

American Knife & Tool Institute

Executive Committee Meeting

February 16, 2004

Tropicana Hotel, Las Vegas, NV

The Executive Committee meeting of the American Knife and Tool Institute on Monday, February 16, 2004 was called to order at 9:00 a.m. PST by AKTI president Jim Furgal (Camillus). Regents present: Les de Asis (Benchmade), Al Pendray (Knifemakers Guild), Bob Miller (ProCut), Mike Jones (for Chad Vincent - Gerber)-left meeting at 11:30 a.m. Advisory members present: Doug Flagg and Jack Igarashi (Kershaw), R. C. Crisp (United)-left meeting at 10:30 a.m., Thomas Arrowsmith, (W.R. Case)-left meeting at 11:10 a.m., Les Edelstein (Moteng), Spencer Fraser (SOG)-left meeting at 11:00 a.m., Trey Weidner and Kirk Aronson (Swiss Army Brands)-left meeting at 11:30 a.m. Others present: Jan Billeb, Executive Director; David Kowalski, Communications Coordinator. Regents absent: Walter Gardiner, A. G. Russell, C J Buck.

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

Executive Committee

President Jim Furgal announced that he had received a letter of resignation from the Board of Regents February 10, 2004 from Wally Gardiner (Imperial Schrade). Furgal commented on the enormous contributions by Schrade in the initial formation of AKTI, donating premier plaques and of Gardiner's personal efforts and time including appearing before the Boston City Council on behalf of AKTI. Several commented that Gardiner's participation would be greatly missed.

Tom Arrowsmith of W.R. Case accepted the position on the Board of Regents vacated by Gardiner.

Bob Miller announced his intention due to various personal and business reasons to resign as a Regent effective at the end of the meeting. He will continue as an AKTI member. Miller recommended that Les Edelstein (Moteng) replace his position to provide representation of the retailer segment of the industry. Edelstein agreed to give it serious consideration.

Doug Flagg of Kershaw also agreed the company would accept a position on the Board of Regents.

Les de Asis moved, Bob Miller seconded that the Board of Regents consist of at least seven members and that Tom Arrowsmith of W.R. Case and Doug Flagg of Kershaw be accepted as members of the Board of Regents. Passed unanimously.

It was noted that no representative from N.I.C.A. has recently attended an Executive Committee meeting. David Kowalski will contact Brian Swanson, N.I.C.A. Executive Director, and encourage their representative to attend the next meeting at the Blade Show in June.

Administrative

Minutes: Les de Asis moved, Bob Miller seconded to approve the minutes of the June 12, 2003 Executive Committee meeting. Passed unanimously.

Future Meetings: Times/days were modified for future meetings to encourage greater participation and facilitate travel plans. The next physical meeting will be prior to the Blade Show Thursday, June 3, 2004 from 1 p.m. to 4 p.m. at the Renaissance Waverly Hotel in Atlanta, with the Annual Meeting scheduled for 5 p.m. The SHOT Show (Jan. 28-31, 2005) meeting will be scheduled for the last day of the show on Monday, January 31, 2005 at 1 p.m. in Las Vegas. Conference call meetings will be announced as needed.

Awareness Document: The standard AKTI document for awareness of antitrust laws was distributed for signatures.

Insurance: Jan Billeb reported that the renewal forms for the Officers & Directors Liability policy for \$1 million had been filed. Anyone who would like to have a copy of the policy should let her know.

Website: Billeb noted that she continues to work with AKTI ambassador volunteer Bob Gillingham for updates of information, not format, to the AKTI website.

Financial

Year-End Reports: The profit and loss comparative statement and balance sheet for 2002 and 2003 through year-end was distributed by email. Les Edelstein moved, Bob Miller seconded to accept the reports as presented. Passed unanimously. Jan Billeb reported that the financial records have been forwarded to the accounting firm McGladrey & Pullen for review and tax preparation.

