

MINUTES
UNITED STATES SOCCER FEDERATION, INC.
BOARD OF DIRECTOR'S MEETING
MAY 13, 2006
CHICAGO, IL
10:00 A.M. CENTRAL TIME

PRESENT: Sunil Gulati, Mike Edwards, William Goaziou, Bill Bosgraaf, Daniel Flynn, Don Garber, Linda Hamilton, Brooks McCormick, Mike McDaniel, David Messersmith, Kevin Payne, Peter Vermes.

VIA PHONE: Paul Caligiuri, Dr. S. Robert Contiguglia, Burton Haimes.

IN ATTENDANCE: Jay Berhalter, Timothy Pinto, Gregory Fike, Asher Mendelsohn, Brad Hays (U.S. Soccer Foundation), John Koskinen (U.S. Soccer Foundation) Debra Resling (Reporter).

President Gulati called the meeting to order at 10:00 a.m.

Asher Mendelsohn took roll call and announced that a quorum was present.

CONFIRMATION OF MINUTES

The Board reviewed the minutes of the April 20, 2006 Board meeting by telephone conference. The minutes were **APPROVED** unanimously.

PRESIDENT'S REPORT

Mr. Gulati reported to the Board regarding discussions about television rights for U.S. Soccer. He also informed the Board that there have been discussions with Coach Arena's agent regarding the position of MNT coach; however, nothing would be decided until after the completion of the World Cup.

SECRETARY GENERAL'S REPORT

Mr. Flynn reported that U.S. Soccer's investment of \$10 million in Bear Stearns account was doing well. It was **MOVED** that U.S. Soccer invest an additional \$10 million in cash reserves into the Bear Stearns account. After discussion, the motion **PASSED**.

Mr. Flynn also informed the Board that U.S. Soccer's positive financial report for FY 2006 was due in large part to increased revenue generated at several National Team games.

U.S. SOCCER FOUNDATION REPORT

Mr. Gulati asked Brad Hays and John Koskinen to update the Board on the Foundation's activities. Mr. Hays and Mr. Koskinen reported on the current activities of the Foundation. The Foundation currently has three major initiatives: 1) the Soccer United Recovery Fund devoted to fund raising for soccer in the Gulf States devastated by hurricanes; 2) funding inner-city soccer programs; and 3) surveying the top 20 youth soccer clubs in the United States to determine the participation of inner-city youth.

UNFINISHED BUSINESS

Mr. Gulati announced his appointments to the USSF Committees. David Messersmith recommended one change to the Disability Soccer Committee. With that change, it was **MOVED** that the committee appointments be approved. The motion **PASSED** by unanimous consent.



FUTSAL ISSUES

Mr. Pinto reported to the Board that little progress had been made with U.S. Futsal Federation (USFF) about the resolution of its use of its trademark on the word Futsal. He informed the Board that USFF had sent cease and desist letters to FIFA, Nike and OSI demanding that they cease using the word Futsal. It was **MOVED** to have Mr. Pinto send a letter to USFF demanding that they resolve the matter within two weeks of receiving the letter. If USFF does not resolve the matter to the satisfaction of the Board, then the Board would hold a hearing on August 12th to determine if USFF should remain a member of U.S. Soccer. Peter Vermes abstained from voting on the motion. After discussion, the motion **PASSED**.

INDEPENDENT DIRECTORS

Mr. Gulati updated the Board on the criteria and process for electing independent directors. It was **MOVED** to adopt guidelines for independent directors which are attached as Exhibit A to these minutes. The motion **PASSED**.

FUTURE BOARD AND AGM MEETINGS

Mr. Gulati informed the Board of the schedule for upcoming Board meetings for the next twelve months. Mr. Gulati asked Asher Mendelsohn to update the Board on future AGM sites. Mr. Mendelsohn informed the Board that USSF was in the final process of negotiating with a hotel in Los Angeles for the 2007 AGM and that USSF had received bids for the 2008 AGM. The Board agreed to Los Angeles for the site of the 2007 AGM.

NJSA GRIEVANCE

Al Sinclair, president of New Jersey Youth Soccer, informed the Board that NJYS and NJSA had come to a settlement agreement and the NJSA had agreed to withdraw its appeal.

NEW BUSINESS

Mr. Gulati updated the Board on the grievance bylaw that was adopted at the 2005 AGM and the grievance policies adopted by the Board. Mr. Pinto reviewed the findings of the arbitrator in the grievance filed by CUSA, a club in Ohio Youth Soccer South, against Ohio South. The arbitrator denied the grievance and CUSA filed an appeal to the Board. Mr. Pinto explained that the Board could either deny or accept the appeal. After discussion, it was **MOVED** to deny CUSA's appeal. After further discussion, the motion **PASSED** and the decision of the arbitrator was upheld.

401K POLICY

Mr. Flynn presented the plan to change the USSF's 401k is provider effective July 13, 2006. It was **MOVED** to adopt the changes to the 401k plan. The motion **PASSED**.

[At this point the Board went into Executive Session. The minutes for this session are contained in a separate document.]

POLICY 102(4)-1

Mr. Pinto presented the amendments to the U.S. Open Cup Policies. It was **MOVED** to adopt the amendments. The motion **PASSED**.

POLICY 531-4

Mr. Pinto presented the amendment to Policy 531-4 regarding Referee Uniforms. It was **MOVED** to accept the proposed amendment to Policy 531-4. After discussion, the motion to amend **PASSED**.

NEW POLICY 101-1

Mr. Pinto presented the new Policy 101-1 regarding Conflicts of Interest. The new policy would amend the current USSF conflicts policy and add the policy to the USSF Policy Manual. After a lengthy discussion, it was agreed that the proposed policy should be reviewed by outside counsel before the Board votes on the issue.



POLICIES 704-1 AND 704-2

Mr. Pinto presented the proposed Policies 704-1 and 704-2 with amendments regarding grievance procedures. The Policies are required by USSF Bylaws and would replace similar policies that were rejected by the National Counsel. After some discussion, it was **MOVED** to amend the proposed policies. The motion to amend **PASSED**. It was **MOVED** to adopt the policies as amended. The motion **PASSED**.

[At this point the Board went into Executive Session. The minutes for this session are contained in a separate document.]

EMERGING ISSUES

Mr. Gulati outlined a framework for the discussion of USSF strategy. Mr. Flynn outlined the current state of the soccer industry in the United States. The Board conducted a significant discussion about the goals of the USSF and how best to meet those goals. Some of the topics discussed were the role of the media in promoting soccer, international relations, and the role of the Foundation in supporting USSF's goals.

The meeting adjourned at 3:10 p.m.

