

CHESS FEDERATION OF CANADA

GOVERNORS' LETTER ONE

2002-2003



**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 for the next Governors' Letter is Friday, September 20th, 2002
To :info@chess.ca

PRESIDENT'S MESSAGE

Dear Governor,

Thank you for entrusting me with the Presidency of the CFC at the Annual Meeting in Montreal.

While working on CFC affairs during the next year I will address the items I had listed on my platform specifically and in general terms, will work along the lines that are included in my Question and Answer e-mails. So really speaking, there should not be any surprises.

Your Executive is now working on the following priorities:

- 1, Raising Funds for the 2002 and 2004 National and Women Olympic Teams.
- 2, Arrange the composition of the National and Women Olympic Teams for 2002.
- 3, Get the Governors Letter onto a monthly basis.
- 4, Get the details worked out for our participation in the 2002 WYCC.

During the upcoming year, if you have any suggestions or questions regarding our plans or programs, either from yourself or from one of your constituents, please write to us, or we will gladly answer.

All the best.
Peter Stockhausen
President
CFC

FIDE Representative's Message

Gentlemen:

It is an honor to be elected Zonal President and FIDE representative for the CFC. The Zonal President represents, to the best of his ability, the interests of FIDE within the Zone and those of the Zone within FIDE. The FIDE representative's role is similar, though while this person has the vote in the General Assembly, the Zonal President is invited to more Committee meetings and has more say in developing policy.

My goal is to represent Canada as best I can ensure that policies and procedures that best suit our Country are heard and discussed to promote a positive outcome. In that regard I will attend the Committee meetings and the General Assembly meetings in Bled, Slovenia this November.

One of the important matters for discussion this year is the issue over the Continent of the Americas. At present the Continental section of FIDE recognizes four Continents, Asia, Africa, Europe, and then North and South America as one. The United States are proposing that North and South America be made two continents. I believe that the CFC should strongly support this proposal. It is my understanding that most of the Americas Continental meetings are held in South America usually in Spanish with little English interpretation. Also, the time and expense of travel are quite substantial. I feel that most people would think of North and South America as two quite distinct and separate parts of the world. So this should be an interesting discussion. Also this year there could be a Presidential and Executive election. It remains to be seen whether anyone will oppose President Ilyumzhinov. I will report back to the Executive and Governors on the important discussions and decisions that were made at these meetings.

Another function of the Zonal President is to support any of our title applications that come before the Committees. This I intend to do.

Then there are the ongoing communications from Fide that are generally sent to the FIDE delegates in each Country. These I will forward to the Executive to ensure that they may be aware of these happenings and recommend action to be taken if needed.

So, representing the CFC to FIDE, FIDE to the CFC, being involved at FIDE meetings, advising on FIDE communications, supporting out title applicants, these I feel are the main functions of the dual positions. I look forward to being involved and thereby contributing my efforts to the benefit of both CFC and FIDE.

Maurice Smith
CFC Zonal President
Fide Representative

KEEPING GOVERNORS INFORMED

2002/2003 Executive as elected at the Annual General Meeting

President: Peter Stockhausen

Vice President: David Cohen elected by acclamation.

Secretary: Fred McKim

Treasurer: to be referred to the new Executive.

FIDE Representative: Maurice Smith

Junior Co-ordinator: Dilip Panjwani.

Master's Rep: vacant

Women's Co-ordinator: Hans Jung elected by acclamation.

Rating Auditor: Alvah Mayo elected by acclamation.

Appointment of Auditors: Brian Watson acclaimed.

Chess Foundation Trustees: There are 5 trustees; 4 with 4-year terms and 1 with a 1-year term. Those with 4-year terms were staggered on a 1-year basis so that 2 positions were open every year. Lynn Stringer (4 years) and John Rutherford (1 year) were elected by acclamation.

Kalev Pugi Fund Trustees: Dilip Panjwani, Lynn Stringer, and Hugh Brodie all three elected by acclamation.

National Appeals Committee: Gordon Taylor, Les Bunning, Hugh Brodie, Fred McKim, Mark Dutton. All five nominees elected by acclamation with the NAC to decide its own chairman.

Presidential Decisions

1) Les Bunning was named CFC Treasurer

2) Lyle Craver named CFC Secretary replacing Fred McKim who had resigned.

3) Kevin Spraggett named Masters' Representative following consultation with masters.

As you all know a motion was passed at the AGM in Montreal that prohibits Girls from competing in the "Open" or "Boys" section of the CYCC. As you also know, I felt that this very important motion did not get our full customary hearing through three Governors Letters and our original intend was to have this motion fully discussed through the next three Governor's Letters.

In the meantime we have been officially advised by Belzberg Technologies that they would be unable to continue to support our Olympic Team if we insisted on maintaining this rule. (This rule, by the way, also runs CONTRARY to FIDE regulations covering the WYCC.)

Therefore I decided to accelerate the process. Via telephone I consulted (a few via e-mail) with as many Governors as I could get a hold off, explaining the issue and to seek their advise, prior to making a decision. The result is as follows:

Voting to Rescind: 32
Abstain 0

Uphold 1

The following were in favor of rescinding: Taylor, Gomboc, Posylek, Stanford, Duff, Sommerfeld, Brodie, Liles, Fleming, Dougherty, Niksic, McMillan, Kirton, Ficzere, Tsui, McKim, Spraggett, Bond, Erickson, Nadeau, Jaeger, Haley, Gebhardt, Farges, Rosner, Divinsky, Craver, Cabanas, Panjwani, Smith, Cohen, Stockhausen.

Voted to uphold: Quiring (Based on parliamentary procedure, not on the merit of the actual motion.)

Based on this result I herewith rescind the Motion at the AGM forbidding girls to play in the boys section of the CYCC.

Peter Stockhausen
President
Chess Federation of Canada

2002 CFC ANNUAL GENERAL MEETING

Minutes for the CFC Annual Meeting at Montreal

Maurice Smith opened the meeting by stating that as the President and Vice-President were both absent the meeting needed a chair. Mr. Smith offered to serve in this capacity and those present agreed with a show of hands.

Smith asked that those with proxies register them with the Secretary.

Governors Present:

Alvah Mayo
John Rutherford
Halldor Palsson
Maurice Smith
Hugh Brodie
Les Bunning
Tony Ficzere
Pascal Charbonneau
Alick Tsui

Proxies: Held By

Ari Mendrinos: Maurice Smith
Hal Bond: Tony Ficzere
Michael Dougherty: Maurice Smith
Fred McKim: Alvah Mayo
Ken Craft: Halldor Palsson
Gordon Taylor: Halldor Palsson
Eric Van Dusen: Halldor Palsson
Tony Cheron: Halldor Palsson
David Gebhardt: Halldor Palsson
Gerald Michaud: Hugh Brodie
David Cohen: Hugh Brodie
Mike Stanford: Hugh Brodie
Lyle Craver: Maurice Smith
Phil Haley: Maurice Smith
Mark Dutton: Maurice Smith
Kevin Spraggett: Pascal Charbonneau
Neil Sutherland: Pascal Charbonneau

Peter Stockhausen: Hugh Brodie
Neil MacLeod: Tony Ficzere
Wilf Ferner: Maurice Smith
Nathan Divinsky: Secretary
Martin Jaegar: Les Bunning
Caesar Posylek: Secretary
Yves Farges: Secretary

Smith stated that since there were 24 proxies and 9 governors present, anyone with more than three proxies would have to divest themselves of proxies.

Posylek was assigned to Ellen Nadeau
Divinsky and Farges were assigned to Mayo
Michaud was assigned to Charbonneau
Ferner was assigned to Tsui
Dusen and Taylor were assigned to Bunning
Dougherty was assigned to Ficzere
Craver was assigned to Rutherford

Smith announced that, as the CFC Secretary was absent from the meeting Alvah Mayo would act as Secretary. Smith asked for a motion to accept the minutes of the 2001 CFC Annual Meeting. Halldor Palsson moved that the minutes be accepted (seconded by Les Bunning) and the motion was carried unanimously. John Rutherford brought up three unfulfilled motions from the 2001 AGM that had not been carried out. It was agreed that these would be dealt with later.

Reports: Smith informed the meeting that there was no President's report this year with the reason given that Dale Kirton's computer was down. Smith added that there was no Vice-President's report this year; a message had been received from Ken Craft stating that he would not be submitting a report. Maurice read the Past President's report Smith. Hugh Brodie asked wasn't the OCA already an affiliate? Smith replied this affiliation agreement was a special agreement. To avoid conflicts the CFC won't advertise conflicting tournaments. Martin Jaegar had wanted the CFC to refuse to rate the events as well, we did not agree. Brodie asked what is Dutton's status? Smith replied that if the Ontario Open is in Toronto the agreement would serve to discourage conflicting events in Toronto. Les Bunning asked why couldn't we have conflict; the NBIO got killed. Why can't we refuse to rate an event? Smith replied that this would hurt the integrity of the rating system. Bunning suggested that perhaps we should move to other business and discuss this later. Palsson pointed out that we rate all events. Rutherford pointed out the lack of south Ontario presence at the last Ontario Open.

Smith asked for comments on Fred McKim's Secretary's report. Nadeau asked what is the object of the TD Committee? Smith replied that we would like to have a TD test. We had one some time ago but not anymore. Charbonneau asked if that meant anyone could claim to be a TD as it now stands. Palsson said that the old TD program was suspended in 1992 or 1994 for a one-year study. Smith mentioned that McKim was trying to set up a committee to redress this. Charbonneau suggested we develop testing on the Internet which shouldn't be too hard to set up. Bunning said that committees don't work; originally we borrowed the USCF exam so why not do so again?

FIDE Rep: Hugh Brodie asked if anyone heard any follow up on the recent Kasparov news conference in Montreal? Smith replied that he hadn't heard. Bunning asked if the CFC was involved. Smith replied that to his knowledge we were not. Haley kept us up to date on FIDE. Charbonneau said that one reason it is hard to get information is that Kasparov tends to be secretive; the proposed event depends on sponsorship funding. The promoters of the press conference and the FQE made mistakes. Smith suggested going over the Treasurer and Auditor reports after the other reports.

Rating Auditor: Charbonneau asked about the simul events held by Tom O'Donnell. Mayo replied that after examining the rules he had ruled in favor of rating the events. Smith stated that the Executive decided effective July 2002 that simultaneous events were not rateable.

Alick Tsui asked why there was no Junior report this year. Smith said that Bryan Lamb is President of the Scarborough Chess Club, on the GTCL board, running scholastic events. The SCC moved, he was at Teacher's College and so had no time.

Women's Report: Smith mentioned the existence of a second report written by David Cohen. Charbonneau asked what is the current status of the Olympic team. Smith replied it will be decided by the incoming Executive. Palsson said we need to raise four to five thousand dollars to send it.

