control announced ahead, i.e., choose between fast or slow games.

4) Need to decide on 1 section vs. 2 or more sections.

Tom Muir made the following observations about fundraising:

1) Business community had confidence in Ritchie, so he could raise funds, and donors knew that it would go for the purpose intended.

2) Easy to fundraise for kids (and cancer).

3) If this were a regular event, could go after 3-year sponsorship commitments.

4) Corporations do their budgeting in the fall.

5) Easier to get big money for a world class event.

Ritchie shared the credit for the success of the events, and took responsibility for the problems. He made the following observations.

1) Nearly had a disaster because the original organizer had no capacity to create a quality team. Need the team, as well as the finances, stated with the bid.

2) Team effort, especially De Kerpel (logistics), Peter Hum (elite player liaison), Tom (fundraising), Tim Bouma (communications).

3) Chess is very popular on the internet, but troubles with MonRoi connectivity. Tim noted that his ability to collaborate on-line, e.g., with the TD, could be broadened, so that the individuals could even be located across the country from each other.

4) CFC registration did not work because of lack of staff time. Needed better documentation and cash flow to the organizers. Better to contract this function out.

5) Corporate sponsor is lost forever if they are burned by a bad job.

6) Match the CFC's template with corporate sponsorship requirements, e.g., financial controls.

7) Have contact between current holder of the events and the bid winner.

8) Act like this is an event that is worth something, so you will get serious bids.

Dixon: Need to save the best practice, for future bidders and organizers to learn from.

Thorvardson: CFC needs standards.

Haley: First class hotel attracts sponsors. Need better facilities for spectators, because public can be source of new members.

Ritchie: hotel became a sponsor because they were so pleased with the event. Spectator space was taken by player space, as registrations went up. Few spectators, but they are kept separate. Spectators were not really planned for.

Moved Palsson/Thorvardson accept report and express thanks and appreciation to Gordon Ritchie and CYCC/CO team. Motion passed unanimously.

CYCC/CO team left the meeting room.

Further discussion:

Bunning: Fear they will leave and there will then be no continuity.

Doubleday: High level of professionalism needed, but fear we can't get there any time soon.

Bunning: CYCC/CO were originally held back to back to get players to stay over.

Cohen: Should uncouple the 2 events to permit flexibility in the bids.

Thorvardson: CO should have 2 sections to make pairings easier for FIDE title Norm possibilities.

Doubleday: Most players not in this situation.

Palsson: Split CYCC & CO to help date planning re: FIDE cycle for WYCC. Number of sections might depend on the playing site (the number of rooms).

Smith: Ritchie and Muir operate at a high level; we might not be able to repeat this.

Thorvardson: Aim high. Coupling good for fundraising (re: kids).

Doubleday: Don't underestimate the importance of communications.

Rating Auditor's report.

Oral report by Pierre Denommee.

Some minor problems with the members' data file.

Doubleday: Irregularities should be sorted out by the Rating Auditor in cooperation with the Business Office.

Vice-President's report.

Written report by Halldor Palsson was included in the Governors Letter, on the subject of

Patrick McDonald's organizing of the 2006 CYCC and the amount owed between the CFC and McDonald.

A heated discussion followed, with Les Bunning and Halldor Palsson attacking McDonald's actions and Bond defending them.

Bunning: McDonald pocketed CFC's money, finances not finalized, yet he will be running for the office of Junior Coordinator.

Bond: The Office is currently incapable of due process. How can you judge that McDonald has been found wanting?

There was a discussion between Palsson and Ontario Chess Association (OCA) President Thorvardson re: McDonald, the OCA, the Ontario Youth Chess Championships role as a qualifier, and the money owed to the CFC. Palsson wanted the OYCC to contribute money towards the CYCC, since it was a qualifying event, as was done with other provincial championships.

Doubleday: It took from November, when McDonald claimed the CFC owed him \$12,500, and when Doubleday became President, until March 1 to obtain a list of entry fee collections from McDonald; and the situation continues today, when the CFC claims that it is the reverse, and that McDonald owes the CFC money.

Palsson: Minimum standards of financial probity not met.

Barron: There should be a deadline to report on tournaments.

Palsson: 30 day deadline exists.

Palsson asked Thorvardson as OCA President to solve the problem.

Barron: Should not be decided at this meeting; should be settled offsite by the Business Office.

Bunning, Palsson: Old business, don't sweep it away; discuss it now.

