

Minutes of the APS Board of Directors Meeting Friday, May 26, 2006 Washington 2006 Exhibition, Washington, D.C.

*** Denotes motion and board action (for searches)

Call to order: 9:00 a.m.

Present: President, Janet Klug; Board of Vice Presidents, Ada Prill, George Fekete, Alan Parsons; Secretary, Wayne Youngblood; Treasurer, Nicholas Carter; Directors-at-Large, John Flannery, Peter Martin, Wade Saadi, David Straight; Past President, Peter McCann; General Counsel, Virginia Eisenstein; Executive Director, Robert Lamb; Incoming Executive Director, Peter Mastrangelo.

Staff: Rob Haeseler, Ken Martin, Wendy Masorti

Guests: Lloyd de Vries, Steve Rod, Roger Brody,

I. Presidents Welcome (Janet Klug)

Janet Klug: Welcome everyone. I am pleased to introduce our new Executive Director, Peter Mastrangelo. As always, comments from visitors are welcome, however Board members get precedence.

II. Executive Director's Report (Robert Lamb):

Bob Lamb: It is with great pleasure that I deliver my final report to you as your Executive Director.

I leave you with a Society and a Library that are financially healthy. As of April 30, the last financial statement available to us, the Society's total net assets are \$1.7 million. This is almost \$300,000 more than at this time last year. The library's total net assets have risen to \$5.1 million, an increase of more than \$400,000 over the past year. Combined, the total net assets of the two organizations have attained \$6.8 million, an increase of nearly \$700,000 in the past 12 months – and the highest net worth in the history of the two organizations.

Now I would like to share some thoughts with you about some of the major Society programs. First, I would like to talk about membership. Although we have substantially reduced the rate of decline, we continue to lose members. On January 1, we had 45,277 members. That is about 1,200 fewer than a year ago, a decrease of 2.7%. But we do know our members continue to be loyal supporters of the Society. Today, the main reasons for our loss of current members are death and disability. And, the decline is due to the fact

that we are not attracting sufficient new members to offset the attrition. I think we have experimented with some very aggressive and innovative recruiting techniques, but we have not been able to overcome this decline.

The Society is holding its membership better than other hobby institutions. In 2003, *Linn's* gave up its position as the leader in the hobby to the APS -- as its subscriber numbers dropped below the APS membership. That leadership position was held by *Linn's* since the 1950s. By comparison *Linn's* dropped about 33% of its subscribers in the last decade, while the APS lost only 11% during the same period. Our performance was the best of any major organization in the hobby during that period. Peter Martin did an excellent study in 2004 which showed that the APS and the Library membership -- as reflected in the circulation of their publications -- were the two best performing U.S. publications in the hobby at that time.

I would make an observation about dues increases. There is an ongoing debate of the impact of dues increases on our membership. Historically, dues increases have meant a decline in membership. I believe that they continue to affect membership and especially new member recruitment. I urge you to make sparing use of dues increases in the future.

There is a great deal of discussion about increasing our book publication program. Dick Winter's book on transatlantic mail has indeed been a major success. All but a handful of the initial press run of about 1,200 copies has been sold. It is a superb reference work and it is a credit to the Society to have this book appear under its imprimatur. Another book is in preparation now and I hope we will be able to offer it with the fall dues notice. I believe that that too will be a success. But, book publishing represents a major commitment of scarce resources and the profit margins are thin. I suggest caution in committing to any future book publishing programs. Each book should be weighed on its own merits, along with careful consultation with the Executive Director about its profitability and marketability.

A major income source for the Society is the Sales Division. Streamlining and automating operations has made the department much more efficient and has enabled us to stem the decline in sales and inventories. This year inventories are holding at \$8.6 million and sales are holding steady principally because Tom [Horn] and his staff have been able to keep the books circulating faster, and because of Tom's creativity in developing innovative new programs, such as the busy-person circuit. At this new level of efficiency, I think the Sales Division will continue to be an important and profitable member service for a number of years to come.

Internet Sales is one of our success stories. As of the end of April it has reported the best four consecutive months in its history. However it is extremely sensitive to economic conditions. Last year you could document the decline in sales with the rise of gasoline prices. We need to look hard at Internet Sales. I have recommended to Peter [Mastrangelo] that he look at the fee structure later this year when the new web site comes online.

The Expertizing program is doing exceptionally well. We have not made any payments so far this year for the new guarantee program, which went into effect in January. The Quick ID program continues to be popular, demonstrating that it fills a need with collectors in this age of Internet purchasing. The program has been more successful than we had expected.

We are working on a website redesign, which is running behind. I think the design looks good and believe that it can be completed by the end of this calendar year. With that we will have two new profit centers. First the Internet Bookstore where we will sell APS publications, books on consignment and books for our affiliates. The second -- which is well overdue -- is the ability to offer our members the opportunity to list stamps on eBay. I believe this will be very profitable.

Finally, I would like to talk about rental income. It is important to the Society that the Library become self-sufficient. Rental income has been more successful than we anticipated. The Library is making \$70,000 on the 16,000 square feet that we have rented this year. Our potential additional 30,000 square feet of rentals could bring about that financial independence. Needless to say, if we could eliminate the \$200,000 subsidy of the APS to the Library than I think it would benefit the APS.

