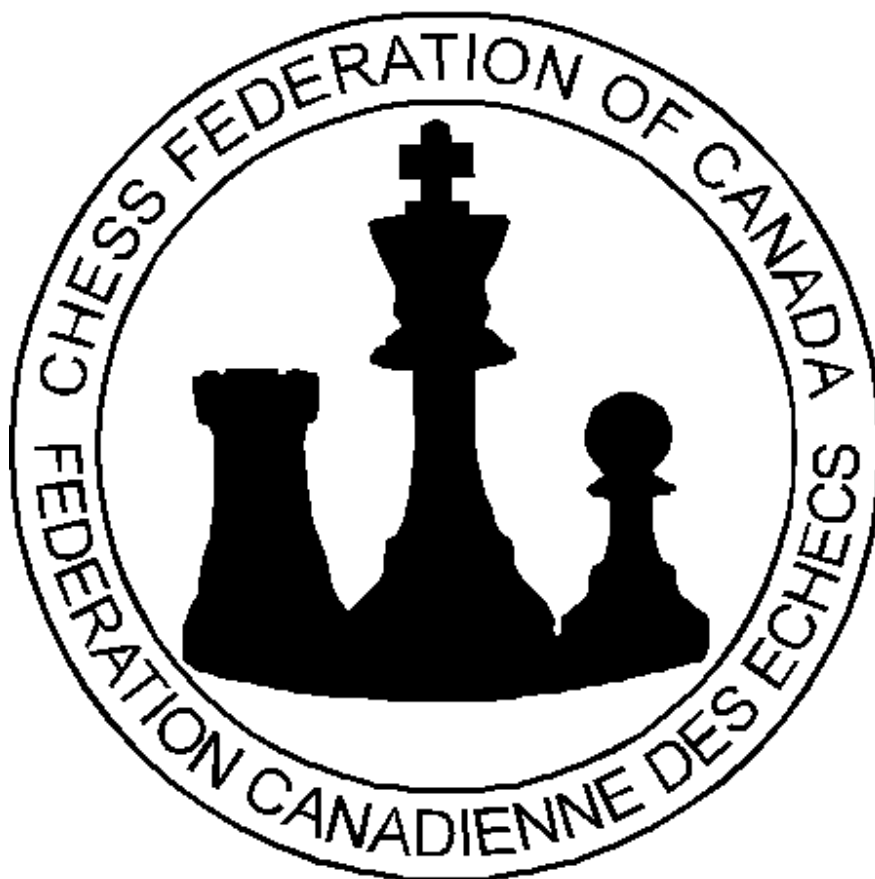


**CHESS FEDERATION OF CANADA
GOVERNORS' LETTER ONE
2012-2013**



Responses may be mailed, faxed or E-mailed to the Chess Federation of Canada, 356 Ontario Street, Suite 373, Stratford, ON N5A 7X6, Phone: (519) 508-2362, Fax: (519) 508-6595, E-Mail: secretary@chess.ca

ATTENTION ALL GOVERNORS: The Governors Letter is now distributed by e-mail only. Governors without regular e-mail access should contact the Business Office to make special arrangements.

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

From the Secretary:

Here is Governors' Letter #1 – Governors will know that for the first time the Chess Federation of Canada Annual General Meeting was held as an Online meeting through our Forum. The meeting was organized as two separate meetings (a) the meeting of the Outgoing Governors and (b) the meetings of the Incoming Governors.

These can be found at:

Outgoing: <http://www.chesscanada.info/forum/forumdisplay.php?f=26>

Incoming: <http://www.chesscanada.info/forum/forumdisplay.php?f=27>

These can be viewed without signing into the Forum.

Governors should note that the first Quarterly Online Governors Meeting will be held on the CFC Forum to be held October 1st through 8th (or as extended)

Lyle Craver
Secretary, Chess Federation of Canada

Executive reports:

These have been given at the Annual General Meeting in July and the Budget meeting in August. We are already providing feedback on a quarterly basis or more often.

