



September 14, 2022

Mr. Peter Mantel, President, US Judo Association

Mr. Mitchell Palaccio, President, US Judo Federation

Mr. Robert Fukuda, Executive Director, US Judo Federation

Dear Gentleman,

I hope this letter finds you well in the ever-changing and challenging world of judo and amateur sport. My congratulations and best wishes to Peter on his new appointment as President of the USJA.

As you may know, my term as USA Judo President will be coming to a close at the end of this year. I hope that I have been able to be of service, at least in some small way, during the eight years I've served on USA Judo's Board. One of the things I am most proud of is the effort our three organizations put into the American Judo Alliance (AJA) Agreement that was finalized in March of 2018. As a result of that agreement, we were able to collaborate on a number of initiatives including the American Judo Development Model and reciprocity with event participation, coach certification and disciplinary actions. The term for the AJA Agreement was for five years and for successive five-year periods unless notice is given 120 days prior to the expiration of each five-year term. Given that March 14, 2018, was when the agreement was fully executed, the inaugural five-year term will expire on March 14, 2023. If any of the organizations wants to withdraw from the agreement under this provision, the 120-day advance notice deadline will be Friday, November 11, 2022. The agreement also provides that any party can withdraw from the agreement upon the giving of sixty days' notice. USA Judo is now confronted with the difficult decision of whether or not it should renew its involvement in the American Judo Alliance Agreement.

The administrative burden imposed on our organization as the National Governing Body of our sport has increased exponentially during this period and our duty to oversee compliance has stretched our resources almost to a breaking point. The mandates issued by the US Olympic & Paralympic Committee and the US Center for SafeSport are directed in such a way that parts of AJA are no longer tenable without significant changes in how we work together. The US Center for SafeSport is requiring more adult members to complete SafeSport Certification Training and require our organizations, clubs and events to cross-reference certifications, banned member lists, etc. that can only be efficiently and effectively done using technology. It is USA Judo, as the National Governing Body, that has been charged with the duty to oversee and to the extent possible, ensure the compliance of these mandates. How our organizations are trying to do this now is inefficient, costly and frankly ineffective. For the betterment of our sport and to assist our members at every level, we need to provide technology-based solutions that can make compliance as easy as possible. These reporting and compliance requirements are not going away.

Additionally, insurance premiums for General Liability and D&O insurance coverages are seemingly out of control. USA Judo's current insurer is looking to raise our total annual premium \$100,000; more than a 100% increase for the second year in a row. This is not sustainable long term. I understand you are experiencing the same dramatic increases in costs of your coverages and share our concerns. We clearly have

an opportunity to reduce the total aggregate premiums our organizations are paying by rethinking the concept of three separate underwritings if we rethink how we are aligned.

As painful as it is, USA Judo, in this environment of increased and oppressive governance and compliance requirements, has no choice but to consider the implication of risk and liability when it comes to our organization's reciprocity as it pertains to event participation, coaching certifications, etc. We believe there is a solution that benefits each of our organizations and more importantly provides a vehicle for our sport to grow and prosper. After much discussion among the USA Judo Board of Directors and staff, it seems that the only way to effectively manage these requirements while serving our beloved judo community will be to combine our operations under one organization and membership and data management platform. This is not something that USA Judo, or for that matter, any of us necessarily wants to do, but the financial circumstances and regulatory and compliance environment seem to require it. We all value the history, culture and legacy of your organizations and want to preserve these as best we can. By becoming "one country" with centralized operations we clearly can better meet our regulatory and compliance obligations while hopefully eliminating the expense and administrative burdens our duplicitous efforts currently create. Doing so will allow us all to have permissioned information that can be shared between organizations and in the process can reduce duplicitous actions, like insurance, that will save our sport time and money that can be reinvested into the growth and development of Judo in America.

From the many discussions I've had with members of the USJA and USJF, the general consensus seems to be that combining of organizations, members, programs and resources is the reasonable thing to do. Also, from these discussions and those with the leadership from your organizations, I understand that investing trust is a difficult challenge. I've asked your leadership on multiple occasions what it would take to merge organizations, I've often been answered with "I'll need to discuss that with the Board", or "I don't know" or "I've never really thought of that". So, we continue to operate our separate organizations lacking maximum effort and efficiency with redundancy and extra expense that stall the growth and mutual prosperity of our sport while similar disciplines, like Brazilian Jiu Jitsu, grow and prosper. It has become clear to the leadership of USA Judo that we can no longer operate in the same manner we have been for the last several decades if we want judo to survive and thrive in the United States. I would like to think you share this thought.

Doing nothing is not an option. While none of the details are written in stone on the how we do this, it is important now that we agree, if we can, on the "what" and we can work together on the "how". It would be our hope that we can make this transition as easy and beneficial as possible for all involved. In short, our proposal is:

- All national judo organizations merge into one organization, USA Judo, where board representation will be made available for all three organizations
- All national judo organizations agree to have one membership database resulting in:
 - One USA Judo Membership with affiliated department/brand notifications (ATJA, USJA, USJF) – (for example, any USJA member who is in original data migration who is NOT already a USA Judo Member will be labeled as a USJA affiliated member and revenue share would go to the USJA) Upon renewal of membership, any member can add/remove any affiliated department/brand recognition

- Portion of membership and event sanction revenues to be shared with affiliated departments/brands for following membership types:
 - Individual Memberships
 - Club memberships
- One shared database will allow for recording and reviewing all necessary certifications including, but not limited to SafeSport, Background Screening, Concussion training, coach certifications, club certifications, etc.
- Sanctioning of ALL events would come through the USA Judo Membership Portal that would also have an API to the Smoothcomp competition management system
- Other existing and subsequent APIs created by USA Judo, USJA, USJF or ATJA could also be available to the merged members of all organizations
- All insurance payments for the following policies will be paid for by USA Judo:
 - General Liability (including SAM) for clubs and events
 - Participant Accident Insurance for individual members
 - D&O – if merged board is implemented
- Revenue share formula will be designed annually and paid monthly based upon the following:
 - Expense incurred by USA Judo (insurance, platform, SafeSport, etc.) – monthly payment projections tied to membership and event revenues. Once break-even or estimated break-even achieved, net revenues would be split based on:
 - Brand Affiliation
 - Number of individual members and/or percentage of total membership

We ask that you please discuss this merger proposal with your leadership and determine if there is a basis for us to move forward with more discussion on this subject or not. If we don't hear from your organization by October 15, we will presume that there is no interest in continuing any merger discussion by your organization. While the USA Judo Board will discuss and determine next steps, I think it highly unlikely that USA Judo will renew its involvement in the American Judo Alliance for the reasons and pressures detailed above. We need to redefine our relationship and a merger seems to make the most sense.

I recognize this is a very difficult decision. I also understand we are in very difficult times with challenges that our sport and organizations have never faced before. I hope that you will receive this proposal in the spirit in which it is intended, to grow together for mutual benefit of our sport and its members.

Please feel free to contact me at any time to further discuss our proposal of merging all American Judo Organizations. I may be reached at 817-919-4783 or mark@markchill.net.

Thank you for your consideration.

Very Respectfully,



Mark C. Hill
President