That is my report. Thank you for listening. I welcome your questions and comments.

Al Parsons: Who is doing the website redesign?

Lamb: A company from Northern Virginia called Rex Media. They were the best company that bid on the project, but they underestimated the size of the project. We have an enormous website and they are running behind.

Steven Rod: Is there a revised completion date?

Lamb: No, and I would not promise anything before January of 2007.

Jack Flannery: Has the site been human tested?

Lamb: No, they are not that far along.

Klug: How are we with the budget on this project?

Lamb: Rex Media was the low bidder. We have paid about \$72,000 of the \$99,000 contract. We have stopped payments until we see performance. They underbid, and we may pay them more for additional changes we have requested.

Wade Saadi: Do you have confidence in these folks? Based on my professional knowledge, it should only take about four months from start to finish. This started over a year ago, and the technology they based this on is already stale. I am concerned that these people can't finish what they started. We might be committed to something that will

never come about. I am not sure about paying them any more money; we might want Virginia Eisenstein to send them a letter showing some milestones for completion.

Lamb: We have considered that recourse. At the last internal meeting we had we discussed whether we thought Rex could produce. If they cannot produce, any further money will be wasted, and we should cancel the contract. Our belief is that they can produce. The quality of what they have done is very good, but they are extremely slow and they have had to learn along the way. If they can produce, it is in our interest to hold their feet to the fire; not run them into bankruptcy. It is not in our interest to throw away the \$72,000 we have already committed. And it is our belief, based on what they have done, the best course of action for the Society is to continue to press them to produce. I think four months is unreasonable. Our current website took a major firm about 18 months.

Saadi: I disagree with this time frame.

Lamb: You have to remember our site is complex. We have a marketplace and a library card catalog. We have a very complicated membership system that will interface with our own files with firewalls. We are looking at a very complex system here, and I do not think 18 months is at all unreasonable for a system of this size.

George Fekete: I agree that four months is unreasonable; 18 is much more reasonable. Also the price we are paying is a steal. The timeframe is fair and I'm not as concerned as Wade.

Saadi: I think you would be lucky to get this at all based on what I have seen so far, but that is just my opinion. This is what I do for a living -- my company designs and enhances websites. There is canned stuff that handles orders, books and sales that you take off the shelf and customize for companies. If these guys are writing code from day one, they are learning on our dollar and they're not going to be finished at the end of the year.

Fekete: Canned software ends up needing so much customizing that you should start with custom software.

Flannery: Industry standard practice on matters like this is to have a clause in the contract for performance penalties. And exercising those penalties from time to time has a remarkable affect on the vendor. Have we exercised penalties?

Lamb: We have not exercised the penalties in the contract. We have stopped payments and that has gotten their attention. Any future payments will be based on performance. This is best for now. They are a small firm that came highly recommended. We checked out all references and were astonished how much people praised this company. It is not in our best interest to drive them into bankruptcy.

Peter Mastrangelo: I have participated in some of the recent meetings. We have had three telephone conferences in the past four weeks as to where they are and where they are going. This is a project I am taking personal interest in because a large part of our future depends on the Web. So, it has captured my attention and we will continue watching it and work hard to get it up and running. Rex has indicated they may be coming by the show. This will be my chance to meet them personally. We will keep working to get something to meet our needs.

Flannery: Bob would you comment on our education programs? These are important, especially when you talk about retention of members.

Lamb: Education is one of our assets in terms of attracting new members. Overall, it is not a money maker. We offer different types of activities. We have the annual Summer Seminar, which is a profit center, and some mini seminars. We have youth programs. Young Stamp Collectors of America (YSCA) continues to grow and I think it has been a successful program. The YSCA has more members today than the JPA [Junior Philatelists of America] had. The All Star Stamp Club program is an effort to support clubs that someone else has started. We currently have about 100 such clubs.

Nicholas Carter: I move to accept the Executive Director's Report

David Straight: I second the motion

Motion passes unanimously.

III. Incoming Executive Director's Report:

Mastrangelo: I do not have much to report at this time. I would like to congratulate Bob on his successful tenure as Executive Director. And thank you, Bob, for welcoming me to the organization and for the assistance you have provided over the past few weeks. My immediate goals right now are to focus on the membership development efforts -- to continue the high level of service that we have and to zero in on the campaign for philately. I'm looking forward to working with both the APS and the APRL Boards. I am also looking forward to working with this great staff that we have. Elevating Ken Martin to the position of Deputy Executive Director will be invaluable to us. Ken's replacement, Dana Guyer, our current public relations manager, brings a background that will serve this position well. Dana has the tenacity necessary to deal with all the unions and convention managers in order to be successful. Thank you for welcoming me to the organization. I am looking forward to serving you.

Wayne Youngblood: I move we accept the Incoming Executive Director's Report.

Fekete: I second.

Motion was passed unanimously.