Master's Report: Palsson asked Smith if he was involved in the Belzberg negotiations. Smith replied he was not. Smith said Kevin Spraggett had sent an email where he said he was fairly positive Belzberg would sponsor again but nothing was finalized. Palsson said last time if Kirton was replaced as team captain Spraggett wouldn't play so Belzberg acquiesced. Also, Kevin said not to commit for a second Olympiad since we might get a better deal, which was not good. Now dot.coms have been affected including Belzberg. Charbonneau said that when sponsors come along we should make them happy. We can make do with any captain. Yan Teplitsky and Ron Livshits decided not to play. It wasn't necessary to go through trouble. Ellen Nadeau asked what is the role of the captain. Charbonneau replied that the captain chooses who plays, has to wake up early and gets the pairings. Charbonneau asked what is the Master's rep. Smith said that it was a liaison to the Executive. Charbonneau asked if there were any obligations. Bunning stated that the Master's rep is a voice for the masters in the Governors. Mayo pointed out that since no Master's rep had been elected at the last Canadian Closed the position was vacant because the President hadn't yet made an appointment. Smith said it will be on the agenda for the new executive to pick the Master's rep. There was no election in Brantford either.

Finance: Smith comments: The CFC lost \$33 000 this year which is the biggest loss ever with Smith on the Executive. There were accounting problems in the office which left the Executive unaware of the problems for a while. The monthly reports were showing losses. Litchfield said the bank statements were not reconciled since May 2001. Smith spoke with Kirton who suggested an audit. Watson had a bookkeeper come in. Serge Archambault was upset and hostile; the bookkeeper said she couldn't work in that environment. A second bookkeeper found eighty errors. Accounting procedures were all wrong and the income statements were wrong. The accounting was horrendous; Archambault said just forget the mistakes, it's not important. The Executive also played a part since they didn't have a handle on expenses. Smith made out a budget and sent it to Lyle Craver and Archambault. Craver didn't reply. Smith expected a reply from the Executive; there was no response period! The President and the Executive seemed to be waiting for each other to make a decision. An example of this was a letter from someone in the U.S which said his son was a Canadian citizen so could he play in the CYCC.

There was no Executive reply other than Smith. There was no real control over expenses. The President approved some travel expenses for Serge to Capelles. The President is reimbursed for reasonable expenses; this President claimed more expenses than Smith did as President.

Les Bunning asked what was the current signing authority setup for the CFC. Gerry Litchfield explained that the Executive Director, President, Past President and Treasurer all had signing authority; two of the four signatures were required. Smith said there was no evidence of fraud but there was incompetence. Bunning asked if there ever was an

official reply to the American enquiry. Rutherford said Archambault had personal conflicts and we will need to work to get some people back. Mayo asked if any attempt had been made to recoup overpayments listed in the reports? Smith replied that this would be more trouble than it was worth. The revenues are not bad so such a deficit is upsetting. Palsson said he was shocked by the reports. As President, Smith would agonize over expenditures of a few hundred dollars, obviously these expenses weren't given the same scrutiny. We can't afford all these extra expenses. Smith suggested that the meeting adjourn for lunch and return at 1 p.m. Meeting adjourned.

Smith called the meeting back to order. Palsson mentioned that this is a review letter and not an auditor's report. Smith replied that we used to get our audit for free. Then we had the services of Michael Yip who was a friend of Troy Vail which is a big no-no when it comes to audits. Now we have a Chartered Accountant. A full audit would cost four to five thousand dollars so we used a review engagement instead. Not every receipt or document is looked at but it is the next best thing. Palsson asked if this meets the requirements in force for the CFC. Smith said that it did. Bunning said that was doubtful but it doesn't matter really, Doug Burgess used to say it was just about checking certain procedures. Mayo asked if there was any way to stop such cost overruns in the future through heightened scrutiny or oversight. Smith replied that when the Executive Director and Executive don't do their jobs, this is what happens. Charbonneau said it seemed inappropriate that one man can have such a negative impact. Smith replied that the office usually feels alone and isolated; email and phone calls are not substitutes for face to face contact. The Executive Director has and has to have lots of authority. We have to rely on him. So, an Ottawa governor on the Executive helps both with oversight and to give support. Motion to accept the Auditor's report (Mayo/Brodie) was carried unanimously.

Office Manager: Litchfield said we sent CYCC medals and some provinces didn't send us the money. Mayo asked what the circumstances were regarding Nova Scotia. Litchfield replied that the organizers in Nova Scotia said the money was sent but that the office hadn't received it. Litchfield said he wasn't sure if the Executive had accepted the budget yet; Watson does not endorse the figures. Paul Goss came in to the office to look at the database and there are problems on the horizon. Litchfield found 150+ duplicate players and cleaned them out of CFC records. The second floor is a mess. Smith said we can deal with the provinces on the matter of the owed money. Litchfield said he contacted Dale Kirton to get in touch with Manitoba governors. Bunning mentioned that GST is not listed. Litchfield replied that it is under current liabilities. Bunning said he brought it up because we have personal liability as directors for unpaid GST. Has the problem been fixed? Litchfield said he was not sure; GST is not part of revenue. Palsson asked are we going to increase sales by twenty thousand dollars. Referring to the draft budget, in 2001 we had \$200 000 in sales minus the \$20 000 to Yip. Litchfield said the next fiscal year is budgeted for \$200 000. Bunning asked about getting Troy Vail to fix the database. Brodie mentioned that since we are not sure how many players are involved in the CYCC qualifiers so we don't know how much money is owed. Do we have any up to date membership statistics? Litchfield said he will make a report of it and include it in the next Governor's Letter. Tsui said that the CYCC had a venue problem and the Junior Co-ordinator was not there. Smith suggested we revisit that issue later. Mayo asked if the office staff was swamped. Litchfield said yes we were but it is improving recently with part time help.

Chess Foundation: Smith said that Lynn Stringer runs it and there are usually four trustees. He talked with Lynn after becoming a trustee and she seemed pleased to have someone to work with. Smith said there is good news here as in 1995 we had \$86 000 and now we have \$138 000. The Toronto Building Fund was stagnated so they dissolved it and gave it to the Chess Foundation. Smith felt interest rates are going up in the future so he advised not to commit too much money now. Nadeau asked where does the Foundation money go. Smith said it stays forever in the Foundation and the CFC gets the

interest. Bunning asked where did the Toronto Building Fund come from, what are the tax implications or benefits to donors. Smith said that it came from donations and from percentages taken from entry fees in Toronto area tournaments. The practice was stopped by Mark Dutton and was ratified by the GTCL. Bunning asked if they could not have used the TBF for other things. Smith replied that the idea had been rejected because to hold another Toronto International the money would go to foreign GM's. Bunning suggested that we should formally thank the Toronto Building Fund and Lynn Stringer.

Pugi: Smith mentioned there was no set report.

NAC: Brodie mentioned there was an appeal from the last CYCC with many pairing complaints. Tsui said he never received a copy of the decision. Brodie said he would send a copy to Tsui.

CCCA: Smith said there was no report. He never heard back from Manuel Migcovsky and doesn't know if they exist anymore. Palsson said the CCCA does exist and that there is still fighting over the dispute from when Troy Vail stopped the discount to CCCA members.

CYCC: Smith said he heard both good and bad. Richard Berube said it was a nice tournament at McGill. The only problem was that it was not easy to find playing rooms so we needed a university residence and McGill is less expensive. The playing site was near the residence with a nice view. There were parking problems but people staying at the residences had no problems; the others had parking three minutes walk away. The air conditioning was good and the light was ok. Seven rounds instead of eight rounds would have been preferred so as to leave time for an awards ceremony. Serge had promised help as an arbiter and to bring others to help out. They had two arbiters one of whom was sick. There were more people than expected. Parents want to stay near kids during the event.

Tournaments in Quebec aren't like that that but they managed. Smith said the facility was excellent with panoramic windows. Parents said they liked it and were in the next room. The air conditioning was fine as was the light. There were two problems: 1. The CFC didn't do an opening or closing ceremony and both the Junior Co-ordinator and President weren't there, 2. The age groups were joined together in some cases and some parents were upset. Berube explained that they wanted to make sure their methods were accepted by the CFC and they didn't have a clear set of rules on hand so the organizers said let the CFC decide. They contacted Gerry Litchfield who made some suggestions. Because of numbers such as only 2 girls in the under 18 they combined some sections. Two girls played with the boys. If a girl registered in a certain section then she had to qualify to the WYCC from there. There were people calling all the time before the tournament to find out what the rules were. Smith said he thought there would be separate sections if there were enough girls and if there were not enough girls they would play with the boys. Nadeau said that the younger groups had 11 and 13 year olds in them in some cases which was a wide disparity in age. Berube said that it would be impossible to run an 8 round Swiss with only 11 players and that parents complain even if someone with 2 plays someone with 1.5. Nadeau said communication at the CYCC was a problem. People had been told that in the last two rounds players would play within their own group and this didn't happen. Charbonneau said that we need set rules. One option for the girls is that if you have fewer than ten players reduce the number of rounds or even make it a round robin. Nadeau said that would cause difficulties for families with players in different age groups as far as planning and travel. Tsui said the CYCC had no separate waiting area. Noises from the cafeteria disturbed the players during games. The site should be geared to youngsters with activities available after the games are done. The results should be posted on the web. Charbonneau said that in the U.S scholastic events parents were never allowed in the room. Berube said that parents here stayed with their kids especially those under 10 and 12. Rutherford said he had already changed the dates for next year's

CYCC. He had a map of the age groups listing them as 10 and 11 not under 12, etc. Pascal said there were lots to do for kids around the CYCC site but a pamphlet to tell people how to find it would have been useful. Smith asked why the CYCC had no web site. Berube said that the FQE site had results. The arbiter present preferred manual pairings to computer pairings, which means the time consuming entering of results on a web page by hand. It was a mistake not to have a day between the Canadian Open and the CYCC. Berube mentioned next year there will be a conflict between the Quebec and Canadian Opens.

Smith presented motions for consideration by the governors. Smith said he asked Peter McKillop why not run for the Executive. McKillop's reply was that he would be too busy in the next year or two due to business activities. Smith said David Gephardt is a friend of his; Gephardt told him he didn't expect his motions to pass but they wanted to provoke discussions.

Smith ruled 02-03 out of order. Smith said we don't need a motion to do this. He will suggest to Gephardt to put something in the GL about the tournament and format and urge organizers to bid.

02-04 Palsson had an amendment from Gephardt. Gephardt votes no on the original motion since EP publication is impractical. The new motion amends to publishing the information on the CFC web site. Bunning raised a point of order that a constitutional amendment needs 30 days notice and it is now unclear that we even have a seconded. Smith ruled the motion out of order.

02-05 Palsson said we have the same objection here. Nadeau said the movers are asking for notification and agrees with this principle; does anyone disagree? Bunning said he did. Sometimes the defeated candidate for President becomes Vice President and under this rule he would not have entered on time. Also, a person could be re-elected before information relevant to their candidacy came out. Charbonneau said we can't have people being acclaimed before the meeting. Palsson said we railroad those who are busy into serving. Kirton lives on the fringe and has no formal qualifications but Palsson thought there were enough solid people on the Executive to avoid problems. At this point Stephane Beaudoin entered the meeting and received Francisco Cabanas' proxy.

02-06 Smith read the two comments in the GL from Stockhausen and Dutton. Bunning said it should be up to the Executive each year. The motion was voted on: Yes 11 No 18 Abstentions 4. Motion failed.

