



**APS General Membership Meeting
9 a.m., Saturday, January 12, 2008
Charlotte, North Carolina
Minutes**

9:00 Call to order (President – Nick Carter)

President Nick Carter Introduced the APS Board:

Vice Presidents	Wade Saadi (Chair)
.....	Steven Rod
.....	David Straight
Secretary	Wayne Youngblood
Treasurer	W. Danforth Walker
Directors-at-Large	Robert Odenweller
.....	Denise Stotts
.....	Joann Lenz
.....	Michael Dixon
Past President	Janet Klug
General Counsel	Virginia Eisenstein

Executive Director Peter Mastrangelo introduced the APS staff attending the show:

Deputy Executive Director	Ken Martin
Controller	Rick Banks
Education Director	Gretchen Moody
Youth & Education Programs Coordinator ...	Janet Houser
Library Services	Gini Horn
Shows & Exhibitions Director	Dana Guyer
Assistant to Shows & Exhibition	Barb Johnson
Director of Membership Administration	Wendy Masorti

Nick Carter also introduced the Library Board:

President	Ken Grant
Vice President	Roger Brody
Secretary	Charles J. Peterson
Treasurer	John B. Flannery
Trustees	Rob Haeseler
.....	Peter Martin
.....	Roger G. Schnell
.....	Herbert A. Trenchard
.....	W. Danforth Walker

Nick Carter: Thanks to all the volunteers and special thanks to Charlotte Philatelic Society, especially Wolf Spille and Robert Reeves.

Nick Carter and Peter Mastrangelo presented the 25- and 50year membership awards. Ten 25-year members were in attendance to accept their certificate and pins. No new 50 year members were present.

Reports

President's Report

Nick Carter: Highlighted Board of Directors' Meeting.

The APS Board met on Thursday and covered the Following:

- Received reports from the Executive Director, Treasurer and Society Attorney
- Review of the Membership Survey. Michael Dixon, a member of the Survey Committee headed this up and provided a fantastic report and suggestions. You can find the Membership Survey on-line as well as the Executive Summary.
- Received a report from the committee on National Exhibitions & Judging from Steve Reinhard on the various things they have been working on. He will provide a full report and action items at Hartford, Connecticut in August.
- Awards Committee Update given by Joann Lenz. Last year we approved new awards to be given to volunteers at different levels National, Regional, Young Adult and Youth with four different awards. In the wrapper for this month's *American Philatelist* there is a nomination form. We encourage everyone to nominate deserving individuals, nominations close at the end of each February. We also have a new award for the best article in *The American Philatelist* in honor of Barbara Mueller. It is funded by the United States Stamp Society. Every year we will give \$1,000 award to the author of the best article. Nominations for articles close on March 1st. Nominations should be sent in throughout the year when you read articles.
- Approved the Wreck and Crash Mail Society as an APS Affiliate.
- Approved Charleston, South Carolina, for AmeriStamp Expo 2011, Feb. 11-13.
- Modified the Board Ethics Guidelines. These are rules that govern the Board members.
- We had a revision for the Privacy Policy. This was needed because the APS staff has been reviewing vehicles to facilitate the delivery of an e-newsletter and are considering the use of a third-party vendor. To do this a change in our privacy policy is necessary.
- We looked at the issue of soakability of stamps. Many of us are concerned about the fact that some of the stamps we now receive will not soak off. We have written a statement to be sent to the USPS, Peter will report on this.
- Approved Milcopex request for change of dates for their show in 2009 from September 18-20 to September 25-27.
- We approved the FIAF Continental Exhibition in conjunction with Sescal, to be held October 9th-12th of 2008.
- We discussed the agreement for a combined Ameristamp Expo/Texpex in February 2009 in Arlington.
- We had a discussion on Volunteer Opportunities presented by David Straight

Vice Presidents' Report:

Presented by David Straight in Wade Saadi's absence.

The Board of Vice Presidents, in addition to being regular members of the board, also serves a special function. The three of us as a group are the disciplinary arm of the APS. Since we took office at the August meeting in Portland, myself, Steven Rod, and Wade Saadi have heard three cases. We expelled one member, suspended one, and denied membership to one applicant.

Secretary Report: Wayne Youngblood

As secretary, my primary job is to record and distribute the minutes and the business of the meetings of the American Philatelic Society – a job I couldn't do without the considerable help of Wendy Masorti.

