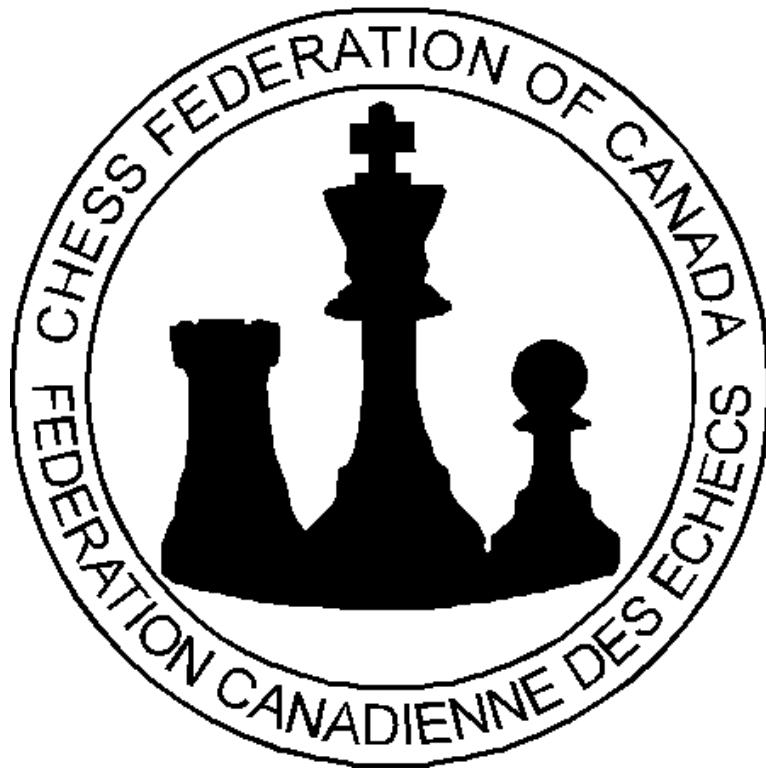


CHESS FEDERATION OF CANADA

GOVERNORS' LETTER FIVE

2008-2009



Responses may be mailed, faxed or E-mailed to the Chess Federation of Canada, P.O. Box 4790 Station E, Ottawa, ON K1S 5H9, 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.

CFC Online Forum: <http://chesscanada.info/forum/>

Deadline for submissions to GL#6 is Wednesday, April 8th, 2009

President's Message

Dear Governors

With one month left in the fiscal year we are very close to where we need to be. I confess, I thought it would be a little easier and a little faster. I am still very confident that we will have a balanced budget for fiscal 2010. Ideally, I would like to do something which I don't believe has been done in a long time, provide a balanced budget for the governors to review in the next GL.

A number of people have been critical about my obsession with finances to the apparent exclusion of all else. To be fair, that is exactly what I promised and I do try to keep my promises! However, a balanced budget is only half the battle. Rebuilding the vision of a vibrant chess community is the other half. With the Governor's permission, I will be running for President again in order to help with these efforts. I will provide a more specific agenda in time for the AGM.

Best wishes to all

David Lavin
President, Chess Federation of Canada

Message from the Secretary:

In my opinion the key part of this Governors' Letter are the third quarter financials. We have come a long way and while we still have a long way to go we are clearly moving in the right direction. We continue to take steps to streamline our operation both at the governance level and the day to day nitty gritty of getting events rated and reported.

There are several new motions in this letter which I urge all Governors to consider carefully.

Lyle Craver
Secretary, Chess Federation of Canada

Youth Coordinator Report

In GL4 and on the Forum we announced a program to encourage new TD's and organizers to develop Youth Chess Championship tournaments in their respective Provinces. It was not a success since we got YCCs in the places that have it already. Basically I was told that: 1) since it is not mandatory, it is better to concentrate on Chess Challenge 2) since participants in the CYCC don't need to qualify, why pay fees to the CFC? In fact there are YCC named tournaments which were played or to be played in at least two provinces. To my or the ED's knowledge there were no special payments made to the CFC for these tournaments. 3) Some organizers said they only have 20-30 players for their YCC and don't want to pay \$200 minimum and receive too many medals.

