



MINUTES – MEETING OF THE USA CRICKET BOARD OF DIRECTORS

Conference Call – Mar 22nd, 2022

Attendance

USA Cricket Board Directors

Paraag Marathe, Chair, Independent Director (PM), Ajith Bhaskar, Individual Director (AB), Sushil Nadkarni, League Director (SN), Venu Pisike, Individual Director (VP), Suraj Viswanathan, Secretary, Individual Director (SV), Nadia Gruny, Player Director (NG), Srinu Salvar, Player Director (SS), Avinash Gaje, Individual Director (AG), Catherine Carlson, Independent Director (CC), Rohan Sajdeh, Independent Director (RS)

Notes

NGC (PM): (Directors up for election recused themselves from the process AB & SV)

- The cutoff for USAC member registration was March 15, 2021, and for member payment of dues was September 19, 2021, for the delayed 2020 elections. Per the Constitution and the membership resolution adopted by the USAC Board in 2020 for the 2020 Elections, the requirement of at least one year of membership was waived. This meant there was no need for cricketing activity of members (notably, clubs) in the prior year (March 16, 2020, through March 15, 2021). The Board has decided as applicable to the 2020 elections:
 - Resolution: there is no need for any cricket activity for any registered and paid club member for the year ending March 15, 2021, to be further considered for voter eligibility, but due to COVID board agreed to waive the activity requirement for 2020 but to avoid FAKE league the league/club must prove their existence before 2020 (i.e. 2019) or must have conducted activity in 2021.
 - For: RS, CC, PM, NG, AG, SN, SS & VP
- The Board discussed the incumbent director, who is up for election COI, in detail, and the Board asked several questions regarding the conflict. After much deliberation, it was cleared by the USAC Board for his candidacy to move forward.
 - For: RS, CC, PM, NG, AG, SN
 - Against: SS, VP
- The Constitution does not explicitly state that a club nominee can only vote once. However, the NGC believes it is good governance and is implied. Therefore, the NGC communicated to all leagues and clubs explicitly requesting a unique nominee.
 - The Board decided a club nominee can only vote once.
 - For: RS, CC, PM, NG, AG, SN, SS & VP

Budget (CC)

- The USAC Board discussed the Budget in detail, and the Board identified a shortfall in the amount exceeding 700k.
- During the discussions, receivables were confirmed by SV to be accurate reflections of actuals.

- The Board discussed several outstanding questions regarding “guaranteed” and “non-guaranteed” income, particularly as it relates to ACE funding, additional ICC funding requests and Zonal contributions. We will need clarification, to finalize income projections for 2022.
- Based on preliminary expenses broken out by the following categories, **our expenses significantly exceed projected income by approx. 15% (it may be higher) assuming we receive all the projected income.**
 - Admin/Staff
 - Domestic Competitions
 - International Competitions
 - High Performance
 - Development
 - Women’s
 - Membership
- The USAC Board directed CC to work on the Budget based on some feedback and bring it back to Board consideration as soon as possible.

Cricket Committee (SN)

- **Player Contract:** (Model 1 & 2 were drafted by IH for the Board to consider)

MODEL ONE: USAC works together with ACE to optimize the effectiveness of ACE’s annual \$1.2m commitment spend on USAC Eligible Players

ACE has committed to spending \$1.2m on USAC eligible players in appropriate cricketing activity. Under these contracts, players will assume the following responsibilities:

- To play/train in various domestic cricket events (i.e. MiLC/MLC/Private Tournaments) and provide other cricket-related services to MLC (i.e. coach in MLC Academies or support MLC administration) (**‘MLC duties’**); and
- To play/train for USAC in USAC national teams and related matches/competitions, subject to selection (**‘USAC duties’**).

This enables a reasonable number of USAC eligible players to assume an FT income from the cricketing activity, provides greater certainty for all parties, and achieves economies of scale in terms of health insurance/worker’s comp and management of payroll, etc.

To the extent that it relates to the USAC duties, the actual playing contracts would be approved by USAC. There is a draft already prepared, which was previously worked on by both USAC and ACE, and is very close to being in a final form.

The proposed Playing Contracts would be entered into by the Special Purpose Vehicle (presently ACE USAC JV LLC), and there would be an operating agreement between USAC/ACE sitting under the SPV which sets out that:

- USAC representatives will manage the roles/responsibilities under the Playing Contract that relate to the USAC duties/obligations
- AMLC representatives will manage the roles/responsibilities under the Playing Contract that relate to the MLC duties/obligations.

