

MANAGEMENT REPORT FOR AUGUST 2006

To: ACBL Board of Directors

c: Linda Mamula
Peter Rank

From: Jay Baum, CEO
ACBL

Date: August 2006

1. **MEMBERSHIP:**

Membership Chart (Exhibit I)

Dues/fee paying members through August 31 were 151,408, or 1,161 (0.8%) more members than at the same time last year. Total members, including active unpaid LMs, were 156,724, or 52 (0.0%) members greater than the figure last August. Total membership is 958 members greater than the first of the year figure of 155,766.

2. **MARKETING:**

AARP regional games continue through September, with plans well under way for the AARP National Tournament October 28 in Anaheim. We have planned a full schedule of bridge events through the three days of the AARP convention. We also plan to meet with AARP officials to discuss additional activities.

We hope you saw the coverage of the Gates-Buffett event with students at the Nebraska Regional. We are continuing to meet with their representatives to ensure that the ACBL is well represented as their youth initiative moves forward. Meanwhile, we are planning participation at the American Camp Association convention early next year and a return to the National Council of Teachers of Mathematics. We also are distributing copies of aBRIDGEd for testing. Out of the Box, the producer of the new game, has purchased a full-page ad in the October magazine.

We welcome Rick Grady, new ACBL webmaster, who already is well on his way to picking up where we left off. One of his first priorities has been to restore and vastly improve the ACBL home page news archive – similar to the common newspaper archives – so that we retain announcements of major events and achievements.

ACBL staff members are preparing questions and answers so that will ensure continued consistent and quality service to our internal and external audiences. We are reviewing all Product Store references in correspondence, publications and the web site to prepare for the transition.

3. **TOURNAMENT DIVISION:**

Table Count (Exhibit II)

Tournament tables continue to show strong play in all categories.

Chicago NABC: Fourteen appeals cases from non-NABC+ events were heard by TD panels in Chicago. This number was below average for a summer NABC. In addition to the base group of six panelists, six other experienced TDs helped in hearing, adjudicating, and report writing.

Of the fourteen appeals heard, the panels upheld ten rulings; changed four rulings; issued four Appeal Without Merit Warnings; and issued one procedural penalty. One case resulted in a favorable ruling to each side based on Director error. This issue was address and will be avoided in the future.

The panel worked closely with the various event staffs to develop stronger table-side rulings and communications between the staff and members who had questions or requested clarification of rulings. There were no conduct issues addressed by this group.

ACBLscore: Jim Lopushinsky and Paul Martin have developed an extensive help manual, with graphics, for the Windows version of ACBLscore. This manual was added to the ACBLscore web site during the week of August 21. The link may be found at the bottom of the left-hand menu, below the FAQ link.
<http://web2.acbl.org/acblscore/manual/>

The Windows version, Tournament Mode, is being tested at this time. We do not expect any problems with using this version of the program should Tournament Directors choose this option. The latest version, 7.42, will be available soon. Anticipated rank changes and IRS expense adjustments will require the next update to be available for tournaments beginning October 2.

TD Rank Advancement: Bridge Administration, in consultation with senior field staff members, expects to announce October 1 promotions early in September. Several Local and Associate TDs will be moved up one rank. These are merit promotions.

Online Bridge Clubs: Our four sanctioned online clubs generated over 20,000 club tables during the last reporting month. Several of the sites are interested in

running 'special' games. Some discussions, within existing guidelines, are being shared with these sites. There are continuing requests to explore the possibility of running sectional and higher rated games through these online clubs.

4. **CLUB AND MEMBER SERVICES:**

Club tables through July are reflected in Exhibit III.

5. **BARON BARCLAY:**

We have signed an agreement with Baron Barclay that will become effective September 15, 2006. I am sending the messages following to various entities to help insure a seamless transition. Messages will also appear on our web site. We are aware that some things will take some time to smooth out, but this will be a giant step in helping reduce cost for ACBL.