To accomodate these organizers we should offer the option : status quo of \$6 per player, minimum \$200, maximum \$400 and receive the CFC package, or pay \$4 per player to the CFC in order to hold the YCC tournament but receive no package.

The carrot approach did not work and I got feedback from several sources that we should take only qualified participants from YCC to the CYCC. If a Province wants to have their youth players **allowed** into the CYCC they must help provide a tournament qualifier (YCC)

Therefore, here is a proposal for qualifiers to the 2010 CYCC:

Will participate in the CYCC, only:

- 1) the qualifiers from that years YCCs
- 2) the qualifiers from the CYCC to the WYCC of the previous year
- 3) the highest rating of each age category as of May 1st (open and female) of each province.

The proof of qualification will rest with the applicants to the CYCC.

Ellen Nadeau

Executive Directors' Report

To continue the medical analogy, the CFC office is now off life support. Proceeds from the condo sale provided hopefully the final cash infusion to the office of \$ 10,000 in early March 2009. The bleeding has stopped. The office should now be self sufficient provided we can agree on a balanced budget for fiscal 2010. The loans from the Chess Foundation of \$ 48,500 have been repaid, leaving a balance from proceeds from condo sale after real estate fees of approx \$ 75,000.

A limited financial report for the 3rd quarter is included in the appendix. The report excludes the restructuring costs, write down of old receivable balances, write down of the obsolete inventory, and the gain on sale (recovery of depreciation) of the Ottawa office condo. All these items will be dealt with in the yearend financial statements.

The 3rd quarter results are a loss of \$ 6,137. This is the final period prior to the major restructuring of selling the office and moving to a home based office. The results were not unexpected. Again, it illustrates the necessity of the restructuring plan. Significant improvement is expected in the 4th quarter.

We are struggling to keep up with the workload. I want to thank Paul and Vince for their outstanding work. I want to thank everyone for their patience in recent months. We still have a lengthy "to do" list. If you're on it, a friendly reminder email is welcome.

Sincerely,

Robert Gillanders
Executive Director
March 23, 2009

Message from FIDE Representative:

Dear chess friends,

We got the invitation to **Commonwealth Chess Championship 2009, in Ipoh, Malaysia, 14-21 July 2009** from Peter Long, Organising Secretary/Tournament Director.

Please find it at the CFC Forum: <http://www.chesscanada.info/forum/showthread.php?t=361> and let me know, if you're interested to participate.

Michael Barron,
FIDE Representative,
Canadian Zonal President
March 23, 2009

RESULTS OF VOTING:

Motion 2009-05: (Moved Egidijus Zeromskis Seconded Michael Barron)

It became a practice to held Canadian U8 youth events (open and girls) and send their winners to World championships. However, the current Handbook does not state that these events are official CFC events.

Therefore, I and Michael Barron ,as the seconder, propose this Motion:

Motion that Handbook paragraph 1000(a) dealing with CYCC be amended to read:

(a) The holding of the Canadian Youth Chess Championship (“CYCC”),
which consists of the following twelve events:
Canadian Under 18 Championship (open and girls)
Canadian Under 16 Championship (open and girls)
Canadian Under 14 Championship (open and girls)
Canadian Under 12 Championship (open and girls)
Canadian Under 10 Championship (open and girls)
Canadian Under 8 Championship (open and girls)

Rationale:

Changes:

*** The events number is increased accordingly from ten to twelve;

*** The new line "Canadian Under 8 Championship (open and girls)" is a base of our amendment;

*** Words "Under" before each age group. This is a standard practice to call these chess events (e.g., see at the 2008 WYCC regulations

<http://wycc2008.vietnamchess.com/index.php?/Regulations/Regulations.html>
)

Votes Yes (27): Barron, Bluvshstein, Craft, Craver, DeKerpel, Demian, Denommee, Dutton, Einarsson, Ficzere, Gladstone, Haley, Hoch, Hughey, Khoudgarian, Lavin, Liles, Mallon, Marghetis, McDonald, Nadeau, Smith, Starr, Steer, Stockhausen, Von Keitz, Zeromskis

Votes No (0)

Abstentions (0)

Motion 2009-07 (Moved David Lavin / Maurice Smith)

Effective May 1st, 2009 the CFC Tournament Fee will be \$20 per player per tournament, \$4 of which will go to the Provincial Authority. The CFC Tournament Fee for Juniors will be \$10 per player per tournament, of which \$2 will go to the Provincial Authority.