Bond: Problems with money collection at site. McDonald is an 'earnest' man who 'served with pride' and who 'wants his name cleared and the matter settled'.

Moved Barron/Killi organizers of CFC sponsored national tournaments must provide the CFC with a full financial accounting within 30 days of the conclusion of the event.

Discussion:

Palsson: Need full financial accountability and probity, else don't count on quality sponsors. This situation is beyond 'mistakes were made.' There were major lapses. Need to clean house and move on.

Thorvardson: I will undertake to look at the OYCC winner situation re: money owed to CYCC.

Killi: deadline should be for all CFC rated tournaments.

Palsson: Forgive and forget, as long as the money is paid.

Doubleday: Need to avoid people collecting money in their own name, and be careful when people have two roles.

There was a discussion between Bond and Bunning/Palsson re: allocation of sponsor money between the 2006 CYCC and CO.

Motion passed unanimously.

Barron left at the scheduled finishing time of 4pm.

FIDE Representative's report (written).

Haley: Too short. Need report on both Canada in FIDE, and FIDE activities that affect Canada.

Smith: Our representative is also our Zonal President, so he should attend one meeting per year and report back to us.

Bob Armstrong spotted napping in the corner.

Doubleday: Need to have more from the FIDE Representative, especially re: what happens in FIDE that is relevant to Canada, and its meaning.

Executive Director Dave Gordon's oral report.

Took over August 1. 2-3 days training, then all subsequent training was on-the-job. Started with 2 full-time employees; Dave Gordon, Robert Gelblum. Lot of work, too much; need to do overtime. Sales fell flat in the fall. No money by Nov./Dec. At the end of Dec., Bob was laid off. Could not keep up with the work load. Bonnie hired in April; got caught up on rating of events. Had to prioritize; some tasks were not done.

Rating system is getting outdated; some problems are unfixable, e.g., some events could not be rated because of these problems.

Bookkeeping is not as up to date as it should be.

Discussion:

Cohen: Why no answer when people call the business office? Sales were lost.

Gordon: Priorities, to get the work done.

Doubleday: I recently donated an answering machine.

Bond; What percentage of your time is spent on retail sales?

Gordon: Greater than 50%.

Gordon: Can postpone some work, but really there is too much to do. Would help if organizers entered their own events for rating.

Cohen: Chess'n Math Association already does this.

Gordon: I wasn't told about some work (the change to the reduction to 4 issues per year of the magazine). Communication could be better; I could be better.

Doubleday: CFC not the world's best personnel manager.

Gordon: Communications take time, and I don't have time.

Doubleday: We were told that it takes 2 years to learn the job. Dave's progress should be praised. He does a good job with members on the phone. Sales contribute about \$50,000 per year to the CFC's profits.

(XI) Chess Foundation of Canada: No donation.

(XII) Old business.

Motion 2007-5.

Bunning: To make the CYCC financially solvent.

Smith: [defending the price increase:] Chess is a cheaper sport than all others.

Cohen: [pointing out that nevertheless some kids cannot afford it:] Encourage sponsors to donate free entries to needy children.

Smith: Youth Coordinator McDonald likes to send all players to the WYCC. But the organizers of the WYCC opened it up to all players to make money. [I.e., we only need to finance our winners.] I support the minimum rating for the winners.

Bond: If they won, they should go.

Bunning: Canadians can't go to the WYCC if standards are not met, as in other sports.

Bond: Lower rated players - who contribute entry fees - won't enter, if they can't go to the WYCC.

Bunning: Strike the rating floor from the motion.

Moved Bunning/Jaeger to amend the motion by removing the wording regarding a minimum rating being necessary to attend the WYCC. Amendment passed unanimously. Motion 2007-5 as amended passed unanimously.

Motion 2007-6

Moved Bunning/Killi table to 2007-8 CFC Governors' Letter 1. Motion passed with only Pierre Denomme opposed.

Motion 2007-7

Moved Denommee/Bunning to amend the motion to establish a committee to recommend procedures to accredit TDs and organizers at different levels in Canada. Amendment passed unanimously. Motion 2007-7 as amended passed unanimously.

At well after the 4:00pm scheduled time, the meeting adjourned and resumed Wednesday, July 10 at 9:30am.

Attendance same as yesterday (except Beckwiths), with the addition of John Rutherford, Michael von Keitz, Stijn De Kerpel.