Treasurer Report: Dan Walker

We do not yet have final 2007 numbers. As of November 30, 2007, we had a positive income of \$12,000. Last year we had a negative \$92,000 at November 30th. Thus far we have spent \$9M on the American Philatelic Center. The estimated cost for finishing the project, excluding furnishings, is an additional \$6,150,000. Including the cost of movable shelves and other furnishings, we are looking at over \$7,000,000 additional for a total of \$16,000,000. The \$9,000,000 spent so far includes \$2,000,000 from donations, \$4.7 million through loans and \$2.3 million through the sale of the old building. We have renovated approximately two thirds of the 100,000 square feet. The average cost of a square foot of rehabilitation work is \$134.

Executive Director's Report: Peter Mastrangelo

I want to provide an update on some year-end activity and happenings.

Website:

Some of you may know that we are developing a new website and we have had to change our developers. We now have technical specifications for our new website from which potential developers can prepare estimates for bids. There has been some interest from potential vendors. We hope to make that decision not later than the end of February. Our present website is updated on a regular basis and we encourage you to use it.

American Philatelic Center Development

The Smithsonian delivered the components of the Headsville post office in two phases. When we opened the pavilion we had the outer shell, and they just delivered the interior components this week. It will take us a few more weeks to get it put together. We are looking at a late February or early March opening of our own contract post office. This means that the mail coming out of Bellefonte will now have our cancel on it and hopefully will eliminate the mutilation of postage that we get out of the Altoona bulk mail center.

Our second tenant phase of the APC is being completed now and a tenant will be moving in to the refurbished space in February.

Relationship with eBay

We have had a working relationship with eBay whereby the eBay Stamp Community Watch volunteers review questionable items. We contract with Frank Sente to manage that process for us working with eBay's Stamp Community Watch Committee. eBay now is making some changes in how that process works. In effect, our process is someone would question an item. It would then be reported to the committee, and if they felt the item was questionable there would be communication sent to the seller asking them to correct a misdescribed item etc. If that was not done then the item may be taken down by eBay.

eBay is changing the way this is handled. Rather than having the middle man (APS) review those things before an item is taken down, there will no longer be a review. Upon the recommendation of the stamp community watch people, if there is a questionable item it will now be taken down immediately. So the role that we have been playing with eBay as an intermediary will be changing. We will still hopefully have a role with eBay as we communicate with them over the course of the next few months in the transition of this program. We will work with them to have a reporting tool that is applicable to the stamp community. We also hope to have stronger referrals to our Expertizing Service or Quick Id in order to help with the process of identifying questionable items, albeit after the fact.

Election Policies and Guidelines

The Board of Directors in August reaffirmed election policies and guidelines that at one point were approved by the 2004 board but were never put in writing. The current board ratified those and then formed a committee to review election policies and guidelines to see if any further improvements are possible. It is anticipated that that committee's report will be available in late February. We believe we will post them to our website for others to review and provide input so that can be considered drafting their final report at a special meeting that will be held by the board in May.

2007 Highlights

Here are highlights of this past year by function or department:

- **Campaign for Philately:** We have finished another successful fund raising year. Once the accounting is completed we expect to post in excess of \$650,000 in cash contributions from more than 4,800 gifts. A full report will be printed in a special section of the April issue of *The AP*.
- **Shows and Exhibitions:** Positive feedback was received from our 2007 shows in Riverside, Calif., and Portland, Ore. This continued as we hosted Aerophilately 2007 and the second annual Postal History Symposium in Bellefonte. For our show here in Charlotte we have more than 85 dealers.
- **Editorial, Media, & Publishing:** Advertising in *The American Philatelist* experienced a five-year high. "In the Know" column highlighting APS programs and services was introduced; two new books were produced and others added to our inventory for sale; *The Philatelic Literature Review* remains popular with Library subscribers; about 50 press releases were produced during the year.
- **American Philatelic Research Library:** We now have a more user-friendly on-line search engine for the Library catalog. Along with the APS, the library hosted the second annual Postal History Symposium, cosponsored with the National Postal Museum. The library also received a small grant to process the Daniel Hines Air Mail archives.
- **Education:** About 70 members attended a successful Summer Seminar in Bellefonte last June. We started to expand APS education programs with the *Essentials of Aerophilately* last October and a schedule of offerings in 2008 takes us "on the road" at various shows and exhibitions throughout the country. Youth activities remain in the forefront with the internet-based Young Stamp Collectors of America (over 700 members) that offers on-line programming for young collectors. There are also 35 All Star Stamp Clubs with about 800 members. A new youth beginner's kit has also been developed and is available for \$19.95.
- **Circuit Sales:** More than 4,000 members receive sales circuits, purchasing stamps from more than 750 sellers. The number of circuit books and inventory levels has remained