IV. Society Attorney Report

Virginia Eisenstein: The contract between Peter Mastrangelo and the Society was signed today. I have met with Peter and Bob to review pending matters. I would like to thank Bob for all his help and for his confidence in me. I have enjoyed working with Bob, and I look forward to working with Peter. The Society does not have any litigation right now. I would also like to add that I was very impressed with the committee for the selection of the new Executive Director.

Ada Prill: I move we accept the Society Attorney's Report

David Straight: I second.

Motion passed unanimously.

V. Old Business:

Klug: We need a motion to approve the minutes of the December 7th meeting that was held in Bellefonte.

Flannery: I move we approve those minutes.

Fekete: I second.

Motion passed unanimously.

VI. New Business:

Affiliate Applications:

Lamb: The first is the Auxiliary Markings Club. Started in 2003, the group has 164 members and meets the qualifications for membership.

Carter: I move we approve the Auxiliary Markings Club for affiliation.

Saadi: I second.

Motion passed unanimously.

Lamb: The Egypt Study Circle was formed in 1935. It has 85 members, and it, too, meets the qualifications.

Carter: Expresses concern about ease of transactions with an organization based out of the United States (Carter's specific concern was about the number of U.S. members and the potential difficulties they might encounter in making payments - particularly dues - to an Egyptian address. Bob assured him that was no problem).

Carter: I move we approve the Egypt Study Circle for affiliation.

Straight: I second.

Motion passes unanimously.

VI. Complaint policy

Klug: In February the Board was asked by a member to review the process that governs the handling of complaints. Nothing is included in the complaint process or in any standing resolution, bylaw or code of ethics that a defendant can use a lawsuit against a plaintiff to delay the judication of a complaint. Nevertheless, the APS has a long-standing policy that if a legal action is filed during the complaint process, the process is put on hold until such legal action has been resolved in due course. The member who made the request is correct; our bylaws and standing resolutions -- and even our website are not clear on the policy that we use. After collaboration between our Vice Presidents and our attorney, it is recommended to compose a resolution to clarify our policy, which I will ask Ada to read into the minutes. I want to remind everyone before we start the discussion that reference to any specific case is not permitted. We are talking about policy matters only.

Prill: Reads statement as follows:

“STATEMENT OF POLICY ON CONSIDERATION OF COMPLAINTS WHEN PARTIES ARE IN LITIGATION

“Whereas, it has been the policy of the American Philatelic Society to postpone disciplinary proceedings against its members when the parties involved are in litigation on any of the factual issues complained about; and

“Whereas, Society counsel has advised the Society Board that this policy should be adopted as a Resolution.

“NOW THEREFORE, BE IT RESOLVED, that charges preferred against a member of the American Philatelic Society shall not proceed while civil litigation between the parties is pending and such litigation involves the factual issues complained about; and

“BE IT FURTHER RESOLVED, that this policy shall apply whether the civil litigation is commenced prior to or after the complaint is filed with the Society. In the event that the complainant wishes to proceed after the litigation is concluded, the adjudication of the court may become part of the record before the Society; and

“BE IT FURTHER RESOLVED, that except for suspension pursuant to Section 2.11.5 of the Bylaws, criminal charges filed against a party shall operate to postpone disciplinary

proceedings against the party when the same or a portion of the same occurrences are the basis for the criminal charges; and

“BE IT FURTHER RESOLVED, that this policy requires that disciplinary proceedings be postponed in accordance herewith until final resolution of the litigation, including appeals therefrom.”

Prill: The Board of Vice Presidents normally deals with minor things; someone didn't return approvals or didn't pay for them; someone sent a misdescribed stamp; someone didn't provide a refund. Our only power is to suspend, put on probation or expel a person. We do not have any legal powers. Matters that are subject to litigation tend to be more serious cases. We do not have any power of subpoena, we do not have any way to put people under oath and we do not have any investigators working for us. We do not have the resources to deal with more serious cases such as fraud or defamation of character. When disputes involve litigation, it makes good sense for us to postpone things until we have the more thorough process of the courts to rely on. With the court record, we can proceed with more confidence. Bob spoke with both of his predecessors, and we spoke with Frank Sente and Helen Bruno, and they all said this has been policy of the APS for at least 30 years if not more. We just need to make it official.

Klug: What process is involved when a member states that they are suing another member?

Lamb: We attempt to determine whether there are plans for a case to go into litigation. If the case is in litigation, we inform the parties we will not take the case. At one time this was even stated on the questionnaire that we send people for complaints. I have found some instances where Helen has made notes in her file that she had attempted to determine whether the dispute was in litigation and because there was some question she documented it.

Klug: Does the APS check to make sure the matter is in litigation?

Lamb: We take their word. Actually, the parties could simply intend litigation. If they say I am planning to sue, we say come back to us when the suit is complete.

Straight: You seem to be speaking of instances where litigation and legal proceedings are being initiated by the person filing the complaint. What is our track record when a member responds to a complaint by considering filing litigation which could be perceived as a vehicle to avoid the complaint process or stall the complaint process? I perfectly follow what you are saying about not having the person file the complaint and file litigation at the same time. But coming from the defendant's side, basically, what is our track record?

