

American Knife & Tool Institute

Executive Committee Meeting (BOR & Advisory)

Tuesday, February 5, 2008...1 p.m.

Room #N228 – Las Vegas Convention Center, Las Vegas, NV

The Executive Committee meeting of the American Knife and Tool Institute on Tuesday, February 5, 2008, was called to order at 1:00 p.m. EDT by AKTI President Goldie Russell (A.G. Russell Knives). Regents present: CJ Buck (Buck Knives), A. G. Russell (A.G. Russell Knives), Gil Hibben (Knifemakers Guild) (left at 2:30 p.m.), AKTI Vice President Jeff Goddard (Kershaw) and Bill Raczkowski (Gerber). Regents absent: Les de Asis (Benchmade). Advisory members present: Les Edelstein, Spencer Fraser (left 2 p.m.). Others present: Jan Billeb, Executive Director; David Kowalski, Communications Coordinator, Sara Buck (Buck Knives), Mike Jones (Brunton), Randy Herrst (Center for the Study of Crime) and other invited guests.

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

Administrative – Jan Billeb, Executive Director

Minutes: CJ Buck moved, Jeff Goddard seconded, to approve meeting minutes of the June 7, 2007 meeting, July 9, 2007 teleconference and December 14, 2007 teleconference. Carried unanimously.

Future Meetings: The next scheduled meeting will be Thursday, May 29, 2008 (day prior to BLADE Show) at 1:00 p.m. in Atlanta, with the annual meeting scheduled at 5 p.m. Conference calls to be scheduled as needed.

Current Board Status: Bill Raczkowski was introduced as the new Gerber representative to AKTI by former AKTI president Mike Jones.

Financial – Jan Billeb, Executive Director

Year-end Finances: The 2007 profit and loss and balance sheet reports were emailed with the agenda, reflecting a net loss of \$25,781.58 for the year and a year-end balance of \$122,172.50.

Income and related topics: Jan Billeb reviewed that income was down over \$8,000 from the previous year, due to Case changing from Board of Regent to Premier membership, and Paul Lin, Progressive Team, not renewing on the Advisory Committee. David Kowalski will follow up on both of those. When asked about other premier membership, Billeb reported no new premier members joined in 2007. Goldie Russell suggested that all the Executive Committee be sent a list of current members from premier level and above, indicating membership level and when their memberships are due. Les Edelstein suggested that a list of prospective members be distributed as well to help the Executive Committee encourage AKTI membership when talking to other companies. It was further suggested that David Kowalski develop a recruitment and target plan for increasing membership.

Expenses and related topics: Jan Billeb reported that some of the expense items for 2007 were new including advertising on the NSSF website, membership in NSSF who provide a complimentary booth to AKTI at SHOT, luggage tags distributed to promote the grassroots program, and expenses for David Kowalski's attendance at Oregon knife shows. Other expenses were for: the additional retailer newsletter program printing and postage, David Kowalski's fees for increased responsibilities, legal fees for the California appellate case, and the final lobbying fees for the Arkansas initiative.

Budget: Developing a budget forecast for 2008 and future years was discussed. David Kowalski will develop a corporate recruitment budget and update quarterly.

Financial Reports: Jan Billeb noted that financial reports can be generated at any time and requested by anyone on the Executive Committee. It was agreed the President and Vice President would receive quarterly reports.

CJ Buck moved, Jeff Goddard seconded to approve the financial reports as presented. Carried unanimously.

Conflict-of-Interest Policy: Jan Billeb reported that the accounting firm had previously suggested the board adopt a conflict-of-interest policy; however, due to IRS changes to the Form 990 (due to the Sarbanes-Oxley Act), they now strongly recommend a conflict-of-interest policy, a whistle-blower policy and a records-retention policy for nonprofits. CJ Buck moved, seconded by A.G. Russell, that the Conflict-of-Interest policy provided with the agenda be approved. Resolution approved unanimously.

Investments: The proposed investment policy statement was reviewed with suggestions made that the maximum in the checking account be \$10,000 at the end of the month; that fixed-rate investments have a maximum of three years; and that a policy be put in place that any withdrawals over \$5,000 from any accounts require more than one signature. Investment fund policies need to be discussed further. A revised copy will be sent out for review prior to the next meeting.

Membership - David Kowalski, Communications Coordinator

Corporate Memberships: David Kowalski reported on positive contacts with potential corporate members including that Jim Wehrs, Lone Wolf, agreed to join AKTI; he would promote a Regent position to Clint Kadel at the new United; he believes David Brand at Coast and Ernie Emerson of Emerson Knives would both join; he will propose to both Rick Taggart at Swiss Army and Matt Conable of William Henry to step up in membership to the Advisory level.