This replaces the entire Section of Article 375 Tournament Playing Fee in the Handbook.

Votes Yes: (19) Bluvshstein, Craft, Craver, DeKerpel, Denommee, Einarsson, Evans, Gladstone, Haley, Hoch, Hughey, Lavin, McDonald, Nadeau, Smith, Steer, Stockhausen, Thorvardson, Von

Keitz

Votes No (9): Barron, Demian, Dutton, Ficzere, Khoudgarian, Liles, Mallon, Marghetis, Starr, Zeromskis

Abstentions: (0)

David Lavin: There has been much discussion about Tournament Memberships. Many feel that they encourage new members, others feel that they are costing the CFC revenue. What cannot be disputed is that an adult Tournament Membership fee of \$10 is incredibly cheap when compared to the Annual Membership of \$36. The cost of processing each membership is the same, so the costs to the CFC of a Tournament Membership is disproportionately high. Secondly, relatively few people play in four tournaments a year so there is a significant incentive to purchase the \$10 Tournament Membership rather than full Membership.

Michael Barron: My vote is: NO.

The common opinion of active chess organizers throughout Canada is:

A holistic review of what the CFC should do for members (and what that will cost) should be done before changing any fees.

Without such review any fee changes can't do anything good - they only shrink membership base.

Valer Demian: In his President's Message from GL#4 David explains that he would be happy to eliminate Tournament membership and that "people became members (in the past) because they wanted to play tournament chess". Although I like very much what he says, this motion contradicts him; also it is a strategical error by keeping tournament membership while cosmetically adjusting its value. Comparing it with going to the movies seems to me like apples and oranges. Please register my vote as "No"

Motion 2009-08 (Moved David Lavin / Maurice Smith)

Effective May 1st 2009 the Rating Fee for Adult Tournaments will be \$3 per person per Tournament if using CFC/SwissSys, \$5 per person per Tournament if not using CFC SwissSys. The rating Fee for Junior Tournaments will be \$0.50 per person per Tournament if using CFC SwissSys, \$2.50 per person per Tournament if not using CFC SwissSys. Tournaments submitted Swiss Assistant shall receive the same rate as those submitted using CFC SwissSys.

This replaces the entire Section of Article 731 Fees in the Handbook and any Motions regarding 731 that were passed and not published.

Votes Yes (18): Bluvstein, Craver, DeKerpel, Demian, Dutton, Einarsson, Gladstone, Haley, Hoch, Lavin, LeBlanc, McDonald, Nadeau, Smith, Steer, Stockhausen, Thorvardson, Von Keitz

Votes No (9): Barron, Craft, Denommee, Ficzere, Hughey, Khoudgarian, Liles, Marghetis, Starr, Zeromskis

Abstentions (1): Mallon

David Lavin: The CFC at some expense has purchased a software solution to the rating of CFC tournaments. This system was implemented in order to replace the manual input of tournament spreadsheets by the Executive Director and staff that has been expensive to use. We want to encourage TDs to use a system that has proven to be simple to use and beneficial to all parties.

Pierre Dénommée: I vote no to 2009-08. I'm sorry but the software does not seem to pair properly according to FIDE rules. The only part that I would support is the crosstable entry program. At the Kitchener AGM, a motion having essentially the same goals have been voted. Compared to this motion, the Chess clubs in Canada are loosing their 50\$ per year flat rate and this is not an improvement. The rating system has to be fully automated : it must not require time for data entry from the CFC staff and it should detect expired memberships automatically.

Governors should note that this motion is NOT identical to the version originally posted on the CFC Forum – the original version had a junior fee of 1.00 and 3.00 (which was an unintended increase in the current fees) and did not mention Swiss Assistant. We apologize for any confusion!