This would work operationally as follows:

- USAC provides ACE with the list of 20 best eligible USAC national team players identified by the USAC Selectors
- ACE will select at least 12 players from that list of 20 that they consider are best placed to provide the entirety of the services contemplated.
- USAC/ACE will together approach those players and offer FT playing contracts to them.
- It is the intent of ACE and USAC, and reasonable efforts will be made by both USAC/ACE (working together) to secure a minimum of 12 FT contracted players at an average of US\$50,000 p.a. (I.e., so that there is a total basic salary spent on players of \$600k at a minimum.)

Any remaining balance of the \$1.2m not committed through the above process may be used by the SPV throughout the remainder of the year:

- To cover payroll costs, healthcare/insurance, and worker's compensation for all USAC eligible Contracted Players.
- To cover additional payments for USAC national team match fees/tour fees/bonuses payable regarding US national team matches as they arise, including new/replacement players, etc.
- ACE determines at its discretion to cover player contracts and related costs for any other USAC eligible players (who will also be contracted to provide a similar scope of duties).
- Additional player payments of any kind may be proposed by USAC but will require ACE approval. Both parties agree to cooperate in this respect; it is understood that there is an absolute obligation on ACE to spend a total of \$1.2m on USAC eligible players.

USAC has the right to contract any other player (or to top-up playing contracts for any player) from its own funds at any time and at its absolute discretion.

Under this model, if we were able to achieve good alignment between the pool of Contracted Players and the players that are subsequently selected for USAC as the year goes by, USAC will not need to use much of its own funds to support/topup player costs; and the more money that the Contracted Players in the pool will receive and a greater likelihood of them being able to earn a professional living from the sport.

We have explored numerous other models over a number of meetings, but we are now of the view that there is no further room to push a more favorable position for USA Cricket on this issue than that which is described above.

MODEL TWO: USAC operates completely independently of ACE and contracts Players directly only for USAC duties

The only alternative model available would be for USAC and ACE to operate completely independently of one another.

This would mean that USAC would need to contract with whichever national team players it likes directly, but only in respect of USAC national team duties. And, either before or after those contracts had been awarded, ACE would contract with whichever USAC eligible players it likes to provide the ACE duties only.

Depending on the timing of these contract offers, this independent approach could have the following consequences:

- I haven't done the financial modeling, but I have no doubt that, without any additional funding, it would be very difficult for USAC to secure the services of the national team players at the financial levels that they are expecting or that could be made available under Model 1. This could therefore precipitate the threatened player strike.
- ACE may end up creating FT opportunities for and spending money on players that the USAC selectors may not select right now. For example, ACE could take a longer-term view and focus on younger USAC eligible players who might not be in contention for a couple of years. This approach would therefore increase the costs for USAC associated with its national team activities this year.
- Common players would end up with two different contracts, with different employers in different states, with duplicated payroll, healthcare and insurance, workers' compensation obligations on each of USAC and ACE. This is unlikely to be a good outcome for players, who may end up with two contracts that are each below the minimum wage for FT employment, or which create an independent contractor status, which could have an impact on their benefits etc.
- Operating independently will lead to further deterioration of the USAC/ACE relationship and further misalignment around the High-Performance program to which both parties have significant interests in the future.

Board voted to adopt the model one plus add the following:

- Budget to be allocated for non-contracted USAC players.
- NOC release to be retained by USAC for players to participate in foreign tournaments.
- The Board will go with Model one until the LFA is concluded and set a timeline as December 31st 2022 to review this again.
 - For Model-1: NG, RS, CC, SV, SN, AB, PM, & AG
 - For Model-2: SS
 - Abstain: VP
- **Cricket Committee:** (Before voting SS left the call, PM absent for discussion0)

JC resigned from the cricket committee citing personal reasons.
The Board voted on two options:

- Option-1: As chair of the Cricket Committee, SN was given the tie-breaking vote by the Board.
- Option-2: AB as replacement for JC.
 - Option-1: NG, RS, CC, VP, AG
 - Option-2: SN, SV

LFA update (RS): (PM & SS absent from discussion)

- RS updated the Board on the progress made in the LFA negotiations with ACE.

An effort to save the 2024 World Cup hosting rights: (SS absent from discussion)

- RS & CC laid out a detailed plan to have VP & SS withdraw the lawsuit.
- USAC Board agreed in the call that all parties follow through in withdrawing the lawsuit as it was the commitment needed by ICC to let USAC host the World Cup.
- NGC to be given clear directions by the Board to run the elections ASAP.