Motion 2007-8 on removal of Executive members.

Smith: Flawed implementation, as defendant cannot speak to Governors in his own defence.

Bunning: Time lines not appropriate.

Palsson: The relevant governing law of Canada already has procedures for the removal of Officers.

Vote: YES: 7. No: 14. ABSTAIN: 5. Motion 2007-8 defeated.

Motion 2007-9 on Governor activity.

Palsson: Point of order on the legality of the motion. No legal requirement to vote.

Palsson: Local members want to know if their Governor is active locally, as TD or organizer. That's what they care about in their representative, not whether or not they are voting on national issues.

Jaeger: Okay to point out who is not voting, but it's up to the Provincial Associations as to whom they appoint as Governors.

Thorvardson: Non-voters may contribute in other ways.

Doubleday: Hard to find volunteers. What is the benefit of this motion passing? Hard to see any.

Barron: Local representative communicates between local affairs and the Business Office. Interest in national affairs is not necessary.

Bunning: This may be a Constitutional amendment, which would require a 2/3 majority to pass.

Doubleday: I rule this a Constitutional amendment.

Vote: YES: 8; NO: 15; ABSTAIN: 3. Motion 2007-9 defeated.

Attendance: Add Cesar Posylek, Josh Guo.

2007-10 on Executive vacancy.

Thorvardson: Get the best people to do the job, so take the time necessary for this. Not a lot of volunteers, so may need time to motivate someone. Therefore, a time limit is unacceptable.

Doubleday: Better to have strong candidates than to rush.

Doubleday: I rule this a Constitutional amendment.

Vote: YES: 7; NO: 15; ABSTAIN: 4. Motion 2007-10 defeated.

2007-11 on sale of business office.

Thorvardson: 1) Important to evaluate the roles of the CFC, how they function, to make more efficient, e.g., as a retailer: current location doesn't fit.

2) Constitutional amendment, can only be passed at AGM, so need to vote now to enable action within the next year.

3) Funds raised will go to a building fund.

Smith: Craver says this is a Constitutional matter without proper notice.

Attendance: add Charles Graves, wearing a tie.

Bunning: Not a Constitutional matter. Need a select committee to discuss and report.

Bunning: Move to amend by tabling until a report with recommendations is made.

Palsson: Might be good to buy in Toronto with a partner, but need another revenue stream to support it, and more members.

Attendance: add Gordon Ritchie.

Motion 2007-11 withdrawn by the mover, Thorvardson.

Doubleday: New Executive can set up a committee.

Motion 2007-12

Moved Bond/Bunning to table. Motion to table passed unanimously. Motion 2007-12 tabled.

Frank Dixon presented a written report by the Canadian Post-Secondary Chess Association.

Palsson: Thank you to the Association for organizing the universities Team Championship.

(XIII) No item with this number on the agenda.

(XIV)

Thank you to William (Bill) Doubleday for his work as President during the past year.

Outgoing Governors meeting declared finished by Doubleday.

Incoming Governors meeting commenced.

III(c) Governors present in person.

Life Governors: Les Bunning, Martin Jaeger, Phil Haley, Maurice Smith, Halldor Palsson.
Incoming Governors: Cesar Posylek (ON), John Rutherford (ON), Richard Keep (Qc), Pierre Denommee (Qc), Hal Bond (ON), Michael Barron (ON), Barry Thorvardson (ON), Steve Killi (ON), William Doubleday, Stijn De Kerpel (ON), Gordon Ritchie (ON), Michael von Keitz (ON), Bob Gillanders (ON). Total: 18.

(b) Governors present by proxy.

Life Governors: Nathan Divinsky (Bond), Peter Stockhausen (Bunning).
Incoming Governors: Stephen Wright (BC) (Ritchie), Wu (BC) (Secretary > Frank Dixon), Ilya Bluvshstein (ON) (Barron), Nava Starr (ON) (Barron), Tsui (NL) (Smith), Nikouline (ON) (Bond > Ritchie), Mark S. Dutton (ON) (Bond), Ken Craft (NB) (Bond > Keep), Duff (NB) (Bond > De Kerpel), Chris Mallon (ON) (Gillanders), Eddie Urquhart (Bond > Ritchie), Lyle Craver (Smith), Bela Kosoian (Bond), Peter Hum (ON) (De Kerpel), Yevhen Molchanov (ON) (Barron > Wilf Ferner), Yuri Lebedev (ON) (Barron), Gary Gladstone (ON)(Bond > De Kerpel). Total: 19.