Lamb: We have numerous examples in the files on criminal activity where we take the court record and base the complaint on the criminal activity and the bylaws cover that.

The civil litigation is a much rarer instance. I have known of this policy since I started at the APS. But when it was questioned, I called my predecessor, Keith Wagner, and asked about the origins of this policy. Keith stated that this policy predates him, and former Society Attorney David Flood. In 1999 there was an applicant in a complicated suit with another dealer. There were suits and counter suits between these two dealers over who owed money for an auction lot. Keith Wagner wrote to the dealer and said *“The APS Board of Vice Presidents has directed me to withdraw your application for membership and return it without prejudice. They have further advised that they will consider another application as soon as the litigation is resolved.”* And that is a case where nobody attempted to determine who sued whom first.

Eisenstein: Often the issue is that both sides feel they have been wronged and it is the same issue. Somebody might feel that they didn't get the stamps they had bargained for; the other side will say they didn't pay for them in a timely fashion. It doesn't matter who sues whom as long as the matter that is being complained about is the same matter as the litigation.

Peter Martin: I think as a matter of written policy this will tie the hands of the Board of Vice Presidents. I think the board needs the opportunity to take action when it deems necessary. And now we are putting in place a policy that they cannot take any action even if it may be appropriate. In the case of somebody filing a complaint and then somebody filing a counter complaint, they can stretch out this whole action by simply saying they are going to file a suit. If they have done something criminal and it is recognized by most people as criminal and the APS does not take any action, we would be remiss. In most cases this would work but what about instances where it doesn't apply and you want to take some action, now you have a policy. Someone can come back and say you are not following your procedures.

Klug: I do agree that there needs to more than just a threat of a lawsuit. I think there should be a lawsuit and proof provided of same.

Prill: We are not talking about jailing someone or fining them thousands of dollars. The only thing at issue is their membership in the APS. And somehow the harm of allowing someone to continue as an APS member for a year while litigation proceeds seems relatively small compared with the possibility of our smearing someone; giving them a bad name by taking action against them and then have the litigation process with its resources find out we have made a bad decision.

Martin: I don't disagree with that. I just think you are tying your hands into a situation where at some point in the future you may want to make a decision and you can't do it because this policy will get thrown in your face.

Roger Brody: What about giving the Board of Vice Presidents the discretion to choose that they may or may not postpone based on the information provided? I am concerned because affiliate organizations rely heavily on actions and decisions made by the APS. If

APS postpones action that puts us at risk of accepting applications of membership in our groups because we are not aware of complaints against them as you put them on hold.

Klug: If you would include that the Board of Vice Presidents may or may not take action – that is reversing our current policy – and, secondly does that not put the Board of Vice Presidents at risk of legal issues?

Eisenstein: I would not advise that. It really wouldn't be a policy and could raise the question of why didn't we enforce our policy, and we could be accused of playing favorites.

Martin: I prefer no policy in writing and have this as a defacto policy.

Klug: That is what we have right now.

Lamb: I have been in several lawsuits against the APS in the last decade and in every case the big issue has been have we abided by our policies consistently? Let me read from the current document that is sent to all people who plan to file a complaint. It reads: *“The APS Board of Vice Presidents is not a small claims court. Standing Resolution 2.2.2 prohibits members from using the APS as a bill collection agency. Do not file a complaint with the APS if you are pursuing the matter with a bill collector, preparing to file a civil lawsuit, or pursuing criminal charges. APS postpones consideration until any or all of those actions are concluded.”*

Peter McCann: So it is already in our guidelines?

Klug: Yes, we just need to clarify them.

Saadi: Ginny, in the proposed resolution what does “civil litigation is pending” mean?

Eisenstein: That means that litigation has been filed.

Saadi: Janet what were you saying about just threatening a suit?

Klug: The thing that worries me is what Bob said. If someone just threatens a lawsuit, should we postpone?

Saadi: But that is not the case in this resolution?

Klug: That is not the case in this resolution. There would have to be some proof that there was a lawsuit.

Straight: Absent that proof, this would not take affect until that proof was supplied?

Eisenstein: What Bob just read goes out to people telling them not to file complaint if you are taking other action.

Straight: If a complaint is in process and then we are notified that a suit has been filed, do we stop or do we wait until evidence of a suit is supplied? Second, if someone feels action has been suspended inappropriately, can a member who objects to the suspension of action appeal that?

Eisenstein: The job of Board of Vice Presidents in each case would be to decide whether the policy is applicable – and, yes, it could be appealed.

Lamb: It is unusual for a suit to be filed after a complaint is filed. This guidance is written for the person who is filing the complaint telling them if they are preparing to go for legal action, don't come to us until after the legal action is complete. Once a complaint is received and the APS process has begun, an individual would be told they would have to provide written proof of a suit to stop the APS complaint process.

Prill: An individual has 30 days to respond once they have been notified of a complaint. The Board of Vice Presidents does not see any case until after the 30 day period.

Carter: I understand the legal aspect. I am concerned about public perception. Is this going to be a standing resolution? Should we broaden the statement so members realize that this is the situation, otherwise it may appear we have no power to assist people.