02-07: Palsson said that June 30 is two months after the year's end. Smith said that this year problems delayed it. Bunning said there were no sanctions provided for cases if you don't do it, it was a motherhood statement. The motion was voted on. Yes 11 No 15 Abstentions 7. Motion failed.

02-07: Comments from the GL were read by Smith. The motion was voted on. Yes 13 No 14 Abstentions 6.

02-04 Discussion from Gephardt stated the editor must adhere to space restrictions so recommends voting against this impractical motion.

Rutherford Motions: First: Rutherford said we need another incentive to send tournaments to the CFC. The events in Northern Ontario are in a sparse location with large numbers of players. There is no objection from the OCA president to having two more Governors. Craver: please vote no to all Rutherford motions since these are OCA matters. Smith said he has some sympathy but has to rule the motion out of order.

Rutherford said there are 1021 names in Northern Ontario. Smith said perhaps there could be a future motion to give a certain weight to junior members. Palsson said we need membership to be democratic. Rutherford stated the CFC told him they didn't have to be members.

Second: Rutherford/Cohen. Each participating member to get a welcome letter plus one copy of En Passant plus one copy of Scholars Mate from which they can choose. Charbonneau said it can't be good to give out a non-CFC junior magazine. Rutherford said they don't give personal information to Chess and Maths. Bunning said we used to have a similar deal with Bevand since it was not cost effective to make our own. We support chess and while one may not agree with Chess and Math's they still produce a good magazine. Charbonneau said perhaps we could remove Chess and Math's ads. Smith said he felt slightly dubious to deal with a direct competitor. Rutherford brought up the XXXX designation, which Litchfield promised to correct for August. Bunning moves an amendment to defer the issue raised by the motion to the Executive, seconded by Ficzere. Rutherford said he didn't want to lose the interest of the juniors. Amended motion voted on. Yes 28 No 5 Abstentions 1. Amended motion carried.

Third: CYCC. Palsson said the CYCC was meant to replicate the WYCC so we have to keep close to FIDE. Rutherford said the parents like it. Nadeau said other tournaments are available for strong juniors so why not have one event Closed. Palsson said the World Junior is for future GM's. Rutherford said we are trying to find the strongest in each age group. Smith agreed. Charbonneau said that we used to have the Cadet and Junior Championships at different times so a 15 year old playing in both was possible. With the CYCC you are expected to play in your own sections. This shouldn't stop the odd exception for someone like a Bluvstein. Brodie agreed with allowing playing up. Bunning moved amendment that the Executive may make exceptions for talented players. Seconded by Taylor. Rutherford said they can play any section at WYCC. Charbonneau said that if two from the same country play in the same section, only one gets their hotel paid for. Smith said an under 12 Kasparov could win the under 18 every year which doesn't seem fair to the other under 18's. Charbonneau said that a 17 year old who couldn't beat a more talented 14 year old doesn't deserve to win. Rutherford said we should keep people in their own age group and spell it out to eliminate problems for the TD and arguments. Smith said his daughter was an athlete and she had to run in her own age group. Rutherford said nationals are so popular because the players stay in their own grades. Amended motion voted on. Yes 30 No 4. Motion passed.

Smith ruled the Gephardt motion to mix sections out of order.

Other Business: Rutherford brought up the three unfulfilled motions from last year's AGM. Bunning/Taylor moved that CFC will not rate or advertise conflicting events in a province upon request from that province. Bunning said nowadays people see chess as a business opportunity. Motion was voted on. Yes 19 No 13 Abstentions 2. Motion carried. Neil Sutherland: Arctic Winter Games; chess could work here. It is held every two to four years. Information is available so let's get moving on chess in the North. Gephardt had a motion that there be a Committee for fundraising and promotion.

Seconded by Mayo. Gephardt: These are important and related. Palsson said we need a lot of fundraising for things like the Olympiad. Motion Gephardt/Mayo voted on. Yes 22 No 0 Abstentions 7. Rutherford moved the meeting be adjourned, seconded by Ficzere.

Meeting adjourned.

4. Reports: (See Appendix)

Incoming Minutes of the AGM

Maurice Smith called the meeting to order and asked that those with proxies bring them to the Secretary for registering.

The following were present for the meeting:

Halldor Palsson
Alvah Mayo
Hugh Brodie
Maurice Smith
Serge Archambault
Stephane Beaudouin
Alick Tsui
Matthew Cooke
Les Bunning
Dilip Panjwani
Pascal Charbonneau
Tony Ficzere
John Rutherford
Roger Greiss
Ellen Nadeau

Proxies: Held By

Anthony Cheron: Halldor Palsson
Neil Frahey: Halldor Palsson
Gordon Taylor: Halldor Palsson
Eric Van Dusen: Halldor Palsson
David Gebhardt: Halldor Palsson
Ken Craft: Halldor Palsson
Lyle Craver: Maurice Smith
Mike Stanford: Pascal Charbonneau
Cecil Rosner: Pascal Charbonneau
Peter Stockhausen: Hugh Brodie
David Cohen: Hugh Brodie
Martin Jaegar: Les Bunning
Fred McKim: Alvah Mayo
Yves Farges: Secretary
Nathan Divinsky: Secretary
Gilbert Sommerfield: Pascal Charbonneau
Neil Sutherland: Pascal Charbonneau
Kevin Spraggett: Pascal Charbonneau
Mark Dutton: Maurice Smith
Michael Dougherty: Maurice Smith
Ari Mendrinos: Maurice Smith
Phil Haley: Maurice Smith
Hal Bond: Tony Ficzere
Neil MacLeod: Tony Ficzere
John Erickson: Tony Ficzere
Francisco Cabanas: Stephane Beaudouin
Cesar Posylek: Ellen Nadeau

Since there were 11 governors present and 27 proxies, Smith informed the meeting that no one could hold more than 3 proxies.

Halldor Palsson gave Frahey to Panjwani, Gebhardt to Bunning and Taylor to Bunning.

Maurice Smith gave Craver to Cooke and Dougherty to Tsui.

Pascal Charbonneau gave Stanford to Cooke and Rosner to Brodie.

The Secretary gave Farges to Greiss and Divinsky to Rutherford.

Smith brought up unfinished business from the meeting of the Incoming Governors. Smith said David Cohen had sent in a Women's report and on second thought we will include his report in the Governor's Letter. Rutherford asked if a letter he had could also be included in the GL. Mayo suggested that Rutherford give the letter to Ellen Nadeau who could include it in her submission as a Governor. Mayo asked if the speakerphone for Stockhausen's conference call to the meeting was installed. Smith informed Mayo that some problems had made this unfeasible.

New Business: Smith informed the meeting that the incumbent Governor for the Northwest Territories is Neil Sutherland. Pascal Charbonneau nominated Neil Sutherland for Governor. No other nominations were presented. Smith declared nominations closed and Sutherland elected by acclamation. No one present knew of any CFC members from Nunavut so Smith declared the Governor position vacant. Smith announced that Quebec is entitled to three Governors. The three incumbents were Hugh Brodie, Gerald Michaud and Eric Van Dusen. Smith called for nominations. Palsson nominated Hugh Brodie, Ficzere nominated Stephane Beaudouin and Charbonneau nominated Marc Ghannoum. Smith declared nominations closed. Brodie agreed to stand, as did Beaudouin. Charbonneau vouched for Ghannoum's willingness to serve. Smith declared the nominees to be elected. Smith said that the Governor for Yukon was still vacant and that Jim Winberg and Bob Bowerman had both indicated they were not interested in filling the vacancy. No nominations were presented and Smith declared the position vacant.

Smith announced that we were ready for the election of Officers.

President: Brodie: Rosner nominates Peter Stockhausen. Bunning nominated Halldor Palsson. Nominations were declared closed. Palsson agreed to stand. It was agreed that Stockhausen was obviously willing to stand. The election was conducted by secret ballot with votes counted by Alvah Mayo and witnessed by Ellen Nadeau. The results were Stockhausen 21, Palsson 16. Smith declared Stockhausen elected.

Vice President: Brodie: Stockhausen nominates Les Bunning. Les Bunning declined the nomination. Bunning nominated Palsson. Nadeau: Posylek nominates David Cohen. Smith declared nominations closed. Palsson stated he would not stand for election. Smith declared Cohen elected by acclamation. Smith said that since neither the President nor the Vice President was in attendance that it was again up to the assembly to decide who would chair the meeting. As there were no objections to Smith continuing, Smith remained as Acting Chair.

Secretary: Brodie: Stockhausen nominates Lyle Craver. Mayo nominates Fred McKim. Smith declared nominations closed. Les Bunning stated that we just had a disastrous year financially. He did not know Lyle Craver personally; Craver was treasurer and while the report indicates he tried maybe he did not try hard enough. Bunning asked Smith if he would like to add any comments. Smith replied that the Chair would remain neutral. The election was conducted by secret ballot. Votes were counted by Alvah Mayo and witnessed by Ellen Nadeau. The results were McKim 27, Craver 9. Smith declared Fred McKim elected.

Treasurer: Rutherford: Divinsky nominates Maurice Smith. Smith declined the nomination. Mayo nominated Tony Ficzere. Smith: Dutton nominates Lyle Craver. Smith declared nominations closed. Tony Ficzere declined his nomination. Smith and Bunning object to Craver's acclamation. Charbonneau agreed that Craver should not be acclaimed. Mayo stated that even though some may not like the result, Craver was elected by acclamation. It was agreed that the matter would be referred to the new Executive.

FIDE Representative: As Smith was planning to run for this position he yielded the Chair to Les Bunning. Brodie: Stockhausen nominates Nathan Divinsky. Nadeau: Posylek nominates Maurice Smith. Smith accepted his nomination. It was agreed that Divinsky was willing to run. Bunning declared nominations closed. The election was conducted by secret ballot. Votes were counted by Alvah Mayo and witnessed by Ellen Nadeau. The results were Smith 22, Divinsky 15. Bunning relinquished the Chair back to Smith.

Junior Co-ordinator: Palsson nominated Dilip Panjwani. Panjwani accepted his nomination. Mayo nominated Mike Stanford who was willing to serve. Alick Tsui nominated Matthew Cooke. Cooke accepted his nomination. Stephane Beaudouin nominated Pascal Charbonneau. Charbonneau declined his nomination. Nadeau nominated John Rutherford. Rutherford declined his nomination. Mayo: McKim nominates Alick Tsui. Tsui declined his nomination. Bunning objected to Cooke's inclusion since he was too young to serve under the Canadian Corporations Act. Smith declared Cooke ineligible for the election. Smith declared nominations closed. Pascal

Charbonneau said that he had lived in British Columbia for a year now and had gotten to know Mike Stanford. Stanford is about 20 years old, is very active in the chess community and takes his chess seriously. Dilip Panjwani spoke on his own behalf. He received his doctorate at Queen's University and has been passionate about chess since his early days. As a chess parent he understands the needs of parents. He has been in Newfoundland, Nova Scotia and Ontario chess events. If parents are happy then the CFC is happy. Last year was a disaster so he knows what to avoid. Panjwani said that if there were any questions he would be happy to answer them. Pascal Charbonneau asked about the potential for conflict of interest with regard to Dilip's son Raja. Mayo pointed out that the CFC By-Laws include a procedure for cases involving potential conflict of interest and that this situation did not preclude Panjwani from standing for election. Panjwani said he would not let his son's interests interfere with his performance should he be elected and that he does not foresee any problems. The election was conducted by secret ballot. Votes were counted by Alvah Mayo and witnessed by Ellen Nadeau. The results were Panjwani 27, Stanford 10. Smith declared Dilip Panjwani elected.