Michael Barron: My vote is: NO.

Unfortunately, the proposed Motion doesn't introduce any Rating Fee Discount – it only introduces Rating Fee Surcharge for Tournament Directors who don't want (or can't for some reason) use CFC approved software for submitting tournament results.

In fact, the TD's are forced to choose: to use SwissSys or not rate their tournaments with CFC. While the majority of TD's will choose former option, there could be some who choose later. As result, the CFC will lose this revenue, and more important - the CFC will lose these tournaments, TD's and players.

If we really want to encourage TD's to use electronic tournament results submission, we don't need a new Motion – we just need to start using old one, passed by the Assembly of Governors in GL#2 2006-2007

(please see page 3 at <http://chess.ca/Gls/06-07GL2.pdf>):

"Motion 2007-01 (Formerly 2006-15 as amended at the Annual General Meeting)

(Moved Christopher Mallon / Patrick McDonald)

a) That rating fees be changed to the following:

Standard rated events: \$3 per player for manual submission, \$2 per player for fully electronic submission.

Active and Blitz rated events: \$3 per player for manual submission, \$1 per player for fully electronic submission.

All-junior events: 50 cents per player.

b) That to further encourage fully electronic submissions, a maximum rating fee of \$100 per tournament will apply for events submitted in this manner.

c) That chess clubs may pay a fixed \$50 yearly rating fee, entitling them to rate any club events for no additional fee, as long as such events are submitted fully electronically, do not have any entry fees above club and CFC membership fees, and do not have cash or equivalent prizes.

d) That for the purposes of these regulations, fully electronic submission is defined as a tournament report which can be automatically, with minimal human interference, processed by our ratings software."

Valer Demian: Good idea and gets my vote: "Yes".

MOTIONS FOR FINAL VOTE:

MOTIONS FOR FIRST DISCUSSION:

Motion 2009-10 (Moved / Seconded Hal Bond / David Lavin)

Any player from Canada who applies for a FIDE player title must have maintained a CFC rating, for at least 15 games, which is not more than 100 points below the FIDE benchmark for the title/norm in question.

Title	FIDE Benchmark	Minimum CFC Rating
FM	2300	2200
IM	2451	2351
GM	2601	2501
WFM	2100	2000
WIM	2251	2151
WGM	2401	2301

Hal Bond: The CFC has no regulations which guard against player titles being earned under questionable circumstances, or titles which can be earned at our Zonal Championships. The intent of this motion is to provide some modest criteria for such cases.

At the Dresden Congress a Canadian player's IM title application came under scrutiny. With a CFC rating of 2266 and a FIDE rating of 2229, the individual travelled to Eastern Europe in 2005 and 2006, where he scored 3 IM norms and added 180 points to his FIDE rating. He then returned in 2008 to this same region where he held his FIDE rating over 2400 in 3 more tournaments. He has not played in Canada since 2004

Motion # 2009-11 : Moved: Kerry Liles; Seconded: Michael von Keitz

- that section 5 of CFC Bylaw 1. dealing with " Ordinary Membership ", Section 2 of the CFC Handbook, is amended by adding after the words " the assembly of governors ", the following:

" (see CFC Rules and Regulations, Article 1, Section 9) ".

Commentary: The new section 5 as amended will read:

CFC Bylaw 1

ORDINARY MEMBERSHIP

5. Any person, ordinarily resident in Canada , may become an Ordinary Member of the Federation, for the then-current fiscal year, upon payment of the Membership per Capita Fee, directly to the Federation, or through his Provincial Organization. Every Ordinary or Life Member has a right to vote on the appointment or election of the Governor or Governors who will represent his Provincial Organization. Every Ordinary or Life Member has a right to vote on the appointment or election of the Governor or Governors who will represent his Provincial Organization at the assembly of Governors (**see CFC Rules and Regulations, Article 1, Section 9**), but shall not be entitled to vote under any other circumstances unless specifically provided in these by-laws.