Grand total: 37. As no more than 10% of the total vote can be held by proxy, a maximum of 3 proxies per Governor was declared. Proxy holders and their re-assignment are shown above in parentheses.

18 governors in person, 18 by proxy.

(XV) Elections.

Vote counter: David Cohen. Scrutineer: Dave Gordon.

President:

Bob Gillanders nominated Hal Bond.
Michael Barron nominated Barry Thorvardson.
Thorvardson accepted the nomination.
Bond accepted the nomination.

Bond: Recognizes time conflict between his own business and CFC office Wants CFC to join bandwagon of increasing popularity of chess.

Priorities: 1) Set the Business Office right, deliver member satisfaction.
2) Increase membership. Asking people is critical. Team: Tony Ficzer, Stijn De Kerpel.

Thorvardson: 1) Critical to improve membership; would focus on youth members. If

successful, will be credible with corporations. Would lower membership rates for juniors and seniors.

2) Morale needs to be improved, through better service from the Business Office.

3) Vision, set goals, set higher standards. All help each other. Need better finances and a quality image to get funding for a Publicity Manager.

Vote: Bond: 27; Thorvardson: 9.

Hal Bond elected President. Doubleday continued as Chair for the remainder of the elections.

Vice-President:

Gordon Ritchie nominated Stijn De Kerpel.
Bela Kosoian nominated Barry Thorvardson.
Thorvardson declined.
De Kerpel accepted.
Stijn De Kerpel acclaimed.

Secretary:

Pierre Denommee nominated Lyle Craver.
Maurice Smith indicated that Lyle Craver would accept.
Lyle Craver acclaimed.

Treasurer:

Richard Keep nominated Pierre Denommee.
Michael Barron nominated Robert Gillanders.
Gillanders accepted.
Denommee indicated that he had previously stated that if a designated accountant wanted the post, then he would not seek re-election, and since this was the case, he declined.
Robert Gillanders acclaimed.

FIDE Representative:

Les Bunning nominated Nathan Divinsky.
Michael Barron nominated Barry Thorvardson.
Thorvardson declined.
Michael Barron nominated Jonathan Berry. CO TD Berry was located and attended the meeting. He declined, making the following comments on the position: it is an expensive post (no reimbursement of expenses to attend FIDE meetings); and you need to get along with FIDE members and their lifestyle. Therefore, he said that he was not suitable for the post. He suggested Gordon Ritchie for the post. Ritchie declined the suggestion.
Divinsky accepted the nomination (through his report).
Nathan Divinsky acclaimed.

Youth Coordinator:

Gary Gladstone nominated Patrick McDonald.
Bunning nominated Thorvardson. Thorvardson declined.
Bunning nominated David Cohen. David Cohen noted that the Youth Coordinator should not be carrying on a related business, and was therefore opposed to McDonald holding the office; but as he was retired from volunteer work, declined with thanks for the invitation to run for office.
Bond indicated that McDonald accepted.
Patrick McDonald acclaimed.

Rating Auditor:

Richard Keep nominated Pierre Denommee.
Denommee accepted.
Pierre Denommee acclaimed.

National Appeals Committee:

Palsson nominated Gordon Taylor.
Thorvardson nominated Mark S. Dutton.
Stijn De Kerpel nominated Maurice Smith.
Denommee nominated Lyle Craver.
Keep nominated Pierre Denommee.
Therefore, all existing members were reappointed by acclamation.

Ethics committee:

Moved Palsson/Smith all ethics items be referred to the Executive. Motion passed unanimously.

TDOCP committee:

Moved Palsson/De Kerpel that this be deferred to the Executive. Motion passed unanimously.

Chess Foundation of Canada Trustees:

1 year term:

Smith nominated Paul Leblanc.
Smith indicated that he was recommended by Chair Lynn Stringer, and that he accepted.
Paul Leblanc acclaimed.

4 year term:

Smith nominated Barry Thorvardson.
Thorvardson accepted.
Barry Thorvardson acclaimed.

As a result the 2006-2007 Board of the Chess Foundation of Canada is as follows:
Barry Thorvardson (4 year term expires 2011), Lynn Stringer (4 year term expires 2010), Maurice Smith (4 year term expires 2009), Lyle Craver (4 year term expires 2008), Paul Leblanc (one year term expires 2007).