Master's Rep: Smith announced that since there had been no election at the last Canadian Closed, the appointment would be left to the President.

Women's Co-ordinator: Bunning nominated Hans Jung. Smith declared nominations closed. Smith declared Hans Jung elected by acclamation.

Rating Auditor: Charbonneau nominated Alvah Mayo. Smith declared nominations closed. Smith declared Alvah Mayo elected by acclamation.

Appointment of Auditors: Mayo nominated the Mr. Brian Watson of OUSELEY HANVEY CLIPSHAM DEEP. Smith declared nominations closed. Smith declared Watson acclaimed.

Chess Foundation Trustees: Smith informed the meeting that there were 5 trustees; 4 with 4-year terms and 1 with a 1-year term. Those with 4-year terms were staggered on a 1-year basis so that 2 positions were open every year. Lynn Stringer and John Rutherford were those with the expired terms. Bunning nominated Lynn Stringer for the 4-year term. Smith declared nominations closed. Smith declared Lynn Stringer elected by acclamation. Mayo nominated Les Bunning for the 1-year term. Bunning declined his nomination. Bunning nominated John Rutherford. Rutherford accepted his nomination. Smith declared nominations closed. Smith declared John Rutherford elected by acclamation.

Kalev Pugi: Smith gave a brief synopsis of the purpose for the Kalev Pugi Fund. He listed the outgoing trustees as Bryan Lamb, Robert Webb and Lynn Stringer. Palsson nominated Dilip Panjwani. Panjwani accepted the nomination. Charbonneau nominated Lynn Stringer. Stringer was believed to be willing to serve. Panjwani nominated Halldor Palsson. Palsson declined the nomination. Mayo: McKim nominates Hugh Brodie. Smith declared nominations closed. Smith declared all three candidates elected by acclamation.

NAC: Smith stated that there were 5 members of the National Appeals Committee, namely Gordon Taylor, Lyle Craver, Francisco Cabanas, Hugh Brodie and Martin Jaegar. Palsson nominated Gordon Taylor. Taylor was deemed to be willing to stand. Panjwani nominated Les Bunning. Charbonneau nominated Hugh Brodie. Mayo nominated Fred McKim. Hugh Brodie nominated Mark Dutton. Hugh Brodie and Les Bunning both accepted their nominations. Smith declared nominations closed. Smith declared all five nominees elected by acclamation. Smith announced that the NAC would decide its own chairman.

Bids for 2003/Later: Smith announced that we have accepted the bid from Kapuskasing for the 2003 Canadian Open and CYCC but he would still like to see a presentation from the organizers. As organizer, Mr. Denis Nadeau stood to speak about these events. Kapuskasing is a town of over 10 000 people. Ten years ago the town had to buy the mill and get aggressive to obtain new festivals. In a pamphlet, which was distributed to the assembly, the Mayor of Kapuskasing promised the biggest Nationals ever. The town is working hard. There is a survey to help design a Welcome Center. This would be open from May 1 to the end of July with 1 paid employee and 20-30 volunteers. They have facilities to accommodate parents and kids during the CYCC. They are open to suggestions from the Governors on how to make things even better. There are already some interested GM's. There are some billets available (in particular to dignitaries, GM's and those in need). A T-shirt will be given to every youth since kids like to have a shirt from the tournament.

A discussion about the dates ensued. Bunning suggested a Saturday start date to allow more time for travel. Mr. Nadeau said we should be able to accommodate that. Stephane Beaudouin mentioned a probable date conflict between the event in Kapuskasing and the 2003 Quebec Open. Panjwani suggested that perhaps it would be possible to negotiate and come up with a solution of this problem. Ellen Nadeau stated she was unsure if there would be enough flexibility to change the dates so radically. Bunning suggested the organizers subsidize a bus from Montreal and/or Toronto to Kapuskasing to increase the likelihood of player participation from those cities. Mr. Nadeau agreed to look into it. Palsson suggested some type of package deal like they had in North Bay might be helpful. Mr. Nadeau said he would look into it. Rutherford said we would look into that idea but he didn't want to add organizing bus trips to an already difficult job. Smith said it was critical to attract players from Toronto in order for the event to succeed. Mr. Nadeau said he was working to reduce airfares to Kapuskasing and also working on a travel subsidy for youth players in the CYCC. Charbonneau agreed with Palsson about his suggestion of a package deal. Mr. Nadeau stated that the town office in Kapuskasing would be made available for the 2003 AGM.

Smith announced that as there were no bids presented for the 2003 Canadian Closed the Executive would look into it.

Hugh Brodie mentioned David Cohen's bid for the 2002 Women's Closed. Smith said that the dates proposed were too soon. Bunning said the bid was totally unacceptable. Smith said a 10 player round robin format was unacceptable. Bunning stated that the strongest Women's Closed was run by Hal Bond. Mayo mentioned that such a bid totally ignored players from Atlantic Canada and was clearly designed with only Toronto players in mind. Bunning suggested that the matter of setting up a future Women's Closed be referred to the Women's Co-ordinator. Bunning moved to reject the bid as it was too late; seconded by Palsson. Palsson suggested the bid should be ruled out of order. Smith said that we have a motion so we must vote. By a show of hands Yes 24 No 1 Abstentions 4. Smith declared the motion carried.

Roger Griesse made a presentation concerning the 2003 Canadian Junior in Shawinigan Quebec. A deal is possible with the Auberge gouverner for \$55 per night. There is another hotel available for \$45 per night. Panjwani agreed to choose between the two. Richard Berube will be the TD. It is a beautiful place with nice rooms (2 queen size beds) and a swimming pool. Brodie suggested a bus to pick up those flying into Montreal would be a good idea. Griesse said he is doing a map and a prospectus with a list of activities to include visiting a sports place.

Brodie said that Winnipeg had dropped their idea of a bid for the 2004 Canadian Open but that Vancouver might be interested in a bid for 2004. Richard Berube mentioned Quebec interest for 2006. Smith said that Alberta wants the 2005 Canadian Open to celebrate an anniversary.

Smith asked if there was an additional business. Nadeau asked for the inclusion of John Rutherford's letter in the GL. Brodie presented three motions to the assembly from Cohen. Motion 1 dealt with adding duties to the office of Vice President. Smith ruled it out of order since constitutional amendments require 30 days notice.

Motion 2 moved that the CFC pays for title applications to FIDE. He thinks we have stopped paying for some. Bunning said he thought we always paid for FIDE title applications and that there was already a Governor's motion, which dealt with this. Palsson said he had been told by Berry that we should apply for FM titles. Bunning said he agreed with the motion and seconded it. The motion passed unanimously.

Motion 3 moved that David Cohen does not owe money for title applications arising from the 2001 Women's Closed. Serge allegedly told him he might owe money to the CFC for Benggawan. Smith declared that since there was no seconder, the motion died.

Hugh Brodie said Ivanov had expressed interest in returning to Canada and playing for our Olympic team; would he be eligible. Charbonneau wondered if Ivanov would be eligible considering his US membership. Palsson said Ivanov might be eligible. Bunning said let's leave it to the Executive to sort out. Smith said he would check with FIDE to see what the rules say. Brodie asked about Olympic selection.

Palsson brought up Irwin Lipnowski's request to have the Yanofsky book collection sent to the University of Manitoba in Winnipeg. It was decided to refer the matter to the Executive and include Lipnowski's letter in the Governor's Letter. Smith said Lipnowski's request was only hypothetical at this point. Bunning said he didn't want

to see us get rid of this collection; the CFC should keep it. Brodie asked what books were in the collection. Bunning said there was a lot of stuff in the collection and that he was trying to get Doug Burgess to organize it.

Palsson presented a letter from Serge Archambault to the governors. Bunning was of the opinion that Serge's complaint had no basis in law. Bunning objected to the presentation of the letter as CFC By-Laws state that an individual member has no right to be heard on any issue. Palsson said he did not necessarily agree with the letter but he was performing what he felt was his duty as a Governor in presenting the letter. Mayo said the correct procedure had been followed and that while he disagreed with the letter, according to the rules the Archambault letter should go into the next GL. The letter says the President has no right to fire the Executive Director and threatens a lawsuit unless he is reinstated with retroactive back pay.

Panjwani brought up the need for fundraising efforts by the CFC since we have not done very well in obtaining sponsors. Bunning said that many have tried but the failures are because chess is not a mass sport. The only time we have gotten money is because the person had a personal interest in chess. Panjwani agreed that we get rebuffed but you need a fundraising expert to get anywhere. He knows some people who are experts. If we bring items showing how important chess is and present that to companies we may see some returns. Smith said he had tried with McDonald's and Corel but found that chess has a low priority to these companies. Smith went to the COA meeting and noted the low profile chess had there. Charbonneau said that some companies give away millions in sponsorships. With the Montreal International, Standard Life (the President was a childhood friend of Pascal's father) gave \$15 000 but the players smelled bad and were impolite so the company did not give again. The Seattle Chess Foundation had a dress code that worked well. Bunning said one might be more apt to obtain sponsorship for chess in a small town but not in a big city. Rutherford said that COREL sponsored the CYCC in the past. Bunning said in fact it was Xios that had sponsored it. Charbonneau said that when he went to the World Youth the players got a COREL T-shirt. Rutherford said that at provincial CYCC finals for Northern Ontario he invited insurance executives and people from the TD bank to see all the kids involved. Smith asked about the Archambault letter, what do we do. Bunning asked the letter be ruled out of order. Beaudouin agreed with Mayo. Palsson said the President is the CEO of the CFC and the CEO is in charge of hiring and firing. Termination needs cause or notice. When he hired Serge they wrote up exit conditions since he thought Serge was a high risk hire. There was a 1-year probation; Serge got 6 weeks severance to which he agreed. Now he wants a second helping. Smith said he would give the letter to Stockhausen who could then seek a legal opinion. Smith declared the meeting adjourned.

NEW BUSINESS:

Motions for GL#1

Motion 2003-01

Moved Cabanas / Stockhausen: Be it Resolved that the CFC handbook be amended as follows:

a) Renumber Regulation 738 as Regulation 739

b) Add Regulation 738 as Follows:

738 CFC Life Masters. The CFC will issue a "Certificate of Chess Master" for each player who achieves a CFC rating of 2200 or above for 24 consecutive Regular Tournament Games. Players who have achieved this performance in the past can request their Certificate from the CFC Business Office, by providing satisfactory evidence of their performance to the CFC Business Office.

Discussion:

This is a long overdue recognition process that is in place in many Chess Federations across the world. The process is inexpensive, easy to administer and has, particularly for juniors, a strong incentive value.

