

American Knife & Tool Institute

Executive Committee Meeting (BOR & Advisory)

Thursday, June 7, 2007 1:00 p.m.

Rondelet Room, Renaissance Waverly Hotel, Atlanta, GA

The Executive Committee meeting of the American Knife and Tool Institute on Thursday, June 7, 2007 was called to order at 1:35 p.m. EDT by Regent Les de Asis. Regents present: Les de Asis (Benchmade), CJ Buck (Buck Knives) A. G. Russell and Goldie Russell (A.G. Russell Knives), Jack Igarashi and Jeff Goddard (Kershaw). Advisory members present: AKTI Vice President David Hall. Others present: Jan Billeb, Executive Director; David Kowalski, Communications Coordinator; Attorney Dan Lawson. Regents absent: Gil Hibben (Knifemakers Guild), Tom Arrowsmith (W.R. Case) and AKTI President Mike Jones (Gerber).

These minutes are formatted on a per-subject basis, not the chronological discussion.

Administrative – Jan Billeb, Executive Director

Minutes: CJ Buck moved and Les de Asis seconded to approve the minutes of the June 15, 2006 and January 14, 2007 Executive Committee meetings. Motion approved unanimously.

Future Meetings: It was agreed to schedule the SHOT Show meeting on the last day of the show, Tuesday, February 5, 2008 at 1:00 p.m. Conference calls to be scheduled as needed.

Anti-trust Document: The annual required anti-trust document was signed by those present.

Conflict of Interest Policy: The proposed draft of the “Conflict of Interest Policy” as revised by the accounting firm was reviewed. Jan Billeb was requested to address these questions with the accountant: 1) ways to minimize the actual work of an annual statement; 2) will periodic reviews in Article VII cost more in accounting fees; 3) could Article VII be eliminated completely; 4) if not, how are these reviews accomplished.

Financial – Jan Billeb, Executive Director

2007 Current Financials: Jan Billeb reviewed the year-to May 31, 2007 financial reports, noting that: total assets are down slightly at \$172,770; net income was \$24,816.41; revenue was up slightly; the \$2,500 legislative advocacy expense was the final payment on the Arkansas effort; increases in postage and printing reflect the new retailer newsletter program with printing of 11-12,000 newsletters per issue; professional fees increased due to Kowalski’s increased monthly fee for added responsibilities; and travel and show expenses were up due to participation at SHOT Show with a booth and attending the Portland Knife Show.

2006 Review and Taxes: The accounting firm of McGladrey & Pullen is currently reviewing the 2006 financials and preparing the tax reports. Jan Billeb noted that questions asked and forms required were increasing each year.

Investment Policy: Jan Billeb reported that the draft “Investment Policy and Resolution” resulted from recommendations from investment firms when researching possible higher returns for AKTI’s excess cash reserves. They suggested that the organization needed a written policy in place with a board resolution accepting it prior to investing. Items and amounts underlined were inserted by her to provide talking points for Executive Committee discussion. It was agreed that Billeb would review the draft with the to-be-elected Vice President and present a recommendation to the Board for approval.

Jan Billeb Compensation: A. G. Russell moved to approve Jan Billeb’s request for a five percent increase in her monthly fee; seconded by David Hall. Motion carried unanimously.

Membership - David Kowalski, Communications Coordinator

Corporate Memberships: David Kowalski reported that Jantz Supply renewed as a premier member after a lapsed period. He continues to consider Lone Wolf, Leatherman and Al-Mar as strong prospects soon to be signed up. Kowalski announced that Tom Arrowsmith of Case is moving from a Regent to Premier membership. Regents expressed appreciation of Arrowsmith’s participation and hope that he would return to the Board of Regents. Kowalski will be doing a presentation at the ABS Board meeting and asked for direction on what membership level to propose to ABS. CJ Buck moved to offer an Advisory Board membership to the American Bladesmith Society at \$5,000 per year dues, seconded by Goldie Russell. Motion carried unanimously.

Individual “Grassroots Supporter” Program: Discussion followed on ways to spread the word about the “grassroots supporter” program, meeting with forum organizers to let them know what AKTI has been accomplishing, collecting lists from other organizations, etc. Goldie Russell suggested we develop list of companies/organizations willing to provide a tree of notification (via their email lists) when needed for a call to action. Jan Billeb suggested companies encourage those on their email lists to go to the AKTI website and sign up to support AKTI as a grassroots supporter.

Goldie Russell cautioned not to make messages too many or too frequent when using other companies' list. Kowalski suggested that employees in the knife industry should have an interest in supporting AKTI and be encouraged to register as a grassroots supporter.

Luggage Tags: Ideas about using the luggage tags and collecting people's names and email addresses at Blade were exchanged. Corporations will be encouraged to make an appeal on their website to link to AKTI's website to register as a grassroots member.

AKTI Newsletters Distributed Through Retailers: David Kowalski noted that 10,000-11,000 copies of each of the last two newsletters were distributed through about 55 retailers (and we continue to get requests from new retailers to become part of program). The first issue covered safety information, the second one choosing the correct knife, and the next issue will contain information on assisted-opening knife issues and past cases. The objective continues to be to include consumer information in each issue so retailers can feel information is helpful to their customers. CJ Buck noted that we should make our basic articles available to companies for catalogs and to clubs for newsletters.

Legislative – David Kowalski

Report on Arkansas Success: David Kowalski reviewed the Arkansas effort, observing that either AKTI was fortunate in the lobbyist selected or perhaps the opposition to "extreme" knife laws is not as great as some imagine. Passing the repeal of the Arkansas knife "weapons" statute was virtually unanimous and involved state DNR testimony on our behalf at various committee hearings. CJ Buck suggested Byrum be asked to write a project summary of how he accomplished the successful passage of the change for reference in future efforts.