This amendment, referring to section 9 of Article 1 of the CFC Rules and Regulations, is necessary to have this section not conflict with the new amended section 9. Currently the old

section requires that each CFC member is allowed to vote for ALL provincial CFC Governors for that province. This amendment makes it clear that a province will be able to restrict its CFC members to only voting for CFC governors for their provincial region, if the province is so divided.

Note that this amendment is considered a constitutional amendment under Bylaw # 3 of the CFC, section 3, which is:

BY-LAW NUMBER THREE OF THE CHESS FEDERATION OF CANADA

ANNUAL MEETING AND AMENDMENTS TO THE CONSTITUTION

1.

2. All matters to be decided by the Assembly, shall be decided by a majority vote, save as hereinafter provided.

3. Any amendment or revision **of these By-Laws**; any matter pertaining to any international agreement between the Federation and any international or foreign Chess Federation or Association; and any matter pertaining to the payment of dues to the Fédération International des Echecs may be made,

(a) **at any Annual Meeting** of the Assembly, providing that a notice of intention to submit such matter to a vote has been received by the Secretary at least 30 days prior to the date of such Annual Meeting and has been transmitted by the Secretary to each Governor at least 14 days prior to the date of such Annual Meeting and that any resolution pertaining to such matter shall be **approved by at least a two-thirds majority of the votes of those present and entitled to vote, including proxy votes.**

(b) **at any time through a mail vote** of Assembly, providing that the exact wording of such proposed amendments or revision, or of the resolution to be passed by the Board through mail vote is submitted to each Governor at least fourteen days before the expiry of the time limit specified by the President for the receipt of the votes by the Secretary, and that **at least one-half of the number of votes eligible to be cast has been received by the Secretary, and there is a majority of at least two-thirds of the votes cast in favour** of the proposed amendment or revision or resolution.

Motion # 2009-12: Moved: Kerry Liles; seconded: Michael von Keitz;

- that section 9 of the Article 1 of the CFC Rules and Regulations, section 2 of the CFC Handbook, is amended by adding at the end the sentence:

“ However, should the Provincial Organization see fit, it can devolve the holding of meetings to regional affiliates, and restrict the Federation Members to voting only for the CFC Governors allocated to that particular region. “

Commentary: The new section 9 as amended will read:

CFC Rules and Regulations, Article 1

SELECTION OF GOVERNORS BY PROVINCIAL ORGANIZATION

9. As soon as possible after the receipt by a Provincial Organization of the aforementioned Certificate, such body will convene a meeting of its Federation Members for the purpose of electing its necessary number of nominees for the Board for the ensuing term. **However, should the Provincial Organization see fit, it can devolve the holding of meetings to regional affiliates, and restrict the Federation Members to voting only for the CFC Governors allocated to that particular region.**

Each CFC member has the unrestricted right to vote for ALL CFC Governors for that Province. That is the interpretation given to the CFC Handbook sections by CFC and by the provinces of B.C., N.S, and N.B (We are not aware of the interpretation of other provinces)..

(As well as being national Secretary, I am BC provincial Secretary/Treasurer and am unfamiliar with BC ever having endorsed this interpretation – ed.)

But what is appropriate for provinces with fewer members, is not appropriate for a large province like Ontario which has many CFC members spread throughout the province. To make the system of CFC Governor election more effective, Ontario has used the concept of localizing the election of CFC Governors into geographic regions. CFC Members often do not know those standing for Governors in other regions, and their vote in that regard would be uninformed. But each member can know those running for governorship in their own region of the Province. So it is beneficial for a CFC member in Ontario to have his vote RESTRICTED to those CFC Governors from his own region. And this system could be applicable to any other province/territory, if they wished to regionalize as well.

The problem is that the CFC Handbook as currently written does not give the Provincial Organizations the power to restrict the CFC member governor vote in this way. An amendment of the CFC Handbook is therefore required for this. The amendments will then legitimize the current Ontario CFC Governor election system. And it will make such a system available to any other province/territory interested in such a regime.