Motion 2003-02

Moved Cabanas / Stockhausen: Be it Resolved that the CFC handbook be amended as follows:

a) Amend Section 1011 by deleting the following text:

"The sum of \$100.00 of each entry fee shall go to the tournament organizers to assist with the cost of running the event and to provide trophies and/or prizes where appropriate."

The amended 1011 will now read:

1011. Players Expenses:

Each player will be responsible for paying his own travel expenses, accommodation and meal expenses.

b) Amend Section 1012 by Deleting the following text:

"The sum of \$50.00 of each entry fee shall go to the CFC business office to help defray the cost of sending Canada's representative to the appropriate world event."

The amended 1012 will now read:

1012. Participation in the World Event:

The winner of the event shall be eligible to participate in the appropriate world event. If the winner is unable to participate, the second place finisher shall be invited to go in his place. If the second place finisher also declines, the highest finisher in the tournament who is willing to

participate in the world event shall be selected. The CFC Board of Directors shall use an appropriate tie breaking method to break ties if required to determine the order of finish.

c) Rerunumber Section 1014 as Section 1015

d) Add section 1014 As follows:

1014 Organization

The principal Organizer of the CYCC is the CFC with the responsibility for the event resting with the Junior Co-coordinator and the Executive Director. All expenses such as prizes, travel to the world event, trophies, medals and rent shall be borne by the CFC. The Events will be held immediately preceding the Canadian Open Tournament. The Organizers of the Canadian Open will receive \$5 from each entry for securing the playing site. Any surplus funds generated will be utilized by the CFC for future Junior Activities or transferred to the Junior Fund (Kalev Pugi Fund).

e) Amend Section 1061 by deleting the following text:

"The sum of \$100.00 of each entry fee shall go to the tournament organizers to assist with the cost of running the event and to provide trophies and/or prizes where appropriate."

The amended 1061 will now read:

1061. Players Expenses:

Each player will be responsible for paying his own travel expenses, accommodation and meal expenses.

b) Amend Section 1062 by Deleting the following text:

"The sum of \$50.00 of each entry fee shall go to the CFC business office to help defray the cost of sending Canada's representative to the appropriate world event."

The amended 1062 will now read:

1012. Participation in the World Event:

The winner of the event shall be eligible to participate in the appropriate world event. If the winner is unable to participate, the second place finisher shall be invited to go in his place. If the second place finisher also declines, the highest finisher in the tournament who is willing to participate in the world event shall be selected. The CFC Board of Directors shall use an appropriate tie breaking method to break ties if required to determine the order of finish.

c) Rerunumber Section 1063 as Section 1064

d) Add section 1063 As follows:

1063 Organization

The principal Organizer of the Canadian Junior Championship Tournament is the CFC with the responsibility for the event resting with the Junior Co-coordinator and the Executive Director. All expenses such as prizes, travel to the world event, trophies, medals and rent shall be borne by the CFC. Any surplus funds generated will be utilized by the CFC for future Junior Activities or transferred to the Junior Fund (Kalev Pugi Fund).

Discussion

These changes will return fiscal, organizational and qualitative control to the CFC. This is how the CYCC was originally envisioned and operated in Vancouver and Edmonton. The current set up is in gross violation of the commitments made to parents and Juniors and will not allow the CFC to grow its junior activities.

Motion 2003-03 Moved Cabanas/Stockhausen: Be it resolved that the following be deleted from section 7 of the handbook.

"711.1 Active Chess. The CFC supports Active (30 minute sudden death) Chess in Canada by:

- 1) Rating the results of Active Chess games on a basis similar to the current rating system, excepting that the ratings will be maintained, calculated, and listed separately.
 - 2) Establishing rules for Active Chess in Canada which will be the FIDE rules with the following changes: [Note: for most recent version see Supplement 4 in section 5 of this Handbook, pages 5-5 to 5-8]
 - i) add 10 d) (drawn game) If the flag of one player falls and the other player has only a king, a king and a knight, or a king and a bishop remaining.
 - ii) Add 10 e) (drawn game) If a player can demonstrate perpetual check to the arbiter's satisfaction. A claim not upheld by the arbiter would result in 5 minutes added to the claimant's elapsed time except to the extent that this would leave him with less than 5 minutes remaining in which case any remaining penalty would be deducted from the elapsed time of his opponent.
 - iii) add 10 f) (drawn game) If a player can establish, either with a completed score sheet, by agreement with his opponent, or verified by an arbiter or other mutually acceptable witness, if available, that 50 moves have been made by each player without a pawn being moved or a capture being made.
 - iv) delete rules 12 and 13.
 - 3) Deciding on the requirement for and style of a national championship at the 1989 CFC Annual Meeting (allowing for a trial period for Active Chess). [ref: Motion 89-20; GL, March 1989, p. 4-4 - 4-5]
- 711.2 The CFC will recognize as an option the use of the FIDE "Rules for Active Chess" as approved by the 1988 FIDE congress in Thessaloniki, as well as all future revisions, for use in all games which have a sudden death time control and in which each player receives at least 30 minutes for the entire game. Games which have both normal time controls and a sudden death time

control shall only use the "rules for active chess" during the sudden death portion. [ref: Motion 89-22; see GL, June 1989, p. 7 and amended in GL, September 1989, p. 1-4 - 1-5]"

Discussion: I moved a motion to this effect in the 1999 AGM in Vancouver. In any case this is utter nonsense. 711.1 (3) Is the worst by the way Please read and laugh or weep depending on your point of view.

APPENDIX A – CFC EXECUTIVE REPORTS

As noted above there were no reports presented at the Annual General Meeting from the President or Vice President

PAST PRESIDENT'S REPORT

During the past year, the President consulted me on several matters concerning our organization. In particular, the President wished me to act as liaison with Brian Watson our auditor. When it was starting to become apparent that there were accounting problems, I contacted the auditor who was able to send in a bookkeeper to examine the accounts and check for errors. Others will be commenting on the auditor's report, so I will just say that I believe it is extremely important to have a Governor from Ottawa on the Executive. This person could visit our office on a regular basis to review procedures and also give direct support to the office employees. I was fortunate during the three years

I was President in having Les Bunning and Halldor Palsson from Ottawa on the Executive at various times. In those three years we were either slightly on the plus side financially or around the break-even mark. Earlier in the year on behalf of the CFC I negotiated an affiliation agreement with the Ontario Chess Association. One of their main points was to provide protection for the Ontario Open from conflicting tournaments. This was arranged without major concessions from the CFC. The final agreement seemed to be reasonable for both sides.

I have been working on updating the Handbook. I have completed three sections, National Programs, International Programs and the Chess Foundation. The next two, which really need immediate work, are the Olympic and Junior sections. I am willing to give them a try with input from various people.

Since I was instrumental in getting the CFC admitted to the Canadian Olympic Association, I decided to attend the Annual Meeting in Edmonton last April. I felt that it would give chess some much-needed exposure. Also, I was interested in seeing what the funding situation was. While I was able to let others see that there is a chess world out there, I concluded that that the funding situation is not that optimistic for chess at the present. It was emphasized that the sports that would likely give Canada the most medals at the Olympics would receive most of the funding. However, things could change in the future.

I have been communicating with Denis Nadeau of Kapuskasing on a fairly regular basis on procedures and details for next year's CYCC and Canadian Open events in that city. It is my understanding that the people involved in Kapuskasing are very enthusiastic about these events and various marketing plans and attractions are being worked on. I believe that Mr. Nadeau will be making a presentation at the AGM with this in mind. I thought that my first year of retirement from the Presidents position would be one of the occasional phone call and e-mail, but it has been quite the opposite. However, I am happy to serve the CFC in any way I can, and I think we can rebound from this year and be quite successful in the future. I wish all my chess friends many enjoyable years of chess and ask them to support the CFC wherever possible. It is to all chess players benefit to help strengthen our organization.

Maurice Smith

REVIEW ENGAGEMENT REPORT

To the Members:
The Chess Federation of Canada:

We have reviewed the balance sheet of the Chess Federation of Canada as at April 30, 2002 and the statements of changes in net assets and revenue and expenditure for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Federation.

A review does not constitute an audit and consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

OUSELEY HANVEY CLIPSHAM DEEP LLP
Chartered Accountants

Ottawa, Ontario
June 21, 2002

THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS

BALANCE SHEET
AS AT APRIL 30, 2002
UNAUDITED

	2002	2001
CURRENT ASSETS		
Cash	\$ 22,070	\$ 59,943
Accounts receivable	8,501	9,910
Inventory	82,098	102,948
Prepaid expenses	3,575	3,589
	116,244	176,390
CAPITAL ASSETS (note 2)	105,297	105,725
	<hr/> \$ 221,541	\$ 282,115
CURRENT LIABILITIES		
Accounts payable	\$ 15,452	\$ 29,358
Entry fees payable	940	8,543
Deferred membership revenue	41,044	41,044
	57,436	78,945
DEFERRED CONTRIBUTIONS (note 3)	12,052	17,306
NET ASSETS		
Invested in capital assets	105,297	105,725
Unrestricted	46,756	80,139
	152,053	185,864
	<hr/> \$ 221,541	\$ 282,115

THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2002
UNAUDITED

	2002	2001
INVESTED IN CAPITAL ASSETS		
Balance - beginning of year	\$ 105,725	\$ 110,857
Purchase of capital assets	4,500	-
Amortization of capital assets	(4,928)	(5,132)
Balance - end of year	\$ 105,297	\$ 105,725
UNRESTRICTED		
Balance - beginning of year	80,139	69,705
Net revenue (expenditure) for the year	(33,811)	5,302
Purchase of capital assets	(4,500)	-
Amortization of capital assets	4,928	5,132
Balance - end of year	\$ 46,756	\$ 80,139

**THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS**

**STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED APRIL 30, 2002
UNAUDITED**

	2002	2001
REVENUE		
Sales of books and equipment (note 5)	\$ 208,593	\$ 199,350
Shipping and handling charges	9,356	9,235
Membership fees	66,383	68,681
Contribution income from related party (note 4)	6,622	4,522
Rating fees	21,368	18,567
Publication sales and advertising	5,121	7,428
Donations	14,918	13,727
Other programs (note 3)	46,815	29,302
Other revenue	2,794	2,613
	381,970	353,425

EXPENDITURE		
Cost of sales (note 5)	147,647	128,118
General and administrative		
Salaries, benefits and staff travel	81,497	69,020
Building and equipment expenses	16,936	15,569
Office	39,355	31,889
Other executive and administration	5,550	2,698
	143,338	119,176
Programs		
Publications	54,034	52,478
International	10,199	4,989
Contributions to clubs, provincial affiliates and the Foundation	13,748	14,060
Other programs (note 3)	46,815	29,302
	124,796	100,829
NET REVENUE (EXPENDITURE) FOR THE YEAR	\$ (33,811)	\$ 5,302

**THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ECHECS**

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2002
UNAUDITED

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Organization

The Chess Federation of Canada / La Fédération canadienne des échecs was incorporated as a not-for-profit organization under the Canada Corporations Act and is a registered charity under the Income Tax Act. The Federation's mission is to promote and encourage generally in Canada, the knowledge, study and playing of the game of chess.