Blade Length – Kowalski

David Kowalski reviewed the results of the mail survey on a knife blade measuring protocol sent to non-members as well as AKTI members. His mid-2003 survey of 50 state Attorney's General had revealed that no state has created such a protocol even though virtually all of them have some knife legislation or regulations that specify various blade lengths from 2 - 4 inches. It was agreed that the proposed protocol language covered the common-sense way that airport security personnel have historically measured knife blades and that would be most acceptable to law enforcement. However, since the knife industry had never before attempted to standardize a protocol for blade measurement, that it presented implementation problems for some companies because of recently printed catalogs, brochures and other sales materials.

Kowalski reported that he had received several surveys from both member and non-member companies prior to the show and that he had obtained several more signed forms at the show. In fact, he did not receive a resounding "no" from any company principal. Furthermore, although several members at the meeting had questions about the implementation date and concerns about some of their knife models, the "yes" vote for the following protocol was unanimous.

Les Edelstein moved, Les de Asis seconded to accept the language for a blade length measuring protocol as follows ...

“Where a statute, regulation or ordinance refers to a knife blade length, the measurement shall be the straight line extending from the tip of the blade to the forward-most aspect of the hilt or handle.” Furthermore, the implementation date will be January 1, 2005.

CJ Buck had earlier volunteered Buck's art department to create line drawings to illustrate the protocol for use in AKTI printed materials and on the website. Kowalski explained that once the drawings and other materials were available, he would re-contact the state attorneys general and present them with the new industry-wide protocol language. The materials would also be distributed to all companies in the knife industry.

Legislative

It was further agreed that specific cases brought to AKTI's attention point to the need to develop standard definitions for many of the terms used to describe categories of knives: i.e., one-hand opener, assisted opener, switchblade, ballistic, gravity, etc.

NY Retailer Case: David Kowalski reviewed the case in Manhattan where 430+ knives were confiscated in a raid on Iceberg Army/Navy store on February 7, 2004, based on New York City's gravity knife law. Knives representing the product lines of most of the major manufacturers were seized, including straight knives, one-hand openers and assisted-openers. Kowalski had talked to the retailer/defendant and obtained a detailed inventory of the knives seized. Les de Asis had talked to his defense attorney.

Kowalski will attempt to obtain further details about the seizure and report to the Executive Committee. This case is strikingly similar to the seizure of 390+ knives from another retailer, Westside Audio, on October 20, 2003. Other smaller NYC retailers have reportedly been raided in the past three months. Evan Nappen, a New Jersey attorney with criminal trial experience in knife and firearms cases, has offered pro bono consultations with counsel for these and other defendants.

California Case Recap: The Winter 2003 AKTI newsletter contains Attorney Chris Micheli's re-cap of a case decided on October 29, 2003, where a California judge declared a Benchmade Model 910 Striker was not a switchblade because it fell under the California Penal Code Section 653k exemption language for one-handed opening knives. Micheli, who was the AKTI-hired lobbyist responsible for the 2001 exemption language being passed into law, appeared as an "expert witness" in this case. He indicated that the judge explicitly stated he thought the legislature acted in error when they passed the exemption language but that he was compelled to apply the language in this case.

Senate Bill S659: Larry Keane, staff attorney for the National Shooting Sports Foundation (NSSF), contacted AKTI in late 2003 about writing a letter of support for U.S. Senate Bill S659 - the Protection of Lawful Commerce in Arms Act. Under the signature of James Furgal, AKTI President, letters of support were sent to the sponsoring Senators. Via an email alert, AKTI members were also urged to contact their state Senators and urge them to support the bill. The bill was tabled before the holidays but is expected to be taken up again in March or early April. Members who have not yet done so are urged to contact their Senators asking for their support. This bill is supported by many major national manufacturing and distributor organizations that recognize that they cannot be held liable for a criminal using one of their products to commit a crime.

Membership

Corporate Memberships: David Kowalski reported on the contacts he made at SHOT Show, indicating that William Henry Knives has agreed to join AKTI. Bodycote Metallurgical Coatings, Inc. had recently agreed to premier membership. At its meeting prior to the S.H.O.T. Show, N.I.C.A. agreed to maintain its Advisory Membership. Other companies that have requested additional membership information are Browning and Meyerco. Several other companies have renewal dates coming up and will be invoiced.