Parsons: Should this be in the Standing Resolutions or should it be an amendment to the bylaws?

Eisenstein: My advice is to have this as a policy. Having the Board review the policy clarifies its existence and allows for it to be distributed. I am not suggesting that we have to go to the formality of adopting this into the bylaws or standing resolution. This Board can set policy for the APS.

Klug: If this is passed we amend the complaints policy to include this. This is simply an amendment to the current policy.

Flannery: This is sufficiently workman like and we should adopt it as at least an interim measure. Go ahead with what we have here and then look at an alternative later. A possible model for us to consider later is a membership requirement (similar to another organization I belong to) that I will not apply to the courts for redress in any matter concerning the organization without first appealing to the organization. Any matter concerning the organization is not something I as a member can take to the courts without first having gone to the courts of the organization itself for redress. We should consider such a requirement on our membership. You don't get to be a member of this organization unless you agree that I will take my problems within the organization first if they pertain to the organization. I submit it for thought and consideration later as an alternative.

Prill: This would not cover disputes between members of the organization which does not involve the organization itself?

Flannery: If the members are in dispute between themselves and one is pointing the finger at the other charging violation of the organization, then the organization is concerned.

Parsons: You are always going to have questions whether it involves the organization.

Flannery: Yes, but it has worked well for over 100 years in the setting.

McCann: What happens if a member defies that rule and goes ahead and files suit without telling us?

Flannery: They are gone. They violated the oath of obligation.

Prill: I move that we accept the amendment to the policy

Fekete: I second.

Opposed: **Martin**

Motion Passes

Lamb: In reviewing this it has been interesting to find this matter goes back to the days when the Vice Presidents handled complaint functions and even then there was no place it was officially written down, but we find it has been consistently applied. There is another policy that needs to be reviewed and documented. That is a long-standing policy that if there is a complaint against a member, they cannot resign from the Society. That is carried so far that if the complaint goes into a new dues year and that member does not pay his dues for that year we continue his membership until the disciplinary action process is complete. I believe this also needs to be reviewed and documented.

Klug: Asks the Board of Vice Presidents to look into this.

10:15 BREAK.

10:30 Meeting once again called to order.

VII. Naming Opportunities:

Klug: As owner of the Match Factory, the APRL has the naming rights for the rooms in the facility. The APS also has naming opportunities. Some of these have been identified and divided into two groups: permanent and program sponsorships such as Stampshow, Winter show, Summer Seminar. Permanent [opportunities] include such areas as the youth department, book publishing, circuit sales and editorial. I am asking for the Board to approve this concept. This doesn't mean we have names for these. We need board approval on the concept first. If the Board approves the concept and we find sponsorships

for naming opportunities, these names will be brought to the Board for approval for the name.

Steve Rod: I believe most of you have seen our presentation book. This is an actual copy of the one used for a presentation on March 15th. These are display books about the campaign in beautiful color pictures. We have been very successful in using them. This actual book that I am holding got us a \$10,000 gift as a result of Don Sundman and I making a presentation to a prospect. In January I went to Sidney, Ohio, to ask Amos Press to create a George W. Linn / J. Walter Scott room. As they reviewed the book they saw other naming opportunities and they asked a lot of questions about whether or not they could give more money to the campaign and name one of these programs. I really believe it's from this visit that we came up with the list of APS naming opportunities. I hope the Board will not take the time today to micro-edit the list. The list is simply a request from your campaign team to have as many options to present to prospects as possible. Almost every program you have listed in front of you and every office is a wonderful thing because it represents potential new income to the campaign without expense. It helps pay the debt that has already been incurred. So if we take in \$25,000 or \$50,000 to name one of these offices or programs it helps pay for what we have already done, retire debt and help us go forward into the future. I am asking you to support this list. We welcome additions to the list and additions to the ideas so that as we go forward in the next year or two we have buttons and opportunities to get people to respond to give us generous income.

Klug: Before we discuss the concept, I would like to have a motion.

Martin: I move we accept the concept.
Straight seconds.

Klug: Now let's open for discussion.

Straight: I believe it is a great list. One thing I would like to see added under programs is the postal history symposium. I have had some inquiries about naming on that. I don't have any cash to present yet.

Parsons: What on this list represents an actual office? This is confusing. When I read through it I don't see any rooms.

Klug: We cannot name the rooms, they are owned by the APRL and Trustees name those.

Carter: This is naming services of the Society? Do we really want to commercialize our internal services? Are we that desperate?

Fekete: If someone comes up with \$200,000 they don't get their name on the room?

Klug: The name would be on the door stating their sponsorship.

Flannery: Could you give an illustration of how it works? You're saying Winter Show is a function that could be sponsored, so Joe Blow comes along with money so what is it called the Joe Blow Winter Show?

Rod: If we adopt this today it allows people engaging in solicitations to offer the possibility of recognition in an area of interest. This would be another tool in our arsenal.

Flannery: Joe Blow Winter Show could happen?

Klug: Yes, but it would be listed APS Winter Show, sponsored by Joe Blow.