These financial statements do not include the accounts of the Chess Foundation of Canada as detailed in note 4.

(b) Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined using the average cost basis.

(c) Amortization

Amortization is provided on the reducing balance basis as follows:

Building	4%
Furniture and equipment	20%
Computer equipment	33%
National library	20%

(d) Revenue Recognition

The organization follows the deferral method of accounting for revenues. Membership fees are recorded as revenues in the period to which they relate. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable only if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. CAPITAL ASSETS

	Cost	Accumulated Amortization	2002 Net	2001 Net
Land	20,000	\$ -	\$ 20,000	\$ 20,000
Building	142,852	64,770	78,082	81,336
Furniture and equipment	5,000	3,620	1,380	1,725
Computer equipment	8,000	6,216	1,784	2,663
National library	7,290	3,239	4,051	1
	<hr/> 183,142	<hr/> 77,845	<hr/> \$ 105,297	<hr/> \$ 105,725

THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ECHECS

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2002

UNAUDITED

3. DEFERRED CONTRIBUTIONS

	Olympic Donations	CYCC Program	Kalev Pugi Program	TOTAL
Balance - beginning of year	\$ 275	\$ 15,643	\$ 1,388	\$ 17,306
Add: contributions	1,837	38,421	1,303	41,561
Less: amount recognized as revenue		(46,065)	(750)	(46,815)
<hr/> Balance - end of year	<hr/> \$ 2,112	<hr/> \$ 7,999	<hr/> \$ 1,941	<hr/> \$ 12,052

Olympic donations are designated to provide financial support for participation of Canadian representatives in the International Chess Olympiads. The Canadian Youth Chess Championships (CYCC) entry fees cover the cost of sending players to the world championships. The Kalev Pugi Fund was established as a bequest in the Chess Foundation of Canada. Each year interest earned by this Fund is transferred from the Foundation to the Federation to provide travel assistance for junior players.

Contributions to these programs are recognized as revenue in the year in which the related expenditures are incurred.

4. RELATED PARTY TRANSACTIONS

The Chess Foundation of Canada is effectively controlled by The Chess Federation of Canada since the Federation appoints the Foundation's Board of Trustees. The Foundation was established as a trust to financially help the Federation promote and develop chess. Donations of \$500 (2001 - \$500) and life membership fees of \$1,319 (2001 - \$2,063) have been paid into the Foundation from the Federation. The Foundation has contributed \$6,622 (2001 - \$4,522) in support of the Federation's general operations and \$1,303 (2001 - \$1,303) towards the Kalev Pugi junior program.

The Foundation has not been consolidated with the Federation's financial statements. Financial summaries of the unconsolidated Chess Foundation of Canada as at April 30, 2002 and 2001 and the years then ended were prepared by another firm of accountants and are as follows:

	2002	2001
BALANCE SHEET		
Assets	\$ 143,116	\$ 112,326
Liabilities	4,219	-
Net assets	\$ 138,897	\$ 112,326

STATEMENT OF RECEIPTS AND DISBURSEMENTS

Receipts	\$ 34,496	\$ 10,488
Disbursements	7,925	5,824
Excess of receipts over disbursements	\$ 26,571	\$ 4,664

5. SALE OF BOOKS

Included in sales and cost of sales is a transaction in which inventory of books costing \$17,080 was sold back to the author for total proceeds of \$19,386 which includes offsetting accrued royalties.

TREASURER'S REPORT

Ladies and Gentlemen, by now you will have seen the financial statements of the CFC as reviewed by Mr. Brian Watson of OUSELEY HANVEY CLIPSHAM DEEP. Please also pay close attention to the Management Letter presented by Mr. Watson – he makes some telling points that all of us need to pay close attention to.

Fundamentally what it comes down to is that the CFC has suffered a major financial setback that cannot be repeated in future years. There is no way of sugarcoating this message

The obvious question is how could this have happened? Basically deficits only occur either due to a shortfall in revenue or an excess of spending or a combination of both. In my view the deficit was exacerbated by a complete lack of attention to financial matters by the former Executive Director. This was possibly caused by his total lack of even the most basic bookkeeping skills. It is my belief that had this attention to detail been given there would have been no need for a restructuring in the Business Office in mid-April two weeks before the end of the fiscal year and the deficit would have been much smaller (if at all).

Outside the chess world, I am manager of a wholesale jewelers' supply house with sales in the \$1.4 million/year range with at least a third of this in mail order. In my work I am responsible for payroll, government remittances, purchasing of both inventory and office equipment and supplies – other than running a web site and rating system most of what I do for a living closely parallels what the CFC does for a living. Cutting costs and making the most of our specialized niche markets are the heart and soul of what I do for a living – as such I made my key role as CFC Treasurer to review the statements I received and make recommendations and suggestions based on these.

It should carefully be noted that my efforts to advise were essentially “blown off” and ignored. In fact in the area of remittances to the Canada Customs and Revenue Agency (until 2000 known as Revenue Canada) Mr. Archimbaud told me in person in Richmond that this was a minor matter and I should not be concerned if CCRA remittance deadlines were missed.

I would hope it would be obvious that the ability of myself and other CFC Executive members to meaningfully influence the finances of the CFC hinges on the accuracy of the information provided. I agree with Mr. Watson that the problem was lack of ability in financial matters rather than being signs of criminal or fraudulent activity. Having said that it is clear that the numerous mistakes and mispostings in the Business Office made it difficult to exercise the degree of supervision needed. As recently as March 2002 the Executive did Mr. Watson report being told that we were looking at a deficit of \$15,954.94 which while very serious is not nearly as catastrophic as the \$33,811.00. It goes without saying that I do not believe the CFC lost close to \$18,000 in one month (e.g. between March 31 and April 30, 2002)

It is my strong belief that a fundamental job qualification of the CFC Executive Director is a basic degree of skill in accounting matters – not an accounting designation but a basic understanding that debits must equal credits and that all transactions need to be posted in an accurate and timely manner. (This was the source of most of the items noted in Mr. Watson's “80 Bank Mistakes” document.)

So what were the chief problem areas?

- 1) Insufficient detail to the accounts receivable – this means the Business Office failed to collect monies payable to the CFC
- 2) Turnover in the Business Office leading to additional expenses, both directly in the form of moving expenses (\$1848.82 for Mr. Archimbaud, \$700.00 for Mr. Litchfield) and severance and indirectly in the form of lost productivity. There is no doubt that Gerry Litchfield is learning quickly but feels he has had to train himself more than is desirable. (see Expense analysis account 5490). The other effect of turnover is in the need for casual labour

in the Business Office (account 5492), which exceeded budget by more than \$5,000. While I am prepared to agree that some Office Expense items were not budgeted for that should have been, the cumulative effect of these is an increase of \$7,000 over last year and \$8,000 over budget.

3) Several areas had major cost overruns – particularly staff travel (account 5491) which includes both moving expenses and actual travel. This past year Mr. Archimbault made trips (at CFC expense) to Montreal, Hamilton, Richmond, Capelle-la-Grande and Trois Rivieres. The Hamilton trip was in conjunction with the Lesiege-Spraggett match while the others were for various tournaments. The latter two were respectively for an international event and a FQE (but not CFC) rated event Mr. Archimbault took part in as a player. I am also informed a gift certificate was given (recorded in notes payable) not pre-approved by the President, Past President or myself. As for the other trips it is not for me to judge the benefit of these to the Chess Federation of Canada.

4) I have made enquiries concerning the increase in FIDE fees (up nearly \$5000 from last year) and am not satisfied with the answers received.

5) In the case of “Other Expenses” it should be noted that the CYCC Holding Account is in fact a payout of monies previously received and is not an expense of the Federation as a whole.

None of these overruns is necessarily critical in themselves but the total creates the sorry story shown in the CFC financial statements.

The second obvious question the Assembly of Governors should be asking is what steps are being taken to ensure this kind of thing does not recur?

First off, it should be noted that unlike his predecessor, Gerry Litchfield is well aware of the present financial situation of the CFC. In the past two months I have often spoken with him and the subject of cost control almost always comes up and is usually raised by him. He knows he needs to minimize the use of casual labour and is eager to get help on specific subjects from the Executive. Also in stark contrast to his predecessor he is appreciative and working closely with Pat Hendrick of Mr. Watson’s firm. Both the Executive and Gerry hope this will be a temporary measure but one likely to last throughout 2002-2003.

(A Budget for this fiscal year is in place, structured around a monthly detailed reporting. The report is circulated to the Executive around the 15th of each month after the bank and accounts reconciliation has been done. I'm pleased to say that the May results have exceeded the budget)

Other comments:

- I would like to note that I have been unsuccessful in convincing Mr. Watson that the “Michael Yip transaction” should be recorded separately from general sales revenue. The re-purchase of his Mr. Yip’s books was in fact an option in the contract between the CFC and Michael Yip, which Mr. Yip chose to exercise. As such I do not feel it is a sale the way most Governors understand the word sale. I believe it is an ‘extraordinary item’ and should be reported as such.
- As I said in last year’s report, maintaining and increasing membership levels is critical to keeping the CFC on an even financial keel. In particular I would be interested in reviewing what proportion of “graduating juniors” from the AEM/C&M organization become CFC members as this would be a key measure of the degree to which cooperation between AEM/C&M and ourselves is useful to the CFC. Six years ago my predecessor Mr. Dan Majstorovic clearly questioned this point and felt the gains were marginal at best. Mr. Watson suggests a membership committee – I feel this would be a useful move and would be willing to be part of such a committee.
- We have adopted our budget for 2002/2003 on a month-by-month rather than quarterly basis as previously. This is a step in the right direction which does give us flexibility while providing for more frequent “report cards” on how we are doing
- 2002/2003 is an Olympic year and fundraising by the Federation is more critical than ever
- I would like to see a cost estimate of the cost of either converting the CFC’s financials to one of the standard software packages or building software “front-end” to allow input into one of these programs. Obviously there is a right cost and a wrong cost. Of course we should proceed if the cost is \$50, and absolutely not proceed if the cost is \$500,000. Equally obviously the figure is going to be between these

two extremes and we should ascertain what it might be as in recent years each year our accounting firm makes this recommendation.

Overall this was a very tough year financially and I believe the CFC Executive has taken strong steps to stop the bleeding and believe the factors that caused 2001/2002's deficit have been largely eliminated. As such we should be in a far stronger position at the end of next year.

Finally I would like to extend my sincere thanks to Messrs. Dale Kirton, Maurice Smith, my predecessor Peter Stockhausen and Gerry Litchfield for their help during the past year. Once again, I would like to thank all those who have made my job easier and would respectfully submit my willingness to serve as needed in the 2002/2003 CFC Executive with the confidence of the Incoming Governors.

Lyle Craver

FIDE REPRESENTATIVE REPORT

I took over the position of FIDE representative in late September 2001 after the 72nd FIDE Congress in Kallithea, Halkidik, Greece. As such I was not able to attend the Congress personally and Canada did not have a representative at the Congress. Historically Canada has maintained an excellent record of attendance at FIDE meetings, and it is imperative that we be represented at the next FIDE Congress if Canada is to be properly represented in FIDE.