This action will decrease the number of employees at ACBL and also decrease a few things we are able to do in-house. Most notably, we will be able to assist with ads, however, we will not be able to continue our flyer services.

A Message to Our Members

I am pleased to announce that the ACBL has entered into a long-term agreement with Baron Barclay Bridge Supplies, a company founded in 1942 that, like the ACBL, is dedicated to providing professional service to bridge players, teachers, clubs, units, and districts.

Effective Sept. 15, 2006, the ACBL Product Store will close. The ACBL has sold its inventory and the publishing rights to certain books and has contracted with Baron Barclay for use of our logo.

We are committed to making this a seamless transition. Baron Barclay will offer great service, a 10% discount to our members, and a more complete line of books, supplies and bridge-related products. The only real change will be that you will contact Baron Barclay for your needs:

Baron Barclay Bridge Supplies
800-274-2221
www.baronbarclay.com

This action will allow the ACBL to give greater focus to its core missions of promoting bridge, providing affordable playing opportunities in the future, and supporting other existing programs.

If you have any specific concerns or questions, please call or e-mail the contacts listed below as appropriate.

Jay Baum, CEO

Product Store Contacts

Rick Beye, tournament supplies
901-332-5586, ext. 1331; rick.beye@acbl.org

Julie Greenberg, education materials
901-332-5586, ext. 1262; julie.greenberg@acbl.org

Jim Miller, books and supplies
901-332-5586, ext. 1243; jim.miller@acbl.org

Carol Robertson, club materials
901-332-5586, ext. 1215; carol.robertson@acbl.org

Unit District Newsletter

ACBL Product Store

In an effort to give greater focus to the ACBL core missions of promoting bridge, providing affordable playing opportunities in the future, and supporting other existing programs, the ACBL has entered into a long-term agreement with Baron Barclay Bridge Supplies to sell bridge products – including tournament supplies. The agreement is effective September 15. Founded in 1942, the company is committed to providing high-quality service and best pricing. In the future, please call Baron Barclay at 800-274-2221, or visit [baronbarclay.com](http://www.acbl.org/about/departments.html) for your textbooks and other supplies. Contact us if you have questions.

<http://www.acbl.org/about/departments.html>

Tournament Fliers Discontinued

Effective November 1, we no longer will be able to produce tournament fliers. Please contact Publishing Manager Lisa Jackson (lisa.jackson@acbl.org) for instructions on how to work with local printers.

Teacher Newsletter:

ACBL Product Store

In an effort to give greater focus to the ACBL core missions of promoting bridge, providing affordable playing opportunities in the future and supporting other existing programs, the ACBL has entered into a long-term agreement with Baron Barclay Bridge Supplies to sell bridge products.

What does this mean to you? After **Sept. 15, 2006**, all ACBL teaching products and support products will be sold by Baron Barclay. Founded in 1942, the

company is committed to providing high-quality service and best pricing. In the future, please call Baron Barclay at 800-274-2221 or visit baronbarclay.com for your textbooks and other supplies.

We are continuing with our efforts to update *The ACBL Bridge Series* texts, teacher manuals and support products. Baron Barclay expects to make the first two texts and teacher manuals, *Bidding in the 21st Century* and *Play of the Hand in the 21st Century* available in early 2007. The other books and support materials will follow. Remember that the main changes in the material will be 15 to 17 HCP notrump openings and the introduction of Stayman, Weak Two-Bids and Jacoby Transfers earlier in the material. For more details see the April 2006 issue of *The Bridge Teacher*, available online.

6. **EDUCATIONAL FOUNDATION:**

In July 2005, the Educational Foundation became aware that the J. Homer Shoop Pre-Teen Scholarship was under funded. Many of you know that the Education Department has been administering the program and the ACBL Accounting Department has been providing bookkeeping services for a number of years.