Report on the Online Budget Meeting (August 1-7, 2012)

An Online Budget meeting was held August 1-7 with the meeting divided between discussion (Aug 1-4) and voting (Aug 5-7)

Highlights were:

- 37 Governors participated in the meeting
- The 2012-13 Budget (see Appendix)
- Iulia Lacau-Rodean was ratified as CFC Women's Coordinator
- A straw vote was taken on the issue of extending the FEN Books and Equipment Contract. 4 options were presented with no option getting a majority of Governor support. The FEN contract is extended to April - task force to discuss the future of our books and equipment
-
- Amendments to the CFC/FQE agreement were proposed by the FQE. After much discussion the motion by Governors Bond and McKim was approved by a vote of 28-1 with 1 abstention
- As per the terms of the CFC/FQE agreement the Governors chose Gordon Ritchie and Rob Clark as the CFC's trustees to the FQE Trust. The question of a Trust chair was deferred to the Trustees
- By a vote of 22-3 with 4 abstentions, the Governors voted to make the October Quarterly Online Governors Meeting public on the same basis as the Annual

General Meeting. Whether further meetings beyond October are to be made public is on the agenda for October

- Full meeting voting tallies are in Appendix 3 or can be seen online at <http://www.chesscanada.info/forum/showthread.php?t=2853>

<i>Appendix 1: 2012-13 Budget</i>
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**Chess Federation of Canada
Budget for Year ended April 30, 2013**

	Year end April 30, 2011 Actual	Year end April 30, 2012 Actual	Year end April 30, 2013 Budget
Memberships	45,412	48,352	47,963
Life memberships	2,700	1,440	-
Rating Fees	25,693	26,536	27,600
FEN Equipment Sales	27,884	26,362	28,000
Amazon Book Sales	661	392	400
Donations	4,787	1,828	-
Interest from Foundation	7,263	9,132	8,377
CCN Advertising	325	412	300
Other	361	135	-
	115,086	114,589	112,640
Cost of Sales	20,129	23,004	22,400
Executive travel and expenses	1,000	1,290	1,000
Outsourcing Contract	44,119	46,765	47,253
Office expenses	11,664	10,860	8,593
CCN Newsletter	18,000	18,530	18,000
International expenses (FIDE)	5,664	8,138	6,800
Contributions to clubs and affiliates	3,092	-	-
Support for Canadian Open	2,128	1,500	-
Support for Olympic team	1,085	-	-
Support for Canadian Closed	2,863	-	-
Amortize new website - est 18k over 5 years	-	2,700	3,600
Amortize website - phase 2 (3k over 5 years)	-	-	300
Legal costs	-	-	1,000
Audit fees	-	-	3,600
Life memberships - Chess Foundation	2,700	1,440	-
	112,444	114,227	112,546
Surplus (Deficit)	2,642	362	94

Appendix 2: CFC / FQE Agreement

AGREEMENT FOR THE EXCHANGE OF SERVICES BETWEEN THE CFC AND THE FQE

- For the duration of this agreement, CFC will grant the following privilege to FQE members residing in Quebec as they would be allowed to participate in any CFC rated tournaments in Quebec (as long as they are also FQE rated) and outside Quebec, without having to pay for a tournament passport or membership fees.
- For the duration of this agreement, FQE will grant the following privilege to CFC members residing outside Quebec as they would be allowed to participate in any FQE rated tournament outside Quebec (as long as they are also CFC rated) and in Quebec, without having to pay a tournament passport or membership fees.
- FQE would participate on the selection committee for determining participation to International events, 1/3 of the composition of those committees would be FQE representatives.
- FQE membership numbers would be included in the CFC's membership tally.
- FQE rated tournaments could be submitted to FIDE, with the requirement that they be rated by the CFC first.
- FQE members would be allowed to participate to Canadian Nationals at the same conditions as if they were CFC members.
- FQE members would be considered for inclusion on Canadian National Teams on the same basis as CFC members.
- FQE will make its magazine available to members of the CFC. The CFC will make its e-zine available to members of the FQE. The CFC will provide its material free of charge, while the FQE will charge 6\$ per year to cover postage costs.
- The CFC recognizes a need to satisfy its provincial affiliates, who support the federation through memberships and who receive benefits, including FIDE access, as a result. The CFC also recognizes that the FQE is uniquely able to satisfy the needs of French-speaking Canada and should be treated accordingly. The following fee structure will apply:
 - The FQE will pay a 9\$ fee per adult membership and 4\$ for junior and cadet membership. The payment will occur in the following fashion: On the anniversary date of the agreement, FQE will report its membership per category and pay an annual fee according to those numbers.
 - Annual fees collected are placed in a trust, earmarked for FIDE-related* expenses, overseen by 50% FQE Trustees and 50% CFC Trustees.
 - CFC will charge the same fees (or higher) to Quebec residents who would request membership in the CFC in order to avoid arbitrage.
 - FQE will charge its non Quebec members, the same fees (or higher) than the CFC to non Quebec resident in order to avoid arbitrage.

