

DISTRICT 5 DIRECTOR'S REPORT

MEMPHIS BOARD MEETINGS 2019

BRIAN R. ELLIS

I attended my first board meetings at the Memphis nationals. The most important matters revolve around the loss of over 2M in 2018.

A large item was the fiasco that was Hawaii, the fall nationals. Attendance was 6,000 tables; the projection was for 8,200. Additionally, the reduced attendance also resulted in fewer rooms being rented by the players. Most hotel contracts include a provision for additional costs when rooms rented do not reach the contracted amount. These two factors helped the loss for the nationals to be 772K.

Another large item was the termination of the then CEO, Bahar Gadwani. He had a three year contract and took the ACBL to arbitration. The ACBL lost in arbitration and had to pay approximately 760K.

Another substantial item also involves the then CEO. There was a software project (of which I know virtually nothing) which he purchased. The costs were about 327K and the software was eventually determined to be unusable.

The last large negative item relates to litigation which was brought by a former board member. The settlement included both ACBL and our insurance coverage. The ACBL portion of the settlement was 225K.

The loss on these four items was close to 2.1M.

The theme this year is to cut some expenses and to have an expected plus with the Las Vegas and San Francisco nationals both being favorable locations. While some expense cutting is judicious, I believe that major changes are necessary in how ACBL does business. As a member of the Finance Committee and with an accounting and legal background, I will have a number of thoughts prior to and during the Las Vegas nationals about how to improve our processes.

Another issue involves collusive cheating. The result reached at these meetings was permanent expulsion . Application for readmission can occur ten years after the expulsion, or five years after the expulsion if the cheating was admitted prior to the proceedings. I have some thoughts here also and would like to speak to a variety of players about this issue.

Another major issue relates to restructuring the board. The Governance Committee has been working on this. There is some thinking that “best practices” would call for a board of perhaps 9 members to deal with large overall issues and another body, currently labeled a “senate”, which would deal with various bridge matters. This senate could consist of two members per district and would do more work online and meet less often face-to-face. Also, the Board of Governors would be terminated.

The ACBL is different from other non-profit entities. Our members regularly speak to both headquarters and board members. This factor, to me, requires strong consideration in any proposed restructuring.

There will be at least a half day at the Las Vegas meetings devoted to the potential restructuring. In part due to various legal matters, I would anticipate any change in structure to take at least several years.

The issues discussed in this report are the most significant to the membership. I plan to take a much more vocal role now that I have seen how some things are being done. Also, I plan to be readily available to answer questions and to hear other issues.

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