The Scholarships have been awarded on an annual basis since 1989. Originally these were sponsored by the International Palace of Sports. In 1997 IPS presented the idea to the Educational Foundation of taking the remaining monies and continuing the scholarships. In April 1997, a check for \$25,000 to “your Educational Foundation” was sent to ACBL. The direction at that time was that the interest funds could be used at the discretion of the Foundation but that the scholarships be given in the name of J. Homer Shoop.

In 1998, the Educational Foundation minutes reflect that the “scholarships would continue”. This has been verified and not debated by either party. Since that time there has been no mention of discontinuing the scholarships until July 2005.

At that time the Foundation Board realized that the funds from the original \$25,000 were all committed, plus, a shortage of \$30 – \$35,000 would exist if all the scholarships were claimed. The Foundation determined that these scholarships were given “without their authority”. I have maintained that implied consent for these awards has existed from the time ACBL was contracted to “administer the program”.

These have been given each year on behalf of the Foundation. This appears in the ACBL Bulletin every year and is noted as such. Our opinion remains that ACBL should not be held liable.

7. **ABA MASTERPOINTS:**

Several weeks ago the Chief Tournament Director attended the ABA Summer National Championships held in Atlanta. He conducted four training sessions, PowerPoint and practical applications, on ACBLscore. The entire ABA staff of this tournament attended one or more of these sessions. He also acted as a mentor to ABA TDs throughout the playing sessions during his stay.

The ABA will implement some masterpoint 'adjustments' to try to bring their members' lifetime totals in line with an ACBL equivalency, thus negating the need to assign 'eligibility' points to ABA members who play in ACBL events. The ABA is planning to adopt the ACBL masterpoint plan, without pigmentation options. A non-ACBL mode has been added to ACBLscore to accommodate ABA tournaments at all levels (version 7.42). Bridge Administration, and its programmers, are working closely with ABA headquarters and the senior directing staff of the ABA to make the transition as seamless as possible. We are also working with the ABA office to enable them to recover tournament information from the current ACBLscore database structure.

8. **PACKET MAIL:**

The necessity of packet mail has changed with technology. Most months you receive an extra Bulletin or Western Conference Forums, but nothing else. We will be happy to insure that you receive two copies of the Bulletin, however, packet mail will only be sent when necessary. If you wish to continue receiving the Western Conference Forums, please contact them.

9. **MID-WEEK GAME:**

The mid-week games at the NABCs (International Fund/Educational Foundation) that we have held for some time have been a major point of discussion. We have done an enormous amount of research to find how this day/game was started and still have not found any legislation that started nor authorized these games. There is legislation that changed part of the day/game session from Charity to Educational Foundation (2000). Since then, the day/games have been sporadic, inconsistent and, in general, confusing. We are finishing a complete audit of these games to determine if all entities that were advertised as the recipients of funds have been paid.

There is also disagreement internally as to whether the games included all tables in play during the session or only those from the side game series. We hope to have all of these in a spreadsheet for the ACBL Treasurer (Jerry Fleming) to share with you very soon.

10. **BUDGET and FORECASTING:**

The monthly meetings to reforecast and prepare for the 2007 budget have been finished through the month of July. We will continue these, which we find to be very helpful, and use much of this data in preparation for presenting the 2007 budget. Departments are becoming more comfortable and aware of the importance of both forecasting and budgeting.