In the last year there has been a considerable issue in FIDE over the changes that President Kirsan N. Ilyumzhinov has proposed and implemented particularly with respect to the new time controls for the World Championship. This has received considerable opposition from many federations including, both regarding the manner in which it was implemented and the actual changes themselves. The time control changes have been opposed also by many of the top players. More recently the French Chess Federation has issued a statement calling for a change in the leadership of FIDE at the next FIDE congress in Bled. In addition to the question of time controls there are many questions with respect to the finances of FIDE, and with long-term 20 and 30-year contacts entered with shell corporations for FIDE commerce and the World Chess Foundation. It is fair to say that there are serious challenges facing FIDE in the coming year.

We had an interest in a bid for the World Youth Championships from Association Échecs et Maths. I provided them with the FIDE bid requirements. These events have interested bidders until 2007. There is also interest for a FIDE grand prix event in Montreal and there have been discussions on a possible World Championship bid. I discussed the latter with Stéphane Beaudoin, who indicated to me that there was a very strong organizer behind these proposals. It is very important that the CFC take a clear position on the endorsement of any FIDE bids. FIDE regulation do allow for example for a World Championship bid to be approved where the national federation does not endorse it, but such a bid would be at a considerable disadvantage in FIDE.

I will not be seeking re-election for FIDE Representative position at the CFC Meeting in Montreal since my current commitments do not allow me to guarantee to the Assembly of Governors that I will be able to attend the next FIDE congress, which I consider critical to the proper discharge of the duties of this position.

Respectively Submitted
Francisco Cabañas
Prince George, BC,
July 11, 2002.

National Appeals Committee Report - 2001-02

There was one appeal received by the NAC in the last year.
Thanks to all members of the NAC who took part in the discussions

and voted on this case (Messrs. Cabanas, Craver, Jaegar, and Taylor).

Hugh Brodie
NAC Chairman, 2001-02

Letters from Governors:

[Editorial note: Mr. Cohen's letter has been presented here rather than in the AGM minutes since he was not the outgoing Women's Coordinator at the AGM having resigned October 2001]

CFC Women's Coordinator Report

by David Cohen
July 11, 2002

I was elected Chess Federation of Canada (CFC) Women's Coordinator at the 2001 CFC Annual General Meeting (AGM). I held this post until my resignation in October, 2001.

I took on the job of Women's Coordinator early in 2001. The primary responsibility of this position is to ensure that the Women's Championship is organized. Usually, this task falls to the Women's Coordinator, and, by a tortuous route, this was the case in 2001.

The Women's Championship had not been held since 1996. The winner of that event, Johanne Charest, received the two rewards to which she was entitled, although it took awhile. There was no Women's Olympiad Team in 1998, but she represented Canada in 2000. There was no Women's Interzonal until 2000, when the Women's World Championship cycle was revised and the event was eliminated. Instead, the Knockout Tournament was held in 2000, and Ms. Charest took her place in Round 1 as the Canadian representative. On both counts, a new championship needed to be held: the Olympiad 2002 was approaching, and the Women's World Championship cycle, again revised, requires us to annually nominate 2 players for the Americas Continental Championship, starting in 2001. I thought that Montreal was interested in holding the event. When they turned down the opportunity, I submitted a bid for Toronto to the 2000-1 CFC Executive for an event: a 6 player, Round Robin for Easter weekend. I was turned down, as this did not meet the rules for the event laid down in CFC Handbook Section 11. I submitted a second bid for the event: 6 round Swiss, with an active time control. I was again turned down, as this was not felt to be appropriate. I then gave up on running the event myself, as I had previously scheduled a two-month vacation in France.

Then came the first details of the Continental Championship. We had been required to hold the event prior to July (i.e. during my vacation). However, in 2001, the continent was late in organizing the event, and it appeared that it would not take place until late August or September. I then submitted a bid for the first holiday (in Ontario) weekend after my return: the Simcoe Day first weekend of August: 6 round Swiss, EXACTLY according to the rules.

To my surprise I found out that two CFC staff members were submitting a bid for Ottawa: 10 player Round Robin. I considered this bid to be ridiculous: there are no top women players in Ottawa - all participants would have had to travel to the event and spend money on at least 7 days accommodation. Furthermore, the event was scheduled for the school year in June, and many of the top players are juniors, and would still be attending school.

So, the process was dragged out while the Governors were forced to vote on each bid. First, I again thank the 2000-1 Governors for rejecting the Ottawa bid. Second, I again thank the 2000-1 Governors for approving my bid. As you will find later in this report, your confidence in me was justified.

When the deadline for the bidding was set, I thought, "Fine, I'll have time to make my arrangements before I leave on vacation". To my great disgust, CFC Secretary Fred McKim took 10 days - 10 days!!! - to count the votes and report to me that I had won the bidding. This should have been accomplished on the evening of the voting closing,

or at worst, on the following morning. What is the use of having electronic mail, if you can't take advantage of it? How could the business office and the Secretary fail so miserably in their duties? I have never received an answer or an apology. I left for France on my two-month vacation without making any arrangements for the event.

The CFC Executive received word that Canada was entitled to 2 places in the Continental Championship. In order to strengthen the event, they voted to choose the second place finisher for the second qualification place. No one bothered to inform me of the result of the voting. A pattern of silence and untimely communication from the CFC Secretary, Fred McKim (who held this post before and after the 2001 CFC AGM) was emerging.

Next came the matter of the time control. By the CFC Handbook, this is decided by the CFC Executive. They voted to use FIDE's new time control, which is designed to produce a 4-hour game, rather than the traditional 6-hour game. I asked what would happen if not enough digital clocks were available, and was basically laughed at in reply. "Why worry?" was the response, "we've ordered the new clocks from FIDE and you'll have them for the event."

Guess what happened? The clocks did not arrive, and I was informed a few days before the event that they would not be arriving until September. I again asked what time control I should use, and I received no answer - NO ANSWER - this time, from the new 2001-2 CFC Executive.

Having received no direction from the CFC Executive, and having received only negative feedback from the players about my suggestion to use what I thought might be FIDE's alternate time control (game/120), I suggested at the players meeting that the time control should be 40/120, followed by game/60. There were no objections - I repeat, NO OBJECTIONS - from the players, and this was the time control we used.

At the deadline, I asked the CFC staff how many entries we had received and was told: 6 entries. This was a problem on two counts: I needed a minimum of 7 entries in order to rent space from the Dutton Chess Club; and I had expected a high number of junior players residing in Toronto to participate. I was told by CFC Executive Director Serge Archambault not to worry, that he would handle it. I did not accept this. I envisioned an event with 16 players comprised of a large number of juniors. In order to bring this about, I worked hard during my vacation. This was necessary, in part, because of what I viewed as, at best, lack of promised support, and, at worst, as incompetence, at the CFC Business Office.

To begin with, when I checked the CFC web site later, I found 7 players had entered. I then agreed to rent the playing site from Dutton Chess Club. At my request, Mark Dutton helped me considerably over the next few weeks to round up the 16 entries we had room for. First, we discovered that 3 more players had already entered, but that their entries were not received or not processed by the Business Office. One player even left a credit card number before the deadline, so I cannot understand why her name was not on the list of entries. Second, the Business Office closed for 2 weeks, thus discouraging enquiries and late entries. We rounded up another 2 entries, and, in the end, we obtained 12 entries.

In order to fill the rented space, as Women's Coordinator, I invited 4 additional players to participate. All four were promising juniors for whom I intended the tournament, with its opportunities, in the first place. All 4 accepted. The CFC Annual General Meeting then passed several motions, which permitted players rated 1600 and up to attend (it had been 1900), along with the CYCC medalists. While this is an excellent initiative, and it did officially permit the players whom I had invited to attend, it was not a good motion. First, I had already made it clear that the site, which I rented, could only hold 16 players. Dutton Chess Club required its tables for its own event being held concurrently. Second, the motion turned the event into more of an open event, something which I had made clear to the Executive that I did not want. There were lots of players, but it was still a Closed Championship.

As a result, two real problems emerged. First, I was not told about the motion for a full week after it passed, and just a week before the event was due to start. Again, this was the responsibility of the CFC Secretary, and another failure on his part. Second, the CFC Business Office decided that it would accept entries up to the last moment. Thus, any number of players could have entered on the day before the start of the event, yet we had no room for any of them. I cannot believe the stupidity, arrogance and incompetence of the Business Office in placing me in this position. Mark Dutton made great efforts to add a further two boards. As a result of my posting on www.chestalk.com, one more player entered, then one of the original invitees entered, for a final total of 18. Mr. Dutton replaced the two boards with a table holding one board, and used the larger table for his own event -

originally limited to 60 players, but with 78 players finally registered. Dutton Chess Club was well beyond capacity, and Mr. Dutton and I did not appreciate having these additional problems thrust upon us by the CFC.

There are other examples of problems and interference. For example, I was told that I could not invite any players as Women's Coordinator, and that I could invite 2 players as the organizer. I've never seen either of these rules anywhere. There's more, but you get the idea - at best, I did not receive the support I was promised by Serge Archambault at the CFC Business Office; at worst, there was incompetence and complete failure to perform their duties on the part of Mr. Archambault and CFC Secretary Fred McKim.

After my return from vacation, and during the event, several people asked me about arrangements for the media. After exhausting myself on these problems - entirely generated by the CFC - I had neither interest nor energy to help publicize the CFC. Furthermore, I placed a \$550 book order with the CFC's competition, Chess Shop. Simply put, Larry Bevand than by the CFC treats me better, and I receive better prices and service from him than I do from the CFC.

By way of explanation for their behavior, I received copies of e-mails wherein the 2001-2 CFC Executive members congratulated each other on how busy they were. What nonsense! There is only one person in Canada busy promoting chess - Larry Bevand.

Now for the event itself. This was the fourth Canadian Championship, which I have run (after the 1984 Canadian Open, 1986&7 Canadian Cadet), and it was a real pleasure. I envisioned juniors and more experienced players testing themselves and each other, and this is exactly what happened. The championship was very hard fought and thoroughly enjoyed by all of the players. If we can hold a quality event like this EVERY year, then we will meet the objectives of the championship: the playing level of the women will improve, and more women will be attracted to the game.

Thanks again to the following for helping to make this event so successful: Larry Bevand, Mark Dutton, David Gebhardt, Richard Ruiz, and Bob Armstrong. Thanks also to Undriadi Benggawan, who supported us with two entries from his family. A special thanks to all of the participants!

The 10th Canadian Women's Championship 2001 was won by WIM Nava Starr with 5.5/6; Amanda Benggawan defeated WFM Stefanie Chu (both 4/6) in the playoff for 2nd place.

Nava Starr won the Canadian Women's Championship for the 8th time. She tied the record for the most times a player has won the same Canadian Championship (shared with D. Abraham Yanofsky, Canadian Closed, and Kevin Spraggett, Canadian Open) and Maurice Fox.

There were 18 players, the most of any Canadian Women's Championship.

The tournament raised \$900 for the CFC, to help pay for the expenses of the winner to attend the Women's World Championship. I repeat this. The tournament did not take one cent from the CFC. \$50 from each player's entry fee went to the CFC, for a total of \$900, and this money was used to help pay for Nava Starr's trip to the 2001 Women's World Championship.

