



MINUTES
USA BOXING BOARD OF DIRECTORS
CONFERENCE CALL
July 2, 2009
2:00PM MST

I. Roll Call

Board Members Present: Jim Beasley, Robert Blaha, Boyd Melson, Angel Bovee, John Brown, Kevin Franklin, Tom Virgets

Staff Present: Mike Martino, Interim Executive Director; Cathy Newell, Executive Assistant

Board Members Absent: Frank Filiberto

II. Quorum Established

III. Chairman's Opening Remarks

IV. Mike Martino: Reported on first days at National Office:

1. Met with Staff to stabilize morale.
2. Went through Millman transition report.
3. Martino's attendance at National Office will be 2-3 days per week.
4. Martino met with Rachel Isaacs from USOC, had positive discussion regarding transparency and building positive relationship between USAB and the USOC.
5. Martino had discussions with Foundation Trustees (B. Smith, M. Murdaugh, D. Auclair).
6. Martino working with Linda Gleeson on financials and job descriptions.
 - a) Outstanding bills of \$410,000 (minus outstanding items from 2009 Nationals).
 - b) \$65,000 in Vectra account - - \$32,000 dedicated to insurance.
 - c) No money put aside to cover any above & beyond costs for Nationals.
 - d) Final payment to Regis is due August 1, 2009; app \$185,000.
 - e) Red Lion Hotel final bill has not been received yet.

f) Line of credit is \$293,000 to Vectra. Payments need to be made.

7. **MOTION/SECONDED/CARRIED** (Beasley/Virgets): Acceptance of Everlast contract and signature by Mike Martino. **Brown abstains.**

8. ***Women's PanAms in Newark***: Martino working with the Women's Task Force, Ray Silvas, and Dr. Boitano to try and raise the funds so the women can attend. Martino is committed to securing private donations to cover travel costs.

a) Any BOD members who have a way to donate frequent flier miles or tickets for Women's Team to attend PanAms in Newark, contact Mike Martino.

b) Contract signing will obligate USAB to host the event without any cost to USAB, other than travel of Team and coaches.

c) **MOTION/SECONDED/CARRIED** (Bovee/Franklin): Accept the Women's PanAm contract to be signed by Mike Martino. Unanimously passed.

9. **REQUEST (Blaha)**: Martino to issue 1-2 page summary of current USAB financial situation.

V. **Millman Severance**: Second proposal from Millman's attorney to USAB Board was denied (Blaha reviewed with Virgets). Millman asked by BOD to reach reasonable solution (\$438,000 brought down to \$238,000). No settlement reached without total BOD approval. All members in agreement.

VI. **Foundation Meeting**: Meeting in New York City on July 25th, 2009. Virgets will present a budget that will ask for a bail-out for 2009. Report is to show that policies are in place to stay within budget for 2010. ***Board needs to implement 2 policies:***

A. USAB will annually set an operating budget based upon the previous 3 year average of revenues generated from membership and sanction fees. Any budget presented that exceeds the revenues generated from membership and sanction fees will require the approval of the BOD, and the USOC and Foundation.

- B. All revenue generated above membership and sanction fees will be used for non-annually reoccurring "bar of excellence" programs. No contracts will be entered into in support of the "bar of excellence" programs unless dollars for the total cost of the contract are available and held in an escrow account.
- C. **ACTION:** Virgets to send each BOD the above, for approval/non-approval. Needs to be done before July 25th.
- D. All members in agreement with the above proposed.

VII. Governance: Large portion of membership not happy with current governance and failure of oversight on Millman.

- A. Due diligence by BOD to determine what can be given back to membership in terms of giving some power/control back to their organizations, without jeopardizing ability to operate under Best Practices.
- B. Blaha trusts that the USOC will work with USAB. To try and undermine their governance requirements will be destructive, in his opinion.
- C. Martino did take time to look at audit recommendations, and almost all have to do with financial oversight. Those recommendations need to be adhered to strictly.
 - 1. Caveats for Martino to remember during USOC discussion regarding audit: The USOC Treasurer appointee did not do due diligence with oversight. And BOD did take action over Foundation monies at the Board of Directors meeting in San Diego, in January 2008. Millman disagreed with the BOD directive to stay within line items of the budget. Virgets received call from J. Scherr after that meeting, stating that the USOC would not agree with any BOD decision to remove Millman from CEO position, or interfere with the CEO's operations.
 - 2. Martino believes the USOC will work with USAB in order to keep the organization.

VIII. Filiberto:

- A. Virgets disagrees with the way in which Filiberto is trying to deal with USAB issues. External communications outside of the BOD, creating a coup within membership, and directing the organization into a position that will force USAB into bankruptcy. Going against the USOC's governance requirements will destroy USAB. Filiberto has the authority to move outside of the organization to begin his own arm of amateur boxing, however only the BOD has the authority to vote a change of governance.
- B. Blaha believes an inside coup in the middle of a major process to work with the USOC and the USAB Foundation is counterproductive. Firm forward steps with the USOC and the Foundation need to happen. Filiberto is compromising the longevity of the organization.
- C. The USOC is looking for the BOD to take action with the Filiberto emails that have been going out to membership and the USOC.
- D. Brown urges the BOD to communicate quickly. A letter from Virgets, on behalf of the BOD, will be sent today that will address all emails and current issues being discussed in open forum.
- E. Conference calls scheduled with membership 7/3 & 7/7 to address the same.
- F. Filiberto incident at Denver Nationals.
 - 1. Committee to review items and come back to BOD with recommendations.

IX. Closed Session (3:00pm MST)

- X. Adjourned 3:22pm MST

Respectfully submitted,

Cathy Newell
Executive Assistant