Youngblood: Would naming opportunities for departments be in perpetuity?

Rod: We are always going to be asking for money. And therefore, naming in perpetuity would not be constructive. Naming opportunities are tools to say "thank you for your generosity." Except for major seven-figure gifts, I don't think we want to do too much as perpetuity.

McCann: I understand the concept, but I am not comfortable with the execution of the concept. I personally would like to see more specifics. I'm not comfortable with approving it until I understand exactly what it would mean. I think we can approve the idea, but I don't want to go through any formal approval process until we have a more detailed plan on this. I suspect with Peter Mastrangelo's background, he and Steve could work through this?

Rod: What is it that you are opposed to? Do you think it's cheap that we are naming the youth department?

McCann: Yes, it doesn't have the right ring to it.

Rod: Naming services and programs is one of the most common practices in fundraising today.

Klug: We went through the list and eliminated anything controversial, such as the Complaints Department and anything that could create the appearance of favoritism.

McCann: So what you are saying is that it is a sponsorship of a department? That when you walk in there will be a plaque stating that sponsorship of this department was funded by a generous contribution from Nicholas Carter? That, I am okay with. Putting something in the magazine or anywhere else stating "The Nicholas Carter Education Department..." That concept is a little fuzzy.

Ken Martin: If you look at universities like Penn State, you see many departments using people's names. Every piece of letterhead or anything you get from there you would see it listed with the name.

McCann: My point is that we have to be careful not to tag everything in the APS with names on it.

Saadi: I agree. It needs to have shape. But I don't want to wait until the next Board meeting to pass this. Can we agree somehow that it will be done tastefully by the committee and say the funding for this operation is provided by "X"? Let's get this thing passed.

Klug: The bottom line is there are naming opportunities on this list but they will all come back to the Board for approval. We get final say.

Klug: Call the question.

Motion passed unanimously.

VIII. Election Process:

McCann began by reading a letter he wrote to the Board:

"Dear Colleagues,

"For some time as a member of the Board I have been concerned about our policies and procedures for the APS election process, and while I was president, before Janet took office, I took several steps to make our election process more uniform.

"In discussing this with several of you recently, I decided another simple change we should make was to modify our nominating process so that each and every candidate would be providing identical background information. This would allow all of our members and nominating chapters to have the same application information to make more informed choices during the election process. To that end I have prepared a nominating form to be used by any candidate who wants to run for any APS Board position. This form would be sent to the APS Chapters during the nominating process, would be put up on the APS Website during the election period, and would be printed in the American Philatelist in the May election issue.

"Use of this form, authorized by the Board, would not change or modify any of our Bylaw election procedures.

"As I mentioned above, I have discussed this with a number of you, and I am now putting this on our Agenda for discussion and passage at our May Board meeting in Washington, DC.

“Best regards,”

Attach Revised form – need a new copy of it.

McCann: This original message generated a lot of e-mails. Since that exchange, I have modified the language so as to not infringe on anything in the bylaws. Please understand this form would be used only as part of our current election policies and procedures for the mechanism that we now have going through the nominating process and the chapter nomination. If someone wants to run for the Board through the process where you simply submit names and get members to nominate you and go straight on the ballot without going through all the chapter process and everything, that is any member's right. I really think this will be a useful tool to help get more standardized information. And most importantly for people who want to run for the Board, this will give them an idea that this is a serious thing and this is what will be expected.

McCann moved to accept revised form.

Saadi: I second.

Prill: This is a solution in search of a problem. I have never heard anyone say that the statements in the *American Philatelist* were too dissimilar; that it was impossible to compare apples and oranges. I have heard a lot of complaints that they all sound alike. I think what we need is more individuality in candidate statements and not less. The proposed form requests information such as high school, college and graduate education that I don't know about most of my colleagues on the Board. Why not use that space for letting people say how they can help APS and why they deserve election? To formalize it really trivializes it.

McCann: The proposed form includes a section for personal reasons for running and how to help APS.

Prill: As it is, the statements are very strictly limited to the number of words. Would this mean that a person who writes more on this form gets more space in the magazine? Would all the components of the statements have to be in the same order, preventing a candidate from putting what they view as most important at the top and follow with what you think is less important? I think it just makes the whole process much too rigid.

Carter: Yes, we have a space limitation. But this is a good check list. We have to take a look at it.

Saadi: I agree a little with Ada. I think this should be used in unison with the candidate statement, not as a replacement for it. I think an apples-to-apples comparison in the *AP* is very important, but we should also allow for an individual statement. It would add to the

amount of pages, but [election of] the people who run the Society is an important enough issue to pay for the extra pages. I would like to see both.

McCann: I agree with you.

Klug: Remember, a very small percentage of our members vote in our election. The majority of our members don't care who is running the organization as long as they get their magazine each month. I know this sounds harsh, but the reality of what it is we are doing here today is that most people don't really care.

McCann: But it is our responsibility as Board members.

Lamb: I am very concerned about the magazine. Some people get 750 words. Members complain about the amount of space used by candidates' statements. They would be upset with more space being used. If you want to do something like this, I think the magazine can only give a person 750 words, and those words should be left to the discretion of that candidate of what he or she thinks is important to reach the membership.