stable in recent years. As of December 31st current inventory is 41,345 circuit books (40,586 last year) with a value of \$8.65 million (\$8.51 million last year). The average value per circuit book is \$209. Circuit Sales has moved from microfilming images of the circuit books to digital imaging. More than 60,000 images of sales book pages are now stored on DVDs. This move will enable sales circuits to sell to foreign markets where mailed approvals have not been feasible. By mid-summer we hope to have the details worked out on this effort. It will be somewhat experimental at first, essentially establishing circuits to foreign members through the use of images on CD or through e-mail. We'll keep you abreast of the planning as we move forward on this.

- **Stamp Store:** Our member-to-member Internet stamp sales continue to grow. The year 2007 set records in the amount of sales and items submitted. Submissions increased 24% in 2007. We experienced a 15% increase in orders that resulted in a 15% increase in sales. Presently Stamp Store lists more than 267,000 items with catalog value exceeding \$8 million and a sales price of almost \$4.3 million. Gross sales topped \$1.5 million (not including returns at 2.2%) compared to \$1.3 million last year. Our highest seller posted about \$70,000 in sales last year.
- **Expertizing:** More than 6,000 items, received from 1,425 clients, were expertized by APEX in 2007. Average turn-around time is 42 days. More than 700 images were submitted for Quick ID. A total of 82 families of deceased APS members took advantage of the Estate Advisory Service in 2007.
- **Membership Administration:** As of December 31, 2007 we have 42,865 members, a 3.4% decrease from the prior year. There were 3,273 new additions to our membership rolls and 4,725 losses. Our website remains our biggest recruiting tool, with 1,158 applications received, followed by our business reply card program with 380 applications received. We conducted a variety of member prospect mailings including the five-, 10- and 25-year anniversary mailing, post-show mailings to non-members and former-member reinstatement mailings. We issued three *Chapter Newsletters* and reinstated our dealer newsletter. Our current renewals are running at a pace similar to previous years. It is too early to discern any trend line as far as renewals are concerned with the dues increase. The board itself reported on a process that they are using to contact those people who tell us why they did not renew, and for those people who told us they did not renew because of the increase or election. We will better know our membership level in the April timeframe after we do our dues reminder mailings. About 2,100 members so far have taken advantage of the dues transition program. Another 420+ members have contributed just over \$11,000 to the dues transition program. So the impact of the dues transition program right now is about \$10,000.

Also I'd like to provide a quick update on certain items that are still pending from previous board discussions:

- In terms of new-member recruitment, we are putting together a discount coupon book program for new members. Also starting in January, we are promoting monthly specials in *The American Philatelist* for existing members. Presently we have some challenges in accepting some of these coupons and promotions online, but it will be included in our capacity on our new website.
- We will update you regarding the status of our e-newsletter (related to a previous discussion on email blasts) later in upcoming months.

Lastly, I wanted to read a resolution passed by our board at this past meeting on the need for the USPS to find a solution to allow for used self-adhesive U.S. stamps to be removed from envelopes by soaking. First I would like to thank John Hotchner, who is our USPS liaison, for

helping us in communicating with key staff at the USPS on this issue. We think this is something upon which we need to send a strong message.

Statement reads as follows:

Statement On The Need For The USPS to Find A Solution To Allow For Used Self-Adhesive U.S. Stamps to be Removed From Envelopes By Soaking

Since the advent of stamp collecting in the United States in the 1850s, the vast majority of collectors have begun with used stamps. Used stamps offer individuals — especially children, beginners and those of limited means — a way to enter the hobby in a manner that requires nothing more than a keen interest in collecting. Many such collectors, of course, go on to assemble significant collections of valuable stamps, but the ability to start with attractive, sound canceled stamps soaked off the daily mail is a time-tested gateway to the great pastime of philately.