Motion 2009-13 Re: CYCC Qualifiers

(Ellen Nadeau / David Lavin)

The motion to replace the Articles 1003, 1004, 1005, 1006 of the CFC handbook is as follows:

Will participate in the CYCC 2010 and subsequent CYCCs, only:
-the qualifiers from that years YCCs

-the qualifiers from the CYCC to the WYCC of the previous year

-the highest rating of each age category (open and female) of each province(as of May 1st prior to the CYCC) .

The proof of qualification will rest with the applicants to the CYCC

Discussion: See Junior Coordinator's report above

General Comments from Governors: none received by e-mail. Governors are referred to the Governors discussion forum on the CFC Forum for more.

THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS

Statement of Revenue and Expenditures
For the 9 months ended January 31, 2009
Unaudited

	6 months ended Oct 2008	3 months ended Jan 2009	9 months ended Jan 2009
REVENUE			
Sales of books, equipment and software	37,902	\$ 19,317	\$ 57,219
Shipping and handling charges	1,488	849	2,337
Membership fees	23,582	10,950	34,532
Interest earned from Chess Foundation of Canada	2,500	1,591	4,091
Rating fees	12,665	5,958	18,623
Donations	4,313	1,744	6,057
Other programs (see supplementary information)	66,989	6,664	73,653
	149,439	47,073	196,512
EXPENDITURE			
Cost of sales	23,981	16,305	40,286
General and administrative			
Salaries, benefits and staff travel	40,343	20,158	60,501
Building and equipment expenses	7,629	3,124	10,753
Office	12,085	4,863	16,948
	60,057	28,145	88,202
Programs			
International	3,623	396	4,019
Contributions to clubs and affiliates	3,056	1,250	4,306
Contributions to Chess Foundation of Canada	450	450	900
Other programs (see supplementary information)	66,989	6,664	73,653
	74,118	8,760	82,878
	158,156	53,210	211,366
NET REVENUE (EXPENDITURE) FOR THE YEAR	(8,717)	\$ (6,137)	\$ (14,854)

Note: The above statement reflects only normal operating income and expenditures. It does not include the following items:

1. Restructuring expenditures related to closing the Ottawa office, development costs for new SwissSys rating software, and development costs for new Webzine.
2. Writedown of obsolete inventory and old receivable balances.
3. Gain on sale of Ottawa office condo.

THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS

Supplementary Information
For the 9 months ended January 31, 2009
Unaudited

Analysis of Membership fees	2008 Year	2009 1st half	2009 3rd Qtr	2009 to Jan 09
Annual membership fees collected	44,942	21,060	7,245	28,305
Tournament memberships collected	2,987	1,320	555	1,875
Adjustment to Deferred revenue	800	752	2,700	3,452
Life memberships	2,430	450	450	900
Membership fees reported	<u>51,159</u>	<u>23,582</u>	<u>10,950</u>	<u>34,532</u>
Less: Life memberships to Foundation	2,430	450	450	900
Net membership dues	<u>48,729</u>	<u>23,132</u>	<u>10,500</u>	<u>33,632</u>

The organization follows the deferral method of accounting for revenues. Membership fees are recorded as revenues in the period to which they relate.

Deferred Contributions	Olympic Donations	CYCC Program	Kalev Pugi Program	Total
Balance, April 30, 2008	1,015	14,434	3,263	18,712
Add: Contributions	14,647	45,790	820	61,257
Less: amount recognized as revenue	<15,512>	<56,141>	<2,000>	<73,653>
Balance, January 31, 2009	<u>150</u>	<u>4,083</u>	<u>2,083</u>	<u>6,316</u>

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

Motions for Final Vote:

Motions for Second Discussion: none

Motions for First Discussion:

Motion 2009-10: Rating Requirements for FIDE titles

Motion 2009-11: Provincial Selection of Governors

Motion 2009-12: Provincial Selection of Governors

Motion 2009-13: CYCC Regulations

Deadline for submissions to GL#6 is Wednesday, April 8st, 2009

Responses may be mailed, faxed or E-mailed to the Chess Federation of Canada, P.O. Box 4790 Station E, Ottawa, ON K1S 5H9, fax: 613-733-5209, E-Mail: info@chess.ca