

AMERICAN KNIFE AND TOOL INSTITUTE

Board of Regents and Annual Meeting

April 27-28, 1998

Loew's Ventana Canyon Resort, Tucson, AZ

Monday, April 27, 1998 Meeting called to order approximately 8:30 a.m. Present: Les de Asis, Wally Gardiner, Sal Glessner, Jim Wehrs, Jan Billeb (D' Holder arrived (9:15 a.m.) (CJ Buck arrived 10 a.m.) (Gardiner left approximately 3 p.m.) Meeting suspended approximately 4 p.m., reconvened Tuesday April 28, 1998 at 8:00 a.m. Present: Les de Asis, Sal Glessner, Jim Wehrs, CJ Buck, D'Holder, Jan Billeb.

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

Agenda

The Board of Regents (BOR) reviewed the proposed agenda to determine priority of discussion and expedite decisions.

Board of Regents Business

Officer & Directors Liability: Discussion on the necessity of O&D insurance coverage. Consensus such protection is needed. Gardiner will check with legal counsel regarding indemnification language for West Virginia corporation for possible bylaw wording and other ramifications. Billeb provided general estimate from Cincinnati Insurance Corp. of \$914 for \$1 million coverage, \$1,000 deductible. Holder provided cost of O&D for Knifemakers Guild of \$1440/year with \$1 million coverage (uncertain of deductible). Telephone contact with attorney by Holder indicated that if officers and directors liability not addressed in bylaws, then the laws of the state of incorporation would prevail.

Awareness document: Wehrs will provide a copy to BOR of proposed "awareness document" which will indicate each Regent is cognizant of certain legal issues related to Regent business and acceptable discussions.

Policies and responsibilities manual: Consensus a policies and responsibilities manual should be formulated as information developed - probably will fall into the responsibility of duties of secretary as outlined in bylaws being reviewed

Professional liaisons/Advisory committee: Glessner suggested working with an attorney to represent membership. Holder agreed to contact a couple possible attorneys to determine interest in providing internal AKTI advice. Discussion of potential writers to promote AKTI interests and to field requests for articles. Reference information for two possibilities was presented by Gardiner. It was acknowledged most professional liaisons (lawyer, attorney) would probably require payment, while advisors may be agreeable to contribute their time.

Vice President/Secretary: Buck moved, Glessner seconded to appoint Jim Wehrs as Vice President/Secretary. Unanimous.

Regents: Concern was raised over the health status of Bob Miller and that it may impact on his

time availability to serve as a Regent. Holder offered to discuss with Miller and update him on the meeting.

Goals and Slogan

The four goals of AKTI were discussed and rewritten for clarity. Motion to accept the following four revised goals made by Wehrs, second Holder, unanimously accepted.

- 1 - To provide a unified voice representing the knife making and knife-using community.**
- 2 - To promote the general public's awareness of the history and utility of knives as tools.**
- 3 - To encourage sensible knife legislation and responsible law enforcement.**
- 4 - To educate young people about proper safety and the responsible use of knives.**

A slogan emphasizing the main points of the goals was approved: "*Educate, Promote & Inform*"

Logo

The importance of a logo on all printed materials and needed to complete the West Virginia trademark application was discussed. Voted to accept middle logo (with blue banner "American" and red banner "Institute) on samples offered by Gardiner, unless someone offers additional choices for consideration by May 15th.

Later discussion returned to logo and the importance of an identifying logo of "AKTI," a symbol representing the association that would be used on all printed materials plus decals, plaques, lapel pins, etc. Anyone with ideas was encouraged to submit examples.

Use of the AKTI logo by members was discussed. It was noted that use of logo is difficult or impossible to control. A "support" logo was discussed for use by certain membership classifications.

Bylaws (dated January 15, 1998)

The current version of the Bylaws was reviewed article by article for changes related to specific agenda items with major issues discussed later. (See attached revision dated April 30, 1998 for complete revisions.) Below is a summary of key points and additional information. (Note the bylaws are still subject to original approval.)

Bylaw 2: Establishment of principal West Virginia office: New address is needed for principal corporate office in West Virginia. Billeb will get price and terms from CT Corp., which is already listed on Articles of Incorporation as the appointed person to whom notice or service may be sent.

Bylaw 3: (d) Suspension and Expulsion: The BOR, not the membership committee, will be responsible for monitoring membership problems.

Bylaw 4: Dues: No entrance fees will be required. The BOR will establish the initial membership classifications, benefits and dues.

Bylaw 5: Annual meeting: Change wording to second quarter of each calendar year. It was suggested the annual meeting be held the first week in May in Las Vegas, unless determined

otherwise by the BOR.

*Bylaw 6: **Officers:*** Officer terms will be two years, or until successors appointed. A vice president/secretary position will be established instead of a secretary. Duties detailed as secretary's items 1-5 will be designated responsibilities of an Executive Director.

*Bylaw 7: **Elections:*** Officers will be appointed by the BOR; only BOR members will be eligible to be officers.