*Including, but not limited to, Olympiads, World Cups, FIDE Congresses, World Junior and World Youth events. This agreement is valid for 3 years starting August 1st, 2012.

Appendix 3: AGM Voting Summary

10a) Voting Booth: Ratification of 2012 Budget'

I support the 2012-13 budget, as presented.

Yes (21) Bob Gillanders Chris Felix Christopher Field Ellen Nadeau Félix Dumont Francisco Cabanas Garvin Nunes Hal Bond Halldor P. Palsson Ilia Bluvshstein Ken Craft Ken Einarsson Kevin Pacey Lyle Craver Marc Poulin Marcus Wilker Patrick McDonald Paul Leblanc Pierre Dénommée Rob Clark Vladimir Drkulec

No (0)

Abstain (7) Aris Marghetis Christopher Mallon Michael Barron Michael von Keitz Rick Pedersen Robert Laszlo Valer Eugen Demian

MOTION CARRIED

10b) Voting Booth: Ratification of Amended FQE-CFC Agreement'

I support the amended FQE-CFC Agreement.

Yes (28) Aris Marghetis Bob Gillanders Chris Felix Christopher Field Christopher Mallon Egidijus Zeromskis Ellen Nadeau Félix Dumont Francisco Cabanas Fred McKim Garvin Nunes Hal Bond Halldor P. Palsson Ilia Bluvshstein Ken Craft Ken Einarsson Kevin Pacey Les Bunning Lyle Craver Marc Poulin Marcus Wilker Michael Barron Patrick McDonald Paul Leblanc Pierre Dénommée Rick Pedersen Robert Laszlo Vladimir Drkulec

Abstain (1) Michael von Keitz

No (1) Valer Eugen Demian

MOTION CARRIED

10c) Voting Booth: Election of FQE Trust Trustees (Poll 1)'

On the question of having a Chair for the Trust, I feel:

there should be a voting Chair. (9) Aris Marghetis Egidijus Zeromskis Ellen Nadeau Félix Dumont Hal Bond Ilia Bluvshstein Kevin Pacey Michael Barron Vladimir Drkulec

abstain. (9) Bob Gillanders Francisco Cabanas Hugh Brodie Marc Poulin Marcus Wilker Michael von Keitz Patrick McDonald Rob Clark Valer Eugen Demian

there should be a non-voting Chair. (9) Chris Felix Christopher Field Christopher Mallon Fred McKim Halldor P. Palsson Ken Einarsson Lyle Craver Pierre Dénommée Robert Laszlo

there should be no Chair. (3) Garvin Nunes Ken Craft Paul Leblanc

POLL CONSIDERED FEEDBACK FOR THE TRUSTEES

10c) Voting Booth: Election of FQE Trust Trustees (Poll 2) - if Voting Chair'

Should there be a voting Chair of the FQE Fund, I support Marc Poulin in that role.

Yes (14)

No (4)

Abstain (9)

POLL CONSIDERED FEEDBACK FOR THE TRUSTEES

10c) Voting Booth: Election of FQE Trust Trustees (Poll 3) - if Non-Voting Chair'

Should there be a non-voting Chair of the Fund, I support Marc Poulin in that role.

Yes (19)

No (1)

Abstain (8)

POLL CONSIDERED FEEDBACK FOR THE TRUSTEES

10d) Voting Booth: Vote on Making October Quarterly Meeting Public'

I support the proceedings of the October Quarterly Meeting being made public.

Yes (22) Bob Gillanders Christopher Field Christopher Mallon Egidijus Zeromskis Ellen Nadeau Fred McKim Garvin Nunes Hal Bond Hugh Brodie Ilia Bluvshstein Ken Craft Ken Einarsson Les Bunning Marcus Wilker Michael Barron Patrick McDonald Pierre Dénomée Rick Pedersen Rob Clark Robert Laszlo Valer Eugen Demian Vladimir Drkulec

No (3) Aris Marghetis Halldor P. Palsson Paul Leblanc

Abstain (4) Kevin Pacey Lyle Craver Marc Poulin Michael von Keitz

Quarterly Online Governors' Meeting to be held October 1st to 8th in the CFC Governor Forum

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