McCann: Most non-profits publish their election as a separate document. Perhaps we could do that. It would cost, but this is important. This is the Board of Directors, and it is our responsibility to let them know how important this process is.

Martin: I find it much more informative to let the candidate determine what is important. If they have a certain amount of space, let them say what they want to say. When you read through the statements, it is very easy to determine who is qualified. Have this form as an option. I don't see this as moving us forward.

Youngblood: I agree with Bob, but I do see a value to the form. If someone is considering running for the APS, this is a thinking document. This will help them clarify their own thoughts about why they want to serve -- or if they want to serve.

Klug: I agree. Peter, would you consider having this as a document available only on the website?

McCann: Yes, I think the most important thing about this document is that the candidate has to fill it out and, secondly, as a nominating tool for the chapters in terms of the nominating process. Wayne hit the nail on the head that the most important thing about it is for the candidates themselves to think it through.

Prill: What does it matter where you went to high school? It has nothing to do with anything.

Fekete: We could publish in the *AP* that if you want to see more information on a candidate, go to the website or we can send it to them to see the additional information.

Klug: This form could actually help the candidates craft his or her statement.

Martin: I agree with that. I just don't think it should be mandatory. It is well crafted.

Straight: As Wayne said, it would be a good thinking document. At the time I was getting ready to run for the Board, I went around and asked people about what was involved and what the responsibilities were. I didn't get the straight story. I got on the Board and found out it is more than just coming to a couple meetings a year. This is vital for people to begin to think about what the responsibilities are and what they are getting into.

Eisenstein: You want to pass the document to do what?

McCann: This form would become part of election procedures to be filled out.

Eisenstein: The present election policy says *"in Mid-January the headquarters staff will coordinate a joint mailing to APS Chapters for those candidates who wish to seek seconds of the nominations in this convenient fashion. Nominated candidates participating in this mailing must provide a single page 8 1/2 x 11 one side only with a biographical sketch, campaign statement and if desired a photo by December 31. Photo must be affixed to the page and must be suitable for photocopy."* My question procedurally is whether this form is in replacement [of the existing one]?

McCann: It is to replace the printed documentation.

Eisenstein: It is for candidates who wish to seek seconds in this fashion. It is not mandatory for anybody to participate. They could still seek seconds of chapters themselves without this.

McCann: It is not mandatory to be nominated.

Lamb: We require one page today because we divide the cost of this mailing among all candidates. Therefore, we give each candidate the same amount of space. It currently costs a member about \$120 to participate in that mailing. If we give them this five-page form, it would increase costs and we would have to bill on the number of pages submitted or require everyone to submit the same number of pages. I just want you to think about the implications of that.

Klug: There are still a lot of questions about the specifics of this. And there are questions regarding revisions. Would it be better to come back in August with all questions answered? On principal is this worth Peter McCann's time?

A straw vote was held to determine if it is worth Peter's time craft the document further. **Prill** and **Martin** opposed.

McCann was asked to review and bring back to the August meeting.

IX: APS Membership Recruiting:

Saadi: We spoke in Grand Rapids about trying to increase membership. Membership is the heart of this organization. We do not sell products, we provide services to members. Increasing membership would also help our finances. We are here to bring the knowledge of stamp collecting to the public. I think a good measure of success is our membership. If it is increasing, we are succeeding, and if our membership is decreasing, we are failing. I want to address this in a way that would put a demand on Board members. I was hoping the new website would have been finished.

I would like to have press kits available on the website. We currently have these available as hard copy. We would like to provide these in editable .pdf files. Chapters could download a display ad or press notice to announce their meetings.

We need to sell this idea to chapter liaisons. There are about 600 chapters and 11 board members – divide that and you get 50 or 60 phone calls each. Talk to them about what is available on the website, answering questions they might have, and what do they think about ways to increase membership in the APS through their chapters. This Board is supposed to act as a conduit to the chapters and the membership, and stimulate the idea of outreach. Encourage them to go to the website and see what is available to attract new members. I think it is important the Board create a relationship with the chapters.

Another issue is the eBay issue explained in the second part. Am I understating there is some contractual stuff with eBay already?

Lamb: We do have a relationship with eBay. We review eBay listings, as they have no mechanism [in place] regarding value of philatelic items. Throughout this process, eBay has been very supportive of us as a Society and actually volunteered a number of things to help us get new members and recruitment. Any ideas that you have of how we can do that are welcome. If you go to eBay's opening page for stamps there are more references to the APS than any other organization. The problem is eBay users bypass that page as they bookmark pages. All ideas would be appreciated and eBay would be cooperative.

Saadi: That is good news. That is fertile ground for tens of thousands of stamp collectors who are active buyers in the stamp market and who are not members of the APS. I have thrown out a couple of ideas here. There is a fellow with the Canal Zone Study group who puts memberships available on eBay.

Rob Haeseler: We have posted memberships. However, we are concerned that this opens us up to the possibility of negative feedback.