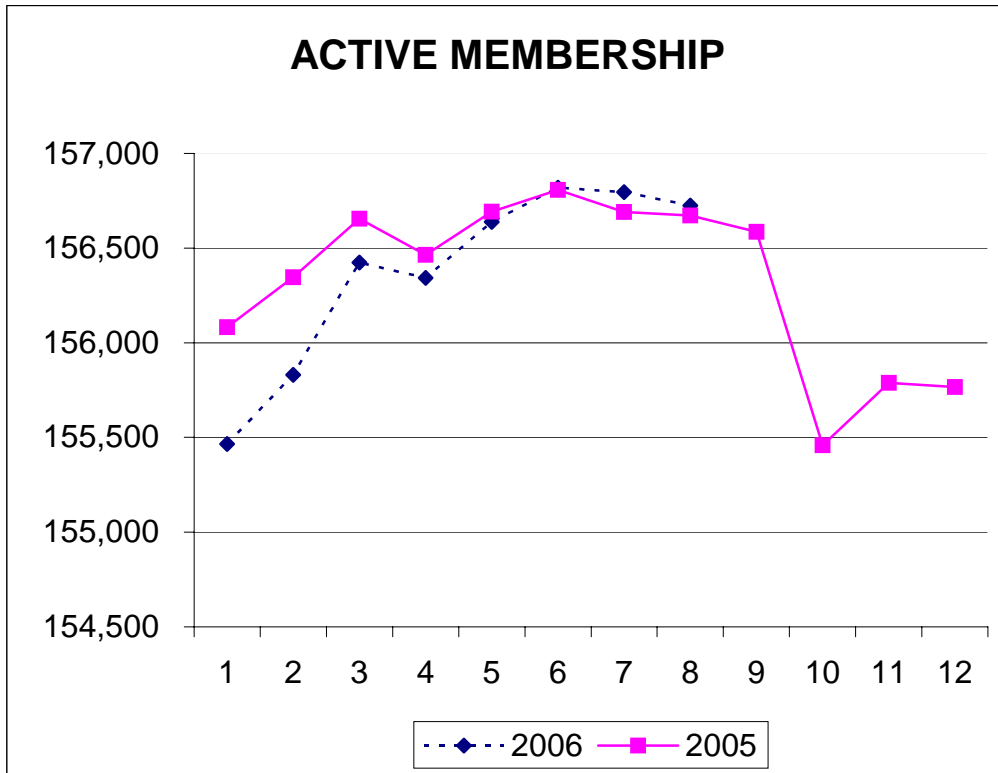
11. **HEADQUARTERS STRUCTURE:**

The closing of the Product Store and Sales department will have some affect on the organizational chart. I will be redoing the chart for all of you to review prior to the Fall NABC.

Active Membership Statistics

Aug-06

<u>Membership Category</u>	<u>2006</u>	<u>2005</u>	<u>Change</u>	<u>%</u>
LifeMasters	47,051	46,292	759	1.6%
Non LifeMasters	104,357	103,955	402	0.4%
Total Paying Members	151,408	150,247	1,161	0.8%
Active Unpaid LM	5,316	6,425	(1,109)	-17.3%
Total Members	156,724	156,672	52	0.0%
New Members YTD	7,645	7,577	68	0.9%