Dan Lawson stated that he felt AKTI should continue efforts to find incremental changes we could initiate in other states that would help knife owners avoid arrest and prosecution. Jeff Goddard pointed out that AKTI's concerns are related to owning, carrying and possession issues, not when knives are used in crimes.

Next State: A. G. Russell suggested bowie knife laws should be easy to tackle and to find states that still have them. Kowalski suggested that South Carolina's 2" blade length prohibition be addressed next because it includes virtually every possible knife model. Dan Lawson noted that SC, just like Arkansas, attempts to appeal to visiting hunters and fishermen. A.G. Russell commented that SC also has a large group of knifemakers. David Hall made the observation that knowing frequency of problems in a state might be helpful as we prioritize our legislative efforts. Dan Lawson offered to make contacts to find a SC lobbyist. CJ Buck moved for AKTI to proceed with efforts to research possible changes in South Carolina, seconded by AG Russell. Motion approved unanimously.

Indiana: About three months ago Brad Foster (Bradley Cutlery, Midwest Gun Exchange) contacted AKTI about proposed changes to Indiana law which currently outlaw manufacturing and sale of switchblades. He is a distributor warehousing switchblades and interested in manufacturing. His initial strategy was to piggyback changes to a firearms bill, but he encountered the problems of finding an appropriate bill to attach to, and whether or not the main bill would pass. At the next legislative session that begins in January, 2008 Foster will introduce a bill to drop references to automatics and he's confident it will pass. We will continue to monitor his efforts. CJ Buck reminded everyone that AKTI has learned piggybacking has not been successful, and you have to assay opposition to be successful.

Federal Switchblade Act: Chris Guidry, a Washington lobbyist, contacted David Kowalski about a Louisiana client who wants to change the federal switchblade law, but was looking for a grassroots organization to aid support. Goldie Russell made the point that our current strategy of changing state laws is working and we need to stay the course and support changes on state levels. David Kowalski will stay in contact with Guidry and update the Executive Committee as needed.

California Appellate Case: David Kowalski was contracted by an attorney prepared to appeal the case of a client (Lopez) convicted of possessing a Gerber Paraframe II (one-hand opener). The defendant was convicted for possession of a switchblade, spent three months in jail, and now the case is going to the appeal level. There are several problems with the initial case, including the knife was not entered as evidence and now cannot be found. Kowalski expressed concern that AKTI should monitor the case in the event the knife is put into the record and the appellate review becomes an opportunity for the prosecution to undo the exemption language for one-hand openers in statute 653k. Kowalski was asked by the attorney if AKTI would consider filing an Amicus brief. Chris Micheli estimated the cost at about \$2,000. The question was raised as to whether or not the particular knife has a detent. Dan Lawson made the point that the whether or not this knife is a switchblade is factual or legal. Due to the mishandling of the case, he feels that this case will not decide a legal principle. But consensus was AKTI should monitor it and encourage Gerber to sponsor the Amicus brief.

Blade Show Seminar: The legislative seminar Saturday at 10 a.m. will include Evan Nappen, David Kowalski representing AKTI and kniferights.org

Recent Legal Requests: Attorney Evan Nappen continues to be available to deal with client's attorneys on issues if needed.

Publicity - David Kowalski, Communications Coordinator

Report on Portland Show: David Kowalski met in Portland after the Eugene Show with prospective members Leatherman, Al-Mar, and Lone Wolf as well as visited AKTI members Kershaw, Columbia River Knife & Tool, and William Henry Knives.

Report on Survey of Number of Employees, Industry Revenues: Kowalski continues to interview both AKTI member and non-member companies to determine total industry manufacturing-level employees. These interviews with presidents and marketing managers of privately held companies will form the basis for the first-ever report on knife industry revenues and total economic impact of U.S.-based knife manufacturers/distributors. Company presidents have been assured that only David Kowalski and Jan Billeb will have access to actual numbers of specific companies. We have promised this confidentiality to ensure accurate responses. Survey report will be broken down by east of the Mississippi and west of the Mississippi to ensure that company identities cannot be determined. This information will better allow AKTI to discuss industry importance, economic impact, and ties to other industries and the broader economy. Study will attempt to document importance of our industry to steel companies, handle makers, heat treaters, packagers, printers, shipping companies including USPS, UPS, Fed Ex and freight carriers, also such organizations as local medical communities where company employees receive services. Les de Asis suggested Kowalski should look at other national organizations to see how they characterize or extrapolate such information.

Education - David Kowalski, Communications Coordinator and Daniel Lawson

Update on Law Pamphlet: Dan Lawson agreed to review the law pamphlet this summer for revisions and to possibly condense information so it can be provided on the AKTI website.

Preparation for Annual Meeting: The agenda for the Annual Membership Meeting at 5:00 p.m. was reviewed.

AKTI Website: David Kowalski and Jan Billeb will review the AKTI website for areas where we can add more visual content. Website is currently under review to update listings, articles and FAQs as we move into more areas on interest to members and potential members.

New Business

Election: David Hall, current Vice President, announced his respectful resignation from the Executive Committee, noting the importance of commitments to a knife start-up business but he also expressed a desire to maintain his AKTI membership. Noting Mike Jones' term as President ends effective this meeting, David Hall nominated Goldie Russell as President, and Jeff Goddard as Vice President/Secretary, each for two-year terms. CJ Buck seconded. Motion carried unanimously.

De Asis moved to adjourn, seconded by A.G. Russell. Meeting adjourned 4:30 p.m.

Respectfully submitted,



Jan Billeb
Executive Director
AMERICAN KNIFE & TOOL INSTITUTE