*Bylaw 8: **Committees:*** Committees will contain a minimum number of three persons and will be chaired by a Regent.

*Bylaw 9: **Amendments:*** Bylaws will be amended, etc., by a 2/3 majority vote of BOR.

*Bylaw 10: **Liabilities:*** Language needs to be reviewed by legal counsel.

*Bylaw 13: **Dissolution:*** Distribution on dissolution needs to be reworded directing dissolution responsibilities to the BOR and on terms consistent with the non profit purposes.

A revised copy of the Bylaws will be mailed to all Regents by May 12th with a cover letter request vote for approval.

Financial

Update on current information: The current income and expense statement from startup was circulated. It was noted that Benchmade paid Ken Warner an initial \$2500 fees not reflected on statement. Billeb will add general ledger entry to reflect this. Checking account balance on 4/20/98 was \$27,102.68.

Financial Reports: It was decided the BOR would receive financial reports quarterly consisting of: balance sheet and income statement. An annual compilation will be completed by accounting firm selected. A calendar financial year will be used.

Rules for disbursement of funds: Agreed that two signatures would be required on authorization for payment of expenses. Expenses over \$5,000 must be approved by the Board. Only one signature will be required on checks. Wehrs will be added as authorized signature on the checking account.

Ken Warner's billing: de Asis reviewed the situation of Warner resigning and Warner's statement for \$4,000 fees for January, 1998. BOR authorized payment to Warner for \$4,000 with the payment check marked "paid in full and final payment for services rendered" plus "we accept your resignation effective 4/7/98."

Payment Authorization: Jan Billeb's statement for services and expenses provided Feb. 1 - April 15, 1998 totaling \$1977.67 was circulated and approved for payment.

Board of Regents' Dues: Status of dues paid: Benchmade - \$11,500; Gerber - \$13,000; Buck - \$10,000; Imperial Schrade - \$5,000; Knifemakers Guild - \$2,000; Spyderco - \$0; Pro-Cut - \$0.

It was agreed in principle to balance the amounts paid to equal Gerber's contribution; balances yet to be paid: Buck - \$3,000; Imperial Schrade \$8,000; Benchmade - \$1,500; Spyderco possibly \$10,000 (paid in two or more installments) and Pro-Cut - uncertain. This will balance the initial payment of dues for the inception year and 1998.

Board Resolution: For banking purposes (to change checking account to interest-bearing) the BOR passed a resolution stating the initial incorporators, purpose of the organization, and who is authorized to conduct banking business. Wehrs will work out specific wording.

Credit Card Transactions: It was agreed that the ability to accept credit card charges was important to efficiently collect membership dues. Billeb was authorized to make bank arrangements and purchase necessary credit card transaction equipment, costing up to \$500.

Staff

Communications: Gardiner suggested changing the staffing roles of secretary and communications director and summarized a potential "Communications Director" as a writer with strong literary skills, respected, with personal integrity, and that they could be a journalist not known for knife writing experience. The following possible responsibilities were outlined for a Communications Director/consultant service

- Place specific information on AKTI into outdoor publications
- Develop relationships with publications
- Develop a media plan for first year for BOR approval
- Develop articles relating to knives in a positive light
- Write and publish an AKTI newsletter
- Other launch/promotional efforts for AKTI

Gardiner agreed to contact Dave Staples for recommendations of three or four people and establish contacts with those willing to discuss the possibility of working with AKTI. It was discussed that a conference call to interview would reduce the expense and time obtaining someone, that a 6 month trial period might be workable, and that the person would be asked to quote per project for services.

Executive Director: It was agreed that Jan Billeb's title would be Executive Director and her responsibilities would include those listed under the duties of the secretary items 1-5 of the bylaws under review. She will continue to function as an independent contractor. Billeb indicated she is willing to continue providing services on an hourly basis, but would prefer a commitment from AKTI with a minimum monthly retainer. Her standard fee schedule and contract was circulated. It was agreed Billeb will be paid a minimum monthly retainer of \$1500 for the next three months, subject to review at that time. Wehrs will formulate a letter of agreement.

Committees

AKTI standing committees were reviewed, the following major responsibilities agreed upon, and chairmen designated. This list will be circulated for interested Regents to select which committees they would like to participate on. Chairmen may call phone meetings of committees.

Finance - develop budget with finance committee; cash management, financial reporting
Wehrs, Chair

Membership - recruitment strategy; develop membership programs

Gardiner, Chair

Public Relations/Communications - (in/out) newsletter, communications director

(guidance), legislative concern, ads, tv/video

Glesser, Chair

Education (on hold)

Legislative - compendium of knife laws, strategy, pro-active involvement, information collection - web site

Buck, Chair

Membership

Categories of membership were discussed and outlined. Membership classifications established are: Annual Member; Associate Member (Bronze/Silver/Gold), and Premier Member. Motion made by Wehrs, second Buck, to accept membership structure, benefits and dues as detailed below. Unanimous.