Saadi: I would like the Board to make a resolution that the APS take an active roll in working with eBay. It sounds like we have a good working relationship and there is room

to make a deal. It is incumbent on APS staff to come up with a plan for us and to present it at Stampshow. Let's thrash it out and form committees.

Discussion on press kits and what is included followed.

Saadi: Rob Haeseler already has indicated that we have press kits in hard copy. I would like to get it converted to editable .pdf format and posted to the web as an online recruiting kit where chapters could go to personalize the information.

Ken Martin: The staff will work on this and will get it incorporated into the current site.

Saadi: Motion is for a commitment of the board to promote membership development and to divide chapters for the board to contact. This will result in each Board member agreeing to make about 60 calls.

Carter: If you go back 50 years ago, this is exactly what people were doing. We were all out there pushing the Society. There were directors-at-large who were specifically elected to cover regions of the country. We put all this aside when the membership started climbing in 1980. Now our membership is leveling off and I think this is a superb time to remember who we are and why we are here. I thoroughly support that we get back into the business where we are talking to our chapters.

Klug: Wade will coordinate with APS staff on recruitment information and then divide up the chapter list alphabetically to distribute to the Board.

Parsons: Just chapters or include affiliates too?

Saadi: Just chapters for now.

Flannery: I'm puzzled about the eBay avenue for solicitation of memberships. I'm concerned about the quality of members you get in through that route. I guess the obvious way to get rid of the quality question is to require a proposer. Even with paper applications a proposer should be mandatory.

Fekete: This puts up a roadblock up for a lot of people as they don't know anyone, so they don't join.

Klug: I didn't know an APS member when I joined.

Youngblood: I don't think the proposer line helps with qualifying a member. Some groups send out mass mailings to help get the word out about us. They don't necessarily personally know who these people are.

Klug: Call the question.

Straight: Seconds motion
Motion passes unanimously.

Fekete: I believe in Grand Rapids we agreed to go ahead and do a membership survey, I propose we do this survey.

Klug: The new executive director will take care of it.

Straight: A few months ago, Janet, you shared a packet of information entitled “Tapping the Military Retiree.” Has anything happened with this?

Klug: I am looking for volunteers. I have had a couple of responses from military vets who thought it was a great idea. This is still being worked on.

X. Winton M. Blount Symposium postal

An online registration form was distributed.

Straight: As you know, we approved a postal history symposium jointly sponsored by the APS and National Postal Museum, with the first one being hosted by the National Postal Museum in the first weekend in November 2006. There is an online registration form (<http://www.postalmuseum.si.edu/blount/registration.html>). In 2007 we will be the hosting body and we do have the option of naming it. “Blount” was chosen as the name by Alan Kane, Director of the NPM, because of the money that was given to the National Postal Museum in honor of him. I was approached by Robert Bell of Sedona, Arizona, sort of a second by Diane DeBlois suggesting we name it for Ernst Cohn. That is a great idea, but we need some money. I will talk more with Steven Rod on this.

In terms of the symposium itself, the call for papers has been out for several months. It has been published in the *AP* and *PLR*, as well as academic history journals and academic websites. We have had responses from not only this country but from France, Germany and China. It is very possible to have an international panel as part of this. The call for papers runs until June. I am very pleased with the responses.

Klug: Thank you for the update.

X. Additional Business

Klug: Jim Dempsey -- are there any dealer concerns you would like to share with us?

Jim: No concerns at the moment. We are very busy getting ready for the show.

11:40 p.m. Board of Directors entered into Executive Session.

12:30 Board of Directors returned to open Session

Klug: I need a motion to accept decisions made during all Executive Sessions ince November, and to accept the meeting minutes from the November phone meeting.

Flannery: moves to accept both.

Saadi: Seconded motion.

Motion passed unanimously.

Parsons: I would like to address insurance issues for small clubs holding stamp shows. We recently held a show at a local mall and they asked for insurance papers. Stamp clubs would have to take out insurance. I discussed the problem with the APS insurance people (Hugh Wood) at Stampshow a few years ago, they did not write anything.

Klug: It is liability insurance, I think it is available

Ken Martin: No it is not. A lot of places are requiring that. I recommend they talk to local insurance agents.

Parsons: I'm asking us to do something to help these folks with insurance issues.

Carter: This should come up in the show meeting.

Ken Martin: It will come up on Tuesday.

Klug: Ken and Peter please look into this.

Peter Martin: We asked Bob Lamb last year to investigate the possibility of APS processing credit card payments for APS affiliates with member residing outside the United States. We have not received an answer on this.

Carter: I would rather not get into it. We would have to charge at least 3.5% or 4%. It would be expensive.

Straight: I agree, but yes we would have to cover our costs.

Ken Martin: Our cost is about 2.6% for non rewards cards and 3.6 % for rewards, but you have staff time and labor. You need to figure full costs.

Peter Martin: Chapters would be willing to pay.

Carter: We need to have more Board meetings. Requested staff to provide an estimate of costs to have a meeting in Bellefonte (This was a follow-up to an unanswered request at the December special meeting).

Fekete: Makes motion to adjourn.

Saadi: Seconded the motion.