Pugi Fund Trustees:

Palsson nominated McDonald; Smith nominated Stringer; Keep nominated Hugh Brodie. All were reappointed by acclamation.

(XVI) CFC President Hal Bond took over the Chair.

(XVII) Auditor:

Former Governor Andrew Plunkett of Nunavut volunteered to do the job for approximately \$3,000 for 2-3 days work.

Cohen: President should establish before-hand what will happen if the job takes longer.

Moved Bunning/Palsson CFC appoints Andrew Plunkett as Auditor. Motion passed unanimously.

(XVIII) None.

(XIX) Bids for National events:

No bids for events.

Moved Palsson/Ritchie to defer all bids to the Executive.

Discussion of 2008 Canadian Open Championship, and the possibility of holding it in Quebec City for their 400th anniversary.

Rutherford read an email from Governor Ellen Nadeau (ON), offering to partner with FQE to help run the CO.

Bond: This is just an intention, not a bid.

Thorvardson: OCA offers to support FQE if they bid for 2008 CO in Quebec City.

Denommee: There will be hotel booking problems for Quebec City because of their celebrations.

Motion passed unanimously.

Barron: Confirm standing bid for 2008 Canadian Junior Championship for Toronto.

Bunning requested a report on the Quebec affiliate's progress.

Oral report by Pierre Denommee: Need to set priorities. Started with French version of CFC's tournament rules. Lack of service in French primary reason why players from Quebec don't join the CFC. Need a website in French. Affiliate is answering questions from players, mostly regarding tournament rules.

Ritchie: Rules are available in French from FIDE. Should discuss joining with FQE.

Moved Ritchie/Haley CFC Executive mandated to review the situation with respect to chess in Quebec and examine possibilities for closer collaboration with FQE.

Denommee: FQE has in its mandate to join FIDE separately from CFC.

Vote: Motion passed unanimously (4 abstentions).

Moved De Kerpel / Thorvardson: Northern Ontario receive permanent status as a 'province' for purposes of the CYCC.

Rutherford: So we don't have to ask for this each year.

Thorvardson: OCA supports this; there is big attendance from this region.

Ritchie: CYCC is an open event, so it is not necessary.

Bunning: Region is active now, but maybe won't be in the future, if Rutherford is ever not around.

Rutherford: Organizing these events keeps me alive.

Motion passed unanimously (2 abstentions).

Rutherford: We have 15 outstanding unrated events dating back to October 26, 2006.

De Kerpel: I will review unrated events with the ED and the Business Office.

Barron: Need to set priorities for the Business Office.

Bond: Executive will do this.

(XX) Done.

(XXI) Annual Meeting traditionally held at the site of the next Canadian Open Championship. As this event has not yet been awarded, the meeting site is to be determined.

(XXII)

Moved by Palsson to raise annual adult CFC dues from \$36 to \$40.

Barron: Chess first, not money first; don't milk the players.

Thorvardson: Executive should review membership numbers, fees. May need to raise or lower some fees.

Ritchie: Agree with Barry Thorvardson. Need more value for money; haven't seen this lately. Focus on increasing the number of members, then improving service, then fees

can go up.

Killi: First time applicants for membership - should look into lower initial fees.

Bunning: Big challenge to get a new member to sign up when the fees are high, but high turnover means we only have one chance to take in the person's money. We can't afford to limit our revenues from members. Electronic magazine would save money, e.g., only one printed copy per year.

Bond: Motion was not seconded. Executive will examine the issue.

Barron: Is a review of cheque deposits (undeposited cheques) needed?

Bond: De Kerpel will look into the matter on an ongoing basis.

(XXIII) None.

(XXIV) None.

(XXV) Adjournment.

Moved Palsson/Smith meeting be adjourned. Motion passed unanimously.

Annual Meeting concluded around noon.

This report was sponsored by the Marriott Hotel, which provided the pen; and Bob Armstrong, who provided the paper.

(end of the AGM minutes)

RESULTS OF VOTING: Please refer to the AGM minutes and the Secretary's summary.