TOURNAMENT TABLE TREND

	REGIONAL							SECTIONAL											
	2004		2005		2006		14,000.6	%+/-	2004		2005		2006		%+/-	2004		2005	
	#	TABLES	#	TABLES	#	TABLES			#	TABLES	#	TABLES	#	TABLES		#	TABLES	#	TABLES
JAN	10	15,986.0	9	13,386.5	12	18,487.0	38.10%	52	11,216.5	63	13,608.0	61	13,762.0	1.13%	5	3184.5	10	5,113.0	
FEB	10	18,923.0	10	14,355.0	10	17,271.0	20.31%	89	17,876.0	75	13,852.0	74	13,644.5	-1.50%	13	16391.5	8	12,123.0	
MAR	2	1,276.0	4	5,050.0	5	3,293.5	-34.78%	82	14,979.0	59	10,572.0	93	17,634.0	66.80%	3	1319.5	4	3,123.0	
APR	10	19,888.5	4	14,272.5	7	18,515.5	29.73%	76	13,494.5	97	15,775.0	86	13,123.0	-16.81%	4	3147.5	3	2,123.0	
MAY	14	18,990.0	17	20,394.5	14	16,516.5	-19.01%	78	14,146.5	83	14,909.0	69	11,375.0	-23.70%	5	10327.0	3	8,123.0	
JUN	12	17,481.0	15	20,465.0	12	17,086.5	-16.51%	66	9,536.5	63	8,665.0	61	8,870.5	2.37%	13	14432.0	15	18,123.0	
JUL	7	8,713.0	11	13,534.5	11	13,250.5	-2.10%	45	9,034.0	51	9,221.0	55	10,752.5	16.61%	3	2813.0	3	3,123.0	
AUG	13	19,585.0	14	18,499.0	11	16,275.5	-12.02%	74	11,596.5	58	9,371.5	70	11,207.0	19.59%	7	11133.0	5	7,123.0	
SEP	12	17,836.5	12	16,428.0				87	14,017.5	101	16,361.0				2	1833.0	4	3,123.0	
OCT	12	16,118.5	15	13,939.5				123	20,689.5	119	18,988.5				7	4709.0	7	4,123.0	
NOV	5	5,441.0	7	9,798.5				60	12,023.0	57	11,923.5				7	3784.0	5	3,123.0	
DEC	9	12,452.5	6	11,540.0				23	4,551.0	25	4,244.5				9	21536.5	10	23,123.0	
YTD 2005/2006			84	119,957.0	82	120,696.0	0.62%			549	95973.5	569	100,368.5	4.58%			51	61,123.0	
AVG				1,428.1		1,471.9					174.8		176.4					1,213.0	
YEAR	116	172,691.0	124	171,663.0	82	120,696.0		855	153,160.5	851	147,491.0	569	100,368.5		78	94,610.5	77	96,123.0	
AVG		1,488.7		1,384.4		1,471.9			179.1		173.3		176.4			1,213.0		1,213.0	
Missing 1 SD 2 I/N																			
Tournaments sanctioned to date																			
SEP					13								89						
OCT					13								128						
NOV					6								59						
DEC					7								26						
					39								302						

A. CLUB GAMES WITH NO FEES OR NO ADDITIONAL FEES

2006	#Months	# Tables	# Games	% Gain
Club, no additional	7	1,177,078.3	145,799	-.92%

2005	#Months	# Tables	# Games
Club, no additional	7	1,188,125.4	164,669

B. CLUB GAMES WITH ADDITIONAL FEES

2006	#Months	# Tables	# Games	% Gain
International Fund	7	6,290.5	698	8.69%
Junior Fund	7	31,500.7	4,207	13.27%
Charity Games	7	43,945.1	5,263	43.15%
GNT - Club	7	4,610.0	462	6.58%
NAP - Club	7	27,386.0	3,284	7.47%
All Other Games	7	10,493.5	972	9.94%
Additional Fees	7	124,225.8	14,886	19.86%

2005	#Months	# Tables	# Games
International Fund	7	5,787.3	689
Junior Fund	7	27,808.2	3,889
Charity Games	7	30,696.9	3,882
GNT - Club	7	4,325.0	446
NAP - Club	7	25,480.5	3,242
All Other Games	7	9,544.5	1,041
Additional Fees	7	103,642.4	13,189

C. ONLINE GAMES

2006	#Months	# Tables	# Games	% Gain
Online Games	7	137,393.2	1,256	11.91%

2005	#Months	# Tables	# Games
Online Games	7	122,763.0	2,458

D. TOTAL ALL GAMES (CLUB + ONLINE)

2006	#Months	# Tables	# Games	% Gain
Club, no additional	7	1,177,078.3	145,799	-.92%
Additional Fees	7	124,225.8	14,886	19.86%
Sub-Total	7	1,301,304.1	160,685	.73%
Online Games	7	137,393.2	1,256	11.91%
Total - All	7	1,438,697.3	161,941	1.70%

2005	#Months	# Tables	# Games
Club, no additional	7	1,188,125.4	164,669
Additional Fees	7	103,642.4	13,189
Sub-Total	7	1,291,767.8	177,858
Online Games	7	122,763.0	2,458
Total - All	7	1,414,530.8	180,316