

SPECIAL BOARD MEETING 1/21/12 MINUTES

Meeting called to order at: 5:11 pm

Members present:

Andy Okun: present

Gordon Castanza: present

Jie Li: present

Lisa Scott: present

Daniel Smith: present

Chuck Robbins: present

Paul Celmer: present

Allan Abramson (President): present

Jie: We are here because at last meeting we approved a policy to tap foreign prizes of strong players. Incidentally the information given by the VP International Relations was not as accurate as we would like it to be, especially with regard to EGF. That is the first point.

Gordon: When this tap proposal first came about, one of the arguments that was used in support was that other countries were doing this. And that I remember at the time of that board meeting I pointed out that the China Qi Yuan was nothing like the AGA. The China Qi Yuan is a government department and receives a large subsidy from the Chinese government. Just because other countries do something does that mean we should be doing it as well. For example, practice of China Qi Yuan is very different than what we do in the US. We were not given accurate or complete information about the China Qi Yuan. The information given by our International Liaison was not as accurate as it could have been. EGF clarified that it does not have such a policy of TAP. Thomas did say that in China a TAP is imposed on international tournaments, but not domestically. What the China Qi Yuan collects as a TAP is a tax. It is not used for general funding purposes. It is like an "income tax."

Andy O: The question of whether TAPs apply to domestic tournaments: in Korea, the TAP doesn't apply to domestic tournaments.

Chuck: The Nihon Ki-in applies a TAP too.

AO: In Japan the NK takes a percentage off the top for indirect costs, then NK will run the tournament, then prizes are given.

J: The NK has a large staff, we do not. The AGA is not like the NK because we do not have a large staff and a large center.

Lisa: We don't have a large overhead now, but I don't like the idea of relying on sponsorship.

Chuck: with no money we will never have a full-time staff.

J: We do need the money, but not sure the money should come from the strong players. Instead it should come from fund-raising. The efforts of Feng Yun and the strong players should also be recognized as a value added to the AGA. Going over-seas for us is not just a vacation, we/they have to take time off work and give up earning income. Two weeks

away from job. I lost money. Feng Yun, she lost money too. I recognize volunteer effort, but you should recognize the effort of the strong players and the pros and time we spend and the effort we spend for the AGA.

G: When I participated in three international events, each of which cost me in excess of \$30,000, I, and every other participant obtained their own sponsorship. They did not get any support at all from the organization running the events.

AO: Are you referring to the sled races?

G: Yes, the Iditarod Trail Sled Dog Race, which is an international competition with 70 or more participants each year. The way that the Iditarod Trail Committee supports itself is not only from entry fees but also from major corporate sponsors. The AGA should do the same thing. At least twice in the last 6 years I proposed that the AGA hire a professional fund raiser. The first time Roy Laird pooh-pooed the idea saying that no one in their right mind would do it without a salary. At that time I told him that an organization that I belong to has a professional fund raiser who is very happy to work on a percentage of the funds he brings to the organization. His name is Greg Bill. Furthermore, I do not know of any go player who is above putting on a bake sale to raise funds.

Daniel: We need more than just baking cookies.

G: Yes, and that is why I am suggesting a professional fund raiser. We have a committee now which is working on obtaining corporate sponsorship, but, frankly, I am getting sick and tired of getting phone calls asking me to talk to Bill Gates.

L: But we don't have the history of the Iditarod.

G: the AGA has been around for what, over 70 years, but the Iditarod has only been around for 39 years. If the Iditarod can get corporate sponsorship, so can the AGA; it just needs to get a professional fund raiser. If we want to keep being volunteer org, we'll be backwater. Need professional.

G: Not that Thomas was wrong, but the assertion was made that because other countries impose a tap, we should be doing the same thing. There's a discrepancy.

J: Another inconsistent point. There is no TAP on domestic tournaments. The Chinese tap is 40-55%, but the China Qi Yuan is government branch, a government agency that regulates games, so the tap is a governmental tax. It is not used for the purpose of funding activity. Our purpose is general funding.

G: If AGA believes it adds value to our players playing in international tournaments, the first thing is that the foreign country that is the venue it takes off the top a tax on those winnings and then the second thing is that the US will take a tax. The TAP would be a third level of tax. The Asian Associations are doing away with the cash prize part of it,

J: More and more foreign tournaments are turning to an "open" model, in other words no prizes until players get into the finals. The players participating would be paying out of pocket expenses. The Ozahas stopped already. The Ing Cup and perhaps the Chun Lun Cup maybe the only foreign tournaments that will still pay prizes. But all other tournaments have already done away with the expense paid model.