Retailer Newsletter Program Update: Kowalski reported over 12,000 copies per issue of the AKTI newsletter are being distributed through retailers. Les Edelstein discussed ideas to generate more dealer memberships such as awards for people that generate the most memberships, doing another dealer promotion, somehow making dealers feel conspicuous by their absence on some kind of a list, etc. Using other companies' newsletters such as Blue Ridge Knives or Buck Knives to promote membership was suggested.

AKTI State of the Sporting Knife Industry 2007 Report: Kowalski reported distributing the industry report to companies at SHOT as a tool to encourage AKTI participation.

Publicity - David Kowalski, Communications Coordinator

New Ad Program: Different size ads were developed based on the full-page grassroots appeal of AKTI saving over 21 million knife owners. Copies of a CD with different ad sizes will be distributed to publications that provide complimentary ads on a filler basis for AKTI.

Article: *Blade Magazine* published an article on knife rights in the April 2008 issue discussing AKTI's role in protecting knife rights for individuals and in the *Blade Trade* magazine geared toward retailers.

Legislative – David Kowalski, Communications Coordinator

IL – Illinois Representative Jill Tracy (R) introduced IL H 43231 on January 10 that would “Prohibit the sale, manufacture, purchase, possession, or carrying of an assisted opening knife. Exempts from a violation of the provision, the purchase, possession, or carrying of an assisted opening knife by any law enforcement officer, fire fighter, paramedic or emergency medical technician.” This represents the first efforts to include the term “assisted opening knife” in legislation. David Kowalski was able to contact Representative Tracy by phone during the SHOT Show and discuss the ramifications, problems with the definitions, and got background from her about why she introduced the bill. Representative Tracy informed him that she doesn't intend to bring it out of committee so it will effectively die. It was generally felt that this should continue to be monitored. Goldie Russell suggested that background information be gathered on the Illinois Attorney General, Lisa Madigan. It was discussed that David Kowalski should prepare some talking points regarding the defense of one-handed opening knives.

CA Appellate Decision – AKTI's request for publication of the California appellate decision related to 653k was denied by the California Supreme Court. AKTI News & Update 9-3, however, does contain the complete opinion at the appellate level that confirms that one-hand openers are exempt from the state's switchblade statute.

Indiana S85 – Kowalski informed the committee that Brad Foster, Midwest Gun Exchange and Bradley Cutlery, was the primary force behind introducing S85 which would all automatics and their manufacture in the state. The bill has passed the Senate 48-0; however the House committee chair indicates he will kill the bill in committee. Kowalski has suggested to Foster that he use economic data provided in the AKTI Industry Report in his efforts.

SC Update – It was suggested that the Department of Natural Resources, local knifemakers, and other groups be asked to support AKTI's efforts to pass our bill S968.

Other States – Kowalski proposed that Nebraska be the next state AKTI looks to because there is currently some knife-related legislation introduced. He will get proposals from lobbyists and contact Cabelas to enlist assistance since they have indicated they will join AKTI. His suggestion is that we look also at Rhode Island because they have a 3” blade standard law. Missouri was suggested as a state to focus on because of possible assistance from Bass Pro and Schell's located there. A. G. Russell reminded us that our strategy was to focus on southern states with strong hunting and outdoor traditions.

Kowalski announced he will begin sending out a legislative update to the Executive Committee every Monday.

TSA – Kowalski provided background history of AKTI's initial 2006 inquiry using lobbyist Barry McCahill to determine the feasibility of getting knives permitted back on airlines. He had McCahill give us a late 2007 assessment and his conclusion was that the issue would still be very problematic and probably very difficult to get done prior to the 2008

election. He also reported on the now-public collaboration of Leatherman Tool Group and Victorinox Swiss Army, who have jointly hired the lobbyist firm that represented Zippo and successfully got normal lighters back onto carry-ons. The lobbyist firm is currently doing a feasibility study of getting knives back onto airplanes.

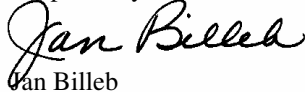
Kowalski proposed doing an AKTI survey of what the flying population believes about the issue now by taking questionnaires at airports, one on the west coast, one of the east coast and he doing the survey in Minneapolis. He will check with TSA officials about possibilities or any procedural requirements.

New Business

Center for the Study of Crime – David Kowalski introduced Randy Herrst from the Center for the Study of Crime who has a 20-year history of successfully working with gun groups on research and training related to helping individuals and organizations address gun issues. Mr. Herrst is willing to provide review of questionnaires or other materials for AKTI.

A.G. Russell moved to adjourn, seconded CJ Buck. Meeting adjourned 3:30 p.m.

Respectfully submitted,



Jan Billeb

AKTI Executive Director