Dealer Recruitment Plan: Bob Miller reviewed the dealer recruitment plan that he and Les Edelstein are developing. They will send a personal letter to their dealers and retail stores on AKTI letterhead as an appeal to join at the \$50 level. When a store joins AKTI, Jan Billeb will send them a \$25 "AKTI Bucks" coupon with their new AKTI membership number on it that they can redeem for \$25 credit on an invoice from any participating company listed on the backside of the coupon. Bob Miller passed around samples of the "AKTI Bucks" and invited other companies to join the campaign. Please contact him ASAP since the coupons will be printed soon. An expiration date for the coupon was suggested.

Expired Individual Members: Jan Billeb reviewed the series of three mailings that she and David Kowalski developed to get expired individual members to rejoin AKTI. They used a sample of 200 names and received an overall 13% renewal response. The effort brought in \$955 in revenue with postage costs of \$207.80 for a net of \$747.20 (not counting costs of envelopes, brochures and time involved). They will work on a series of mailings to the balance of the expired list. Billeb reported that there are more than 1500 names on the AKTI membership list, but less than 400 of the individual memberships are current.

Publicity - Kowalski, Chair

David Kowalski distributed the last two AKTI newsletters and the new AKTI brochure and thanked Tom Arrowsmith and the art staff at W.R. Case for their design assistance on the brochure. Member companies were also provided with acrylic easels promoting AKTI that they displayed in their booths during the S.H.O.T. Show, as well as newsletters to hand out to prospective members.

Various members expressed perceptions that are being voiced by some of their contacts in the knife industry. For example, that AKTI is not addressing the long-term needs of the industry; that AKTI is reactive, not pro-active; and that AKTI is a manufacturers' club. It was suggested that AKTI work harder to become a clearinghouse of information, perhaps expand to include Canadian problems and invite Canadian retailers to participate, and focus more efforts on publicizing its efforts in major publications.

Kowalski indicated that every organization in existence is challenged to tell its story effectively. He would be in contact with Spencer Frazer at SOG to offer AKTI's services and organizational model to Canadians looking at developing a national organization.

Kowalski also noted that he and Jan Billeb were planning to re-do the ads that some publications provide AKTI at no cost. Enlisting the support of industry publishers was discussed further. Members noted that industry publications are tied to the overall health of the industry. Kowalski will develop a re-cap of AKTI's six-year history and submit it to the four industry magazines.

Other Issues

TSA: Kirk Aronson of Swiss Army Brands noted that the California TSA had reportedly given or sold confiscated knives to at least one Illinois retailer who was reselling them. TSA has been telling airline passengers that confiscated items were destroyed. David Kowalski will check on the status of knives collected by TSA.

Knifemakers Guild: Al Pendray asked if someone from AKTI could give a seminar at the Knifemakers Guild Show in Orlando July 30-August 1st. David Kowalski will work on finding someone and get back to Pendray within two weeks. Discussion followed about the possibility and/or need for someone from AKTI doing a presentation at the Knifemakers Guild meeting. Les de Asis indicated a willingness to do it and will be in contact with Pendray further.

St. Louis Arches: Doug Flagg reported that security personnel at the St. Louis Arches have been writing tickets under Missouri switchblade law and confiscating Kershaw knives. They are sending individuals notices of fines but are not setting court dates to allow contesting it. The head ranger, to date, has refused to examine the issue, telling Kershaw that they are also upholding the federal law. It was suggested that a letter from AKTI might help clarify the problem. Kowalski will draft a letter.

Illinois River Boat Case: Doug Flagg also reported on a confiscation of a Kershaw knife from an owner who relinquished it before getting on a riverboat. Riverboat security decided it was a switchblade and had local police arrest the owner. Kershaw representatives demonstrated the knife for the local district attorney, who then agreed the knife was not a switchblade. However, as a result of the incident, some local Walmart stores are reevaluating the knives.

Doug Flagg moved, Les de Asis seconded to adjourn at 11:50 a.m.

Respectfully submitted,

Jan Billeb
AKTI Executive Director