AO doesn't that make our proposal moot at this time?

JL: Maybe.

L: TAP would come after "reasonable expenses."

D: Perhaps we won't assess a TAP if the prize money is below \$3000 to account for expenses.

D: But government provides substantial funding to China Qiyuan, correct.

Allan Abramson: Thomas did not say EGF was recurring TAP.

D: That was our misunderstanding.

AO: With regard to whether or not there is a tap on domestic earnings, it isn't meaningful because the association sets the prizes after taking a share.

C: Nihon Ki-in does take tap because the sponsors specify the prize amounts.

J: AGA is not like Nihon Ki-in. No staff or big center.

AO: But we are not proposing to do what chuck just described.

L: We don't have these services now, but putting the policy in place gives us a basis to promote the game.

C: With no money we'll never have full time staff. Volunteers need to earn a living.

J: I concur with Lisa we need money to develop. But I don't think we should get the money from the strong players. We have other ways of raising money, such as fundraising. Instead of having arbitrary tax to collect the money from the strong players.

AA: More comments in favor than opposed. I am circulating a digest of comments.

G: I wanted to make clear that I was reporting the 70 members of the Tacoma Go Club, not me individually as Allan seemed to present it.

AA: Digest to go in EJ tomorrow. No overwhelming consensus in one direction. If it stays this way, I'm not sure it is wise to proceed. There are fundamental arguments: 1. AGA exists and its international recognition presents opportunities for pros and strong amateurs. Con: this looks like we're desperate for money. There are other sources of income: credit card, sponsorship, why upset strong players? There's a certain element when you talk about the AGA creating opportunities, it's a value judgment about participating in a community. If we certify pros they should be giving something back. It's a very small amount, but if there is success in producing sponsorships there might be more funds forthcoming.

AO: That was my thought in suggesting having a very high floor of total earnings per player. Is the AGA bringing any value to this enterprise at all? The tournaments we're involved in does involve the AGA doing work, and adds value to the community. In terms of volunteer hours even if the AGA only gets invitations because it is there, we still have a lot of people putting together the qualifying tournaments.

G: Another point is that the administration of the tap would be unnecessarily complicated. Date and time of currency transaction. Who's paying and what if they don't pay. Very hard if not impossible to impose a TAP. Three levels of taxation, foreign, domestic, then AGA. Andy, at the September board meeting when you were asked what would happen if someone did not want to pay the TAP, you said ". . . administratively, it would be part of the rules of US professional certification that they participate in the system. For other professionals, if they are paid a check and do not pay the AGA their share, they would be excluded from future competition. We would not pay for lawyers to pursue payment if someone refused to pay." On what authority did you base this assertion? Nothing exists in the by-laws that permit the neither AGA nor the Chairman of the Board to do this. Is this another instance of the Chair of the Board asserting authority over the President? Or would it be left up to the President to impose this penalty?

AO: There was no assertion of authority. I was discussing a potential policy that had not been created yet.

C: Assessment of penalties against refuser: Don't get to go to next tournament.

AA: Not a big admin burden. Policy could be signed as part of tournament rules. I don't think they're particularly difficult.

G: Are you speaking just for yourself as the current President, or are you suggesting that all future presidents be bound by your assessment that the administration of the TAP would not be an additional administrative burden? I

G: But it is the next president who is going to do that burden.

L: But Allan can make assessment, I trust him to do that.

AA: Thank you Lisa.

D: Jie's argument about losing money is best argument I've heard.

G: Will encourage North American pros to flee the AGA. Could go to CGA which doesn't TAP.

L: If they're going to not live in Canada, it is an issue.

AA: I'd say the question is whether pros would leave AGA and try to resuscitate the pro only org.

G: AGA has given tacit recognition of AGPA in the past, when Jujo and Jimmy Cha.

L: History?

AA: The AGPA was formed a long time ago, run by Korean related players. The pros split across the country, 3 groups not liking or wanting to deal with each other. It has been essentially out of business for years, with no formal activity.

J: I think this board has taken position anti-strong players and anti-pros, they are very important. If the board wants to continue down this road, that is the board's choice.

AA: Comment period ends in two weeks. Let's see where we are.

Daniel moved to adjourn

Chuck seconded.

Meeting was adjourned at 6:17pm PST.