



BOARD OF DIRECTORS Meeting Minutes

Wednesday, August 19, 2020
6:30 pm | Zoom Video Conferencing

USTA NorCal Board of Directors Present

Kevin Pope (President), Jason Scalese (President-Elect), Joshua Conlin (Treasurer), Kevin Craig (USTA NorCal Executive Director), Anoosh Davoudzadeh (Secretary), Alvin Hom (Delegate), Suzy Cossette, Mark Fairchilds, Larry Olmstead, Bryn Powell, Lynn Rolley, Pam Sloan, Jim Swansiger, Spencer Travalino, Sandy Tompkins, Jack Walker, Keith Wheeler.

USTA NorCal Advisory Directors: Rosie Bareis, Jon Toney

NorCal Staff Present: Tammy Peterson, Member Services and Project Manager

Legal Counsel: Les Hausrath

Guests: Andrea Norman, Dale Evans,

Call to Order

Mr. Pope called the meeting to order at 6:33 pm.

Mr. Scalese made a motion to amend the agenda. Mr. Pope read a timeline of his account and made a motion to terminate the investigation committee. After further discussion, the amended agenda was approved by a vote of 10 in favor, 4 opposed, and 1 abstention.

Mr. Conlin read from an excerpt from the Attorney General's Guide for Charities, Directors & Officers of Public Benefit Corporations. "Officers stand in a fiduciary relationship with the corporation. Hence, they must scrupulously protect the interests of the corporation, exercise their powers in good faith and with best efforts, and refrain from doing anything that harms the corporation. For instance, officers cannot use their positions to further their private interests or otherwise secure any personal advantage against the corporation.¹⁵ In fact, officers who breach their fiduciary duty to the corporation may be liable for any damage their actions or inaction caused."

"Directors' duty of care—Directors also act as fiduciaries. For instance, each director owes a duty of care to its nonprofit corporation and the corporation's charitable beneficiaries. For public benefit corporations, directors are required to perform with the level of care that an ordinarily prudent person in a like position would use under similar circumstances. This includes making reasonable inquiries as needed.¹⁶"

"Directors' duty of loyalty—Each director also owes a duty of loyalty to its nonprofit corporation. For public benefit corporations, this means the director must make decisions he or she believes is in the best interest of the corporation, as well as act in such best interest. 18 For instance, the director is obligated to act with undivided loyalty, be fair in his or her dealings with the nonprofit, and must not seek to benefit personally from the activities or resources of the nonprofit. Duty of loyalty issues typically arise when there is a conflict of interest between the charity's best interests and the personal interests of the director, as exemplified in the Self-Dealing Transactions section below. And like the duty of care, directors who breach their duty of loyalty may be held personally liable to the corporation.¹⁹"

¹⁵ (Bancroft-Whitney Co. v. Glen (1966) 64 Cal.2d 327, 345; Pigeon Point Ranch, Inc. v. Perot (1963) 59 Cal.2d 227, 233, overruled on another ground in Kowis v. Howard, (1992) 3 Cal.4th 888; GAB Business Services, Inc., supra, 83 Cal.App.4th at pp.

USTA Northern California Board of Directors

May 20, 2020 Meeting Minutes

Page 2

416-417, disapproved on another ground in *Reeves v. Hanlon* (2004) 33 Cal.4th 1140; *Burt v. Irvine Co.* (1965) 237 Cal.App.2d 828, 850; *Daniel Orifice Fitting Co. v. Whalen* (1962) 198 Cal.App.2d 791, 797, 800.)

¹⁶ (Corp. Code, § 5231, subd. (a).)

¹⁹ (Corp. Code, § 5231, subd. (c).)

Approval of Minutes

Mr. Pope presented the minutes from the July Board meeting. On motion duly made, seconded, and carried, the minutes for February 19, 2020, Board of Director's meeting was unanimously approved by a vote with 0 abstentions.

Action Item II: USTA NorCal Junior Competition Competitive Structure

Mrs. Norman presented Action Item II, proposed by the vote of the Junior Regulations Committee. The committee convened in response to National's charge to look at the NorCal Junior Competition Structure for compliance issues or other issues/areas that might improve the junior competitive structure. On motion duly made, seconded, and carried, the NorCal Junior Competitive Structure was unanimously approved by a vote with 0 abstentions.