AKTI Membership

Benefits:

Dues:

Premier Member: (*manufacturers, distributors, retailers*)

	Based on gross sales:	
Wooden membership plaque with year (Add subsequent years as attachment)	< 5 million	\$ 1,000/yr
	5<15	2,000/yr
Bi-annual newsletter	15-20	5,000/yr
Voting privileges	20-25	7,500/yr
May use logo	25+	10,000/yr

Associate Member: (*collectors' clubs, publishers, trade suppliers*)

Small wooden membership plaque/medallion	Bronze Associate	\$ 250/yr
Bi-annual newsletter	Silver Associate	500 /yr
Lapel pin (appropriate finish)	Gold Associate	750/yr
May use support logo		

Annual Member: (*any individual*)

Decal (new decal each year with renewal notice)	Individual	\$15/yr
---	------------	---------

Membership Solicitation

In-box request: Gardiner reviewed the idea of a mailer inside of each Regents' products delivered, probably quite small, printed both side, to include AKTI's goals and an application form for individual membership. He suggested that from Aug 1st until end of year approximately 8 million solicitations could be made by this method. Mailer would need to be printed by middle of July. Noted that Dave Kowalski of Krause has offered to do some printing for AKTI. It was suggested each Regent send Billeb a sample box for sizing purposes.

Potential associate members: Wehrs suggested an effective letter to potential members would include every Regent's signature on it.

Soliciting manufacturers: Consensus was that personal contact calls by the Regents should be made to major manufacturers. Billeb will prepare and distribute the current prospect list and Regents will select who they will contact.

Glesser suggested a scripted sales pitch for making calls and sending out AKTI information and that after the fact a letter should be sent to confirm contributions.

Outline: A general outline plan of how to solicit members was developed:

Solicitation for Membership: Apply the following format to any prospective member after determining classification:

List problems (AKTI wants to solve)

- public perception that knives are "bad"
- poorly enacted legislation
- lack of united front
- lack of consistent and timely information

Forming an organization

- beginning
- board of directors
- have established a non profit organization

Identify goals and objectives

- 1 - To provide a unified voice representing the knife making and knife-using community.
- 2 - To promote the general public's awareness of the history and utility of knives as tools.
- 3 - To encourage sensible knife legislation and responsible law enforcement.
- 4 - To educate young people about proper safety and the responsible use of knives

Identify action plans

- launching plans
- hiring communication direction/public relations
- message in box

Explain needed support

- what funds are being used for
- identify other committed entities
- advise them of their position in the ranking for dues

Ask for contribution

Send the reminder

Confirming letter: Suggested solicitation confirmation letter developed:

Your company logo

AKTI logo

Dear

Thank you for partnering with AKTI and supporting the four principles. AKTI was formed for the expressed goals of:

(List the four revised goals)

Thank you for joining with me and others in our industry to promote these important concerns to ensure our future.

Sincerely,

signature line
Board of Regent

Thank you for your contribution of \$_____. Please remit your check to:
AKTI, PO Box 68, Burlington, IA 52601-0068. *AKTI dues are not tax deductible as a charitable contribution, but may be deductible as an ordinary and necessary business deduction.*

Budget

The following budget was developed as a working guideline:

Budget - May - Dec '98 Budget & Short Terms Goals

Consulting fees - Exec. Dir	18,000
Communications	20,000
Legal	500
Accounting (taxes, year end & Form 1024)	2,000
Travel	8,000
Meeting expenses	1,100
Office Supplies	700
Postage	500
Credit card (setup, machine & charges)	1,300
Telephone	500
Public Relations	50,000
(Including in-box mailer)	
Advertising	
Printing	
Artwork	
Membership programs	3,000
Misc.	5,000
Taxes	2,000
Total	113,000
(½ is public relations)	

Miscellaneous

Newsletter: During discussion of membership it was agreed to publish a bi-annual newsletter. Articles and content will come from the president and the Regents, including newspaper clippings or information received from members. Billeb will compile the information and de Asis will edit.

Web site: The need to register a domain for AKTI of akti.org was agreed upon. An initial informative web site was discussed. Billeb will start design of web page. Having hot links to the Regents and possible listing of Premier Members were future development ideas.

Knifemakers Show - Las Vegas, July - Holder offered display space for ATKI at Knifemakers Show if printed materials are available. Help in the display will need to be arranged.

Shot Shot - Atlanta - Possibility of AKTI participation in members' booths or with a separate booth. Idea of bright sticker "I joined AKTI" suggested.

Other Shows - AKTI presence discussed at Blade, Seattle/New York shows. Decided to participate if AKTI can obtain free space and/or use of Regents' booths.

NEXT MEETING: Next BOR meeting scheduled for *August 7-8, 1998 in Denver*. Dinner meeting Friday evening Aug. 7, day meeting Saturday, Aug. 8, concluding mid afternoon, allowing Saturday evening flights if necessary. Glesser will check out and select a meeting hotel close to the airport. Everyone will make their own reservations.

Approximately 3:00 p.m. Buck moved to adjourn, Holder seconded, passed unanimous.

Minutes submitted:

Jan Billeb