Regarding my brief tenure during 2001 as Women's Coordinator, I can only say that I am extremely upset and utterly disgusted with the way I was treated by CFC Executive Director Serge Archambault, CFC President Dale Kirton, CFC Secretary Fred McKim, and CFC Treasurer Lyle Craver.

Recalling my Recommendation 3 from my previous year's Women's Coordinator Report, I had recommended that the Women's Coordinator be a member of the CFC Executive. I included instructions in my proxy for the AGM to this effect. I was not to be elected to this post if I had not already been elected to the Executive. In fact, I was not elected to the Executive. Therefore, I should not have been elected as Women's Coordinator. The blame for this must go to the CFC Secretary, whose job it is to handle the proxy forms.

The cluelessness of the Governors in attendance at the 2001 AGM amazes me. Besides nominating me against my own instructions, Denis Allan was also nominated. Mr. Allan was the previous Women's Coordinator. His disgust at

the CFC Executive was so great, that he not only resigned as Women's Coordinator, but also as a CFC Governor. Please, Governors at the 2002 AGM, pay attention. Two Women's Coordinators in a row have resigned in complete disgust at the behavior of the Executive you have elected. I hope your choices for your 2002-3 Executive are more successful.

I accepted the position of Women's Coordinator in order to avoid more interference in the running of the Women's Championship, and to give the new Executive a chance. Having run the event, I then continued in the job while facing increasing apathy from the Executive. The Treasurer ignored my request for an estimate on the cost of sending a Women's Team to the 2002 Olympiad. The President ignored me as difficulties developed around where Nava Starr should go.

We did not receive clear instructions from FIDE as to where our representatives should proceed. Our FIDE Representative, Sid Belzberg, did not communicate with me at all. He appointed a representative to act for him. This person turned out to be worse than useless; he had no knowledge of the situation or even of the basic facts. He blundered about causing only grief. I bluntly told him off. It was a relief when Mr. Belzberg resigned his post.

In the end, it was decided that Nava Starr could proceed directly to the 2001 Women's World Championship. For the record, Ms. Starr was eliminated in the first round of the knockout event.

The second place finisher in the 2001 Canadian Women's Championship was entitled to proceed to the 2001 Continental Championship. In the wake of the events of September 11, 2001, she decided not to go. A replacement could not be found; the players contacted by me who were next in line to go made similar decisions. Thus, we were not represented at the first Women's Continental Championship.

My dealings with the CFC Executive, their lack of support for my efforts, and their lack of basic decency in responding to my requests (not at all, or not in a timely fashion) convinced me that I had been right in my Recommendation 3. Therefore, in disgust, I resigned my position as Women's Coordinator.

On a brighter note, we are fortunate that many of our top female players are also juniors. The future of women's chess in Canada is excellent. I urge you all to hold the Canadian Women's Championship annually, and to send a Women's Team to the 2002 Olympiad. To this end, I have submitted a bid for the 11th Canadian Women's Championship 2002, in the format of a fundraiser for the Olympiad Women's Team.

Recommendations:

The first four recommendations are repeated from the previous year. Note that my Recommendation 3 was not followed this past year, and resulted in the problems leading up to my resignation.

1. I recommend that the CFC require reports from everyone who receives funding to play in an event.

2. I recommend that the CFC publish in the Governors Letter players' reports on funding received.

I recommend that the Women's Coordinator be on the Board of Directors; or, that each year, a specific member of the Board of Directors accept responsibility for Women's issues.

4. I recommend that the second place finisher at the Women's Championship have the right to represent Canada at the Women's Continental Championship.

5. I recommend that the Canadian Women's Championship be held annually.

David Cohen
Governor, Chess Federation of Canada

APPENDIX B

77th Canadian Chess Championship 2003 including the 12th Canadian Women's Chess Championship 2003 Bid

Organizing Body

David Cohen
134 - 2107 Danforth Avenue
Toronto, Ontario
M4C 1K1
(416) 707-6400
Voice mail available. No fax available.
bw998@freenet.carleton.ca

Chief Organizer

David Cohen

Organizing Committee

David Cohen

Advertising

Coming Events section of En Passant magazine, Oct., Dec. 2002; Feb., Apr., June 2003

CFC Web Site: news highlights on front page; and link from menu on left.

Publicity

Will issue press release to local media before event.

Will issue press release to local media with tournament results.

Will write report on tournament for En Passant magazine.

Internet Site/Coverage

Will ask Internet chess newsletter The Week in Chess (TWIC) to place a link in their Coming Events section before the event. Will report results on TWIC. All games will be made available to TWIC for readers to download.

www.chesscenter.com/twic/twic.html

Dutton Chess Club's Internet site will provide advertising, publicity and coverage. A telephone line is available for Internet coverage.

www.play.at/duttonchess

Sponsors

Greater Toronto Chess League

City

Toronto, Ontario

Address

1681 Bayview Avenue

Location Description

Tournament location is well known to chess players who have attended Dutton Chess Club events. It is an upscale neighbourhood, with many restaurants, pubs, and shops nearby. Parking is available in the neighbourhood, as well as on the street in front of the club.

The site is easily accessible by car or by public transit. By car, take Highway 401 to the Bayview Avenue exit, and head south on Bayview a few blocks past Eglinton Avenue. By bus, take the number 11 from Davisville subway station; there is frequent service on both the subway and the bus.

Tournament Room(s)

The entire space of the Dutton Chess Club is available. There is plenty of room for all 75 entrants permitted by CFC rules. The club is well lit with fluorescent lighting, and has air conditioning and heating. The washrooms are on the main floor and are kept clean and supplied on a daily basis by the building's maintenance contractor; and during the tournament as required by Dutton Chess Club. The building is private, but since the front door is unlocked, for security purposes, there is a key required for access to the Women's washroom. Thanks to their experience hosting the 10th Canadian Women's Championship 2001, the Dutton Chess Club has an adequate number of keys on hand.

Analysis Room(s)

There is an analysis room within the club, with a door to prevent noise from reaching the main tournament room.

Registration

Players register by sending their entry fee to the CFC by Friday, May 16, 2003.

Dates

Tuesday, July 1, 2003 - Wednesday, July 9, 2003

Format

9 round Swiss system.

Time Controls

Game in 180 minutes.

Rounds

Daily at 6pm.

Play Offs

No play off.

Rated

CFC and FIDE rated.

Equipment Provided

Dutton Chess Club will provide chessboards, chess pieces, and chess clocks. The Greater Toronto Chess League will provide duplicate score sheets.

Prize Fund

For each player over 20 players, \$100/player will be divided between first prize in the Canadian Championship and first prize in the Canadian Women's Championship in the ratio of the total number of male participants to the total number of female participants.

Female players are eligible for both prizes.

Entry Fees

\$100

Tournament Director

David Cohen
CFC National Tournament Director

I organized and directed 4 Canadian Championships:

1984 Canadian Open
1986 Canadian Cadet (Under 16) Championship
1987 Canadian Cadet (Under 16) Championship
2001 Canadian Women's and FIDE Zone 2.2 Championship

I also organized and co-directed the 1984 Pan-American Intercollegiate Team Championship.

Side Events

None planned.

Accommodation

There are many hotels for all price ranges available in Toronto. Players from out of town who would like to be billeted can contact Mark Dutton.

Budget

Appended

Conditions

1. If a motion to accept this bid is required by the CFC Board of Governors, then it is so moved by David Cohen and seconded by Mark Dutton.
2. If no motion to the Board of Governors is required, then this bid is presented to the Board of Directors (CFC Executive) and expires on Wednesday, October 16, 2002. Earlier approval would permit earlier advertising in *En Passant*.
3. In accepting this bid, the CFC agrees to lower the minimum rating requirement for male players to 2000; and for female players to 1600.
4. In accepting this bid, the CFC agrees to mail at its expense an invitation to all female players with established ratings of at least 1600; and to all female players in Ontario and Quebec with at least 15 games played and a provisional rating of at least 1600.
5. In accepting this bid, the CFC agrees to advertise it in Coming Events section of *En Passant* magazine in October, December 2002 and February, April, June 2003; in the news section of the CFC web site; in the front page highlights section of the CFC web site; and with a link on the main menu on the front page of the CFC web site to a web page devoted exclusively to the event. In the page linked to from the main menu, the CFC will place on its web site the name of each player entered, as each player's entry fee is received.
6. In accepting this bid, the CFC agrees that this event is a non-zonal championship, and waives the following requirements: travel amount that the CFC would collect from a Zonal Championship; \$50/player that the CFC would collect from a Women's Zonal championship; and the requirement that the organizer pay the accommodation of the Canadian Champion and Runner-Up. Additionally, the entry fee is reduced from \$200 to \$100, and the Canadian Champion and Runner-Up do not receive free entry.
7. According to CFC rules, a maximum of 50 players may participate in the Canadian Championship, and a maximum of 25 women may participate in the Women's Championship. As the two events are combined, the CFC agrees that there will be a maximum of 75 players as follows: up to 50 males, and up to 25 females.
8. In accepting this bid, the CFC agrees that, for the purposes of this tournament only, the following players meet the Citizenship or residency requirements: Igor Ivanov, Joel Lautier, Dimitri Tyomkin.
9. The CFC agrees to release to David Cohen \$1,800, in order to pay the room rental and chess services, when 18 entries have been received.

Date Submitted

August 22, 2002

Submitted by

David Cohen

Accepted by

Budget**Income**

1) Entry Fees

\$100/player x 40 players = \$4,000

Expenses

1) Room Rental and Chess Services

\$200/day x 9 days = \$1,800

Dutton Chess Club

“Dutton Chess runs professionally organized, monthly CFC-rated Toronto Chess Tournaments. They offer large class prizes, demonstration boards, and prompt computer pairings in air-conditioned facilities. The Dutton Chess Club on Bayview, now in its fourth year, is going strong with over 120 Members.”

Services provided include: room rental; tables; chairs; chess boards; chess pieces; chess clocks; washroom security and maintenance; computer printouts of round pairings; web site advertising and publicity; entering games into computer in PGN format; posting games on web site.

2) CFC Rating fee

\$2/player x 40 players = \$80

3) FIDE Rating fee

\$50

4) Miscellaneous

\$70

5) Prize fund

20 players or less: none

21-75 players: For each player over 20 players, \$100/player will be divided between first prize in the Canadian Championship and first prize in the Canadian Women's Championship in the ratio of the total number of male participants to the total number of female participants. Female players are eligible for both prizes.

Profit / loss

Break even for all numbers of players 20 or more.

Submitted by

David Cohen

Date Submitted

August 22, 2002

Motions for First Discussion:

Motion 2003-01 (Cabanas/Stockhausen) Life Masters

Motion 2003-02 (Cabanas/Stockhausen) CYCC Organization

Motion 2003-03 (Cabanas/Stockhausen) Changes to Active Chess Regulations

Deadline for submissions for the next Governor's letter is Friday, September 20th, 2002

To : info@chess.ca

Chess Federation of Canada - Governor's Letter #1 - 2002/03