The overwhelming success of the self-adhesive postage stamps has been one of the great changes in the Postal Service and the hobby over the past two decades. Early issues of self-adhesive stamps included a water-soluble primer to enable the collectible stamp, when immersed in water, to soak cleanly away from the self-adhesive backing. Yet, recently issued self-adhesive stamps are difficult if not impossible to soak off without damage to the stamps.

APS has expressed its concern through inquiries made by staff and our USPS Liaison, John Hotchner. While we have been told that the problem stems from a diminished number of paper suppliers, we have also been assured that the USPS has not abandoned the production of stamps that can be soaked off paper and that it continues to search for solutions.

The American Philatelic Society, on behalf of its 42,000 members, calls upon the United States Postal Service to produce stamps that can be immersed in water, reliably removed from paper intact, and added to collectors' albums, as U.S. stamps of the past 160 years traditionally have been collected.

Society Attorney Report Virginia Eisenstein

Virginia Eisenstein: In October there was suit filed in the Court of Common Pleas in Centre County Pennsylvania. That suit is captioned “Ken Lawrence, Plaintiff, against W. Danforth Walker, Nicholas G. Carter, Janet Klug, Peter P. McCann, Randy L. Neil, Wade E. Saadi, Steven J. Rod, David L. Straight, the American Philatelic Society, and individuals currently unidentified.” The suit is in its early pleading stages. I represent only the American Philatelic Society in this suit and the board has directed me to defend this case. The other defendants are represented by individual counsel. There are four of us involved in the defense. The status is that a complaint was filed and we and the other attorneys who represent the individual defendants all filed preliminary objections on legal grounds to that complaint, which we are entitled to do under Pennsylvania civil procedure. The plaintiff then filed an amended complaint and that occurred two days ago. There are 11 counts and only two counts affect the American Philatelic Society. The APS published an ad during the election in *The American Philatelist* and that is the basis of count 4. Count 11 also affects the APS. In it the plaintiff complains that the elections policy which was passed by the Board in 2004 was never promulgated. We are reviewing the amended complaint and at this time intend to file preliminary objections within the next twenty days.

On a lighter note, I drafted a proposed agreement with the Sescal organizers. This came to the board last session. Apparently the Federacion Interamericana de Filatelico requested board approval for the United States to serve as host of their 40th anniversary meeting this October 10-12. The board approved that the United States will be able to serve as host and this will take place in Los Angeles. We hope to finalize the contract soon.

New Business:

No New business

Questions from the floor:

1. A suggestion was made to consider posting a sample letter from the soakability statement on-line with fill-in-the-blank information so that the membership could also send in letters of concern.
2. A request for a report dealing with the APC net rental income after expenses, and how much additional space is left to be rented.

Mastrangelo: Prior to the development of our present tenant phase, in 2007 after all expenses on the rental side, I believe we netted about \$47,000 - \$49,000. Those dollars went to the library to help offset library operations because the library in effect owns the complex. Now that we have started the development of the new tenant phase, we have expenses to meet there. A rental income stream has not started there yet, so our net income for 2008 we hope is going to break even at that stage. We might run a little deficit, depending on when we can get additional tenants. The more tenants we get in the quicker we will have a better income stream and turn that back into a positive for the library.

3. Concern with the lawsuit and in particular the cost of defending the Society, which may prove to be a significant drain on Society resources. Does the Society have D&O insurance and how much is the deductible?

Mastrangelo: The deductible on the D&O insurance is \$10,000. How this works is that when something is filed we send off the legal document to the insurance company who reviews it and lets us know what will be covered. They have the information now and we are waiting to hear back from them.

4. eBay how many items has the Stamp Watch Committee removed?

Mastrangelo: I do not have exact figures, but I believe the first year we started this they reviewed 2,500 items. By the end of 2007 I believe the figure is up to about 5,000 items per year. That includes items that were reviewed and the seller may have changed the description and the item remained online.

5. Suggestion on new membership: Clubs have a huge untapped potential of recruiting new members. It was suggested the APS offers reduced memberships to club members.

Mastrangelo: We did change the criteria for chapters, making it easier to qualify for free club dues. And last year we also did a membership promotion with chapters and it

was a very successful program.

Adjournment by member present with lowest APS number

#036290, Alan Warren, adjourned the meeting.