MOTIONS FOR FIRST DISCUSSION:

Motion 2008-01: Moved (*Pierre Dénommée / Lyle Craver*) That the CFC Handbook Tournament Rules section be replaced as per Appendix 1 (see below)

(Editorial note: Given a version of this motion has already been defeated it is desired by the mover that this motion be broken into 10 sections to allow Governors to vote for the entire motion or whatever portion of the sub-motions as each Governor deems fit. These are as follows:)

Motion 2008-01a: Article 1	(Administrative Rules)
Motion 2008-01b: Article 2.1 to 2.26	(Additional Rules for Tournament Play)
Motion 2008-01c: Article 2.27 to 2.29	(Regulations re Clocks and Time Controls)
Motion 2008-01d: Article 3	(Exceptions to the Normal Rules)
Motion 2008-01e: Article 4	(Unsportsmanlike Conduct)
Motion 2008-01f: Article 5	(Appeals)
Motion 2008-01g: Article 6	(Interior Rules)
Motion 2008-01h: Article 7	(Players' Code of Conduct)
Motion 2008-01i: Article 8	(Penalties Imposed by the Arbiter)

Motion 2008-01j: Article 9

(FIDE Standards for Digital Chess Clocks)

The motion has been defeated and those who voted against have requested that the motion be split and reintroduced.

The Tournament Rules used to be in Section 3 of the Handbook but they have been removed without authorisation when we have updated to the new FIDE Laws of Chess (fortunately, I still do have a copy of the original text). A 1977 text is no longer adapted to the 2007 rules, especially the digital clocks. There was a rule stating that if Black is absent, white can start Black's clock without making a move. By doing that on most digital clocks, the clock will believe that the player who is actually playing black has the white pieces because his clock has been started first. Consequently, the clock flag may fail to perform properly at move 40. Furthermore, Black is expected to start White's clock when he arrives without playing a move, the clock will have been pressed twice without playing a move, adding 30 seconds to each player and fooling the move counter that the clock is relying upon to determine if the player has played the required number of moves in the allotted time. The only way to keep White move secret that is compatible with digital clocks is to start White clock and for White to seal his move in an envelope, to start Black's clock and to give the envelope to the arbiter

Motion 2008-02 (Patrick McDonald / Chris Mallon) To approve the development of a new CFC website and automated ratings system as shown in appendix. Exact dates may be negotiated by the new CFC Executive for cash flow purposes. *(This is the re-introduction of motion 2007-12 originally moved by Chris Mallon)*

Motion 2008-03 (Lyle Craver / Bob Gillanders) That Handbook paragraph 1206 (b) dealing with the Canadian Olympic team be amended to read:

(b) National Team: The National Team shall consist of FIVE players, as follows:

- (i) The Canadian Champion, as of 180 days before the start of the Olympiad.
- (ii) The TWO highest rated players on the Selection Rating list.
- (iii) Two players decided upon by the Selection Committee.

Rationale: this motion is intended to bring the CFC into alignment with FIDE which has mandated 5 player teams for the 2008 Dresden Olympiad (Note: the capitalized words original read 'six' and 'three' respectively)

Motion 2008-04 (Lyle Craver / Bob Gillanders) That Handbook paragraph 340(b) be deleted. This paragraph reads:

“(b) If the Executive Director submits a Governors Letter to the President for approval and does not receive a revised Governors Letter from the President, or approval, within three weeks, then the Executive Director does have de facto approval, and must send out the Governors Letter. [ref: Motion 89-17; GL, September 1988, p. 1-30 of Appendix B]”

Lyle Craver: The reason I am seeking deletion of this paragraph is that it is not in keeping with the current method of producing the Governors' Letter. Specifically: (a) the GL is produced by the CFC Secretary, not the Executive Director and more importantly (b) this paragraph is inconsistent with producing the Governors' Letter on a monthly basis as mandated by motion 2005-11 which is not in the list of consolidated motions in section 3 of the Handbook but was passed in GL#5 of 2004-2005.

General Comments from Governors: none received

Motions for Final Vote:

none

Motions for Second Discussion:

none

Motions for First Discussion:

Motion 2008-01 – CFC tournament rules

Please note that your comments on any or all sections are most welcome

Motion 2008-02 – CFC Web Site

Motion 2008-03 – Olympic Team (reduction from six to five players)

Motion 2008-04 – Governors' Letter

Deadline for submissions to GL#2 is Friday August 24, 2007
Responses may be mailed, faxed or E-mailed to the Chess Federation of
Canada, E-1 2212 Gladwin Crescent, Ottawa, ON, K1B 5N1
fax: 613-733-5209, E-Mail: info@chess.ca