Action Item III: Restarting NorCal Junior Tournaments

Ms. Cossette inquired as to the tournaments that have begun since play restarted in August. Ms. Norman presented the 3-parts to Action Item III, proposed by the vote of the junior council, and also reported that an Excellence is currently underway and another will be taking place shortly; however, the change in the selection process for Excellence to remove the acceptance of up to 12 players based on ratings that was approved in February 2020 has significantly impacted top players' ability to play these tournaments, a situation that has been compounded by the suspension in play due to COVID. Ms. Norman recommended adding wild cards to the selection process as a short term solution until the new structure goes into effect in January. On motion duly made, seconded, and carried, the Board approved by a vote of 15 in favor, 0 opposed, and 0 abstentions a change to the selection process effective immediately to Excellence Singles Tournaments, Stand-Alone Excellence Doubles Tournaments, and the Doubles-Only Sectional Championships through 2020 to include the acceptance of up to two wild cards.

Sanction & Schedule Committee

Mr. Evans presented the Tournament Director Debt issues to the Board. After further discussion, the Board determined that this matter should be looked at by the Budget & Finance Committee and legal counsel.

Executive Session

The Board convened for Executive Session.

Board Interpretation Bylaws Concerning Board Election Pursuant to Article VII, Section C

Mr. Hausrath reviewed the bylaws with the Board, explaining a two-thirds vote would be required to allow Rose Baries nomination. Mrs. Baries explained her timeline of events, and Mr. Swansiger added his account and advised that her nomination was sent directly to him via email and on time. Mr. Scales requested guidance and background from legal counsel. After further discussion, on motion duly made, seconded, and carried, it passed with a vote of 10 in favor, 2 opposed, and 3 abstentions.

USTA Northern California Board of Directors

May 20, 2020 Meeting Minutes

Page 3

USTA NorCal Nomination Committee

Mr. Pope asked to table this topic for next year's committee. Mr. Scalese asked for a vote as it pertains to this year's nomination. Mrs. Cossette asked for clarification, then requested the amendment to add a variation for the "slate of the board." Mrs. Sloan requested the amendment to exclude "other characteristics." Mr. Walker requested the amendment to add the language to the second paragraph, "Board members serving on the Nomination Committee, After further discussion, on motion duly made, seconded and carried, the document was approved, with changes, by a vote of 15 in favor, 0 opposed and 0 abstentions.

Executive Director Report

Mr. Craig gave an update on NorCal financials and explained that Mr. Conlin would go into details in his Treasury Report. He then updated the directors on the following items;

USTA Northern California Board of Directors

May 20, 2020 Meeting Minutes

Page 4

1. With the assistance of our new ally, Brett Simpson, writer for the San Francisco Chronicle, to create some exposure to our naturally socially distant doubles play.
2. The decision made by the NorCal Adult League Committee to cancel leagues for the remainder of 2020 and the realistic possibility Leagues may not start back up until Q2.
3. National Grants
 - a. National equipment grants, providing \$215,200 to 122 NorCal applicants.
 - b. Diversity & Inclusion grants, providing nearly \$20,000 to 12 NorCal applicants.
 - c. To be announced shortly, an Indoor Facility Grant.
4. NorCal Grant; \$750 HITS program that we committed to pre-COVID-19.
5. Moss Adams will be assisting us in closing out our PPE Grant with Comerica Bank next week.
6. Budget & Finance concerning the unsustainable cost of NorCal operations, creating a need for a staff reduction plan and reorganization.
7. COVID safety protocols and procedures during NorCal tournaments.
8. Court Monitor training to use at some of our lower-level tournaments.
9. Update on the Burgos lawsuit against USTA National and NorCal.

Treasury Report

Mr. Conlin explained that Mr. Craig went over some of the items in his report. Mr. Conlin and Mr. Craig updated the Board about the 1099 Tournament Director Project.

Delegates Report

Mr. Hom updated the Board about the continued conversation with National USTA about which rating (WTN vs. URT) platform to use going forward.

President's Report

Mr. Pope also mentioned the WTN vs. UTR conversation in his report. He went on to ask the board to weigh in on a request from Mr. Keppler to pay a \$5,000 grant for 2019. After further discussion, the Board agreed to honor the grant, given it met the guidelines.

Unfinished Business

Mr. Pope and the Board confirmed that there was no unfinished business.

Adjournment

The meeting was adjourned at approximately 12:09 pm.