

	<p style="text-align: center;">American Watchmakers- Clockmakers Institute Board of Directors</p> <hr/> <p style="text-align: center;">MIDYEAR MEETING MINUTES</p>	
<p>March 3rd-4th, 2017 AWCI Headquarters - Harrison, OH</p>		

3/3/2017

Call to order 8:05 a.m. ET

Directors Present: Fred White, Joe Cerullo, Henry Kessler, Aaron Recksiek, Craig Stone, Josh Kroman, Sergio Berrios, Peter Pronko (arrived 8:53 a.m. ET).

Directors Absent: Peter Whittle.

AWCI staff present: Jordan Ficklin, Rob McLeod, Mary Ellen Bunnell, Maureen Seals, Jeanette Torres-Gomez.

Also present: Paul Wadsworth as Parliamentarian, Scott Andrews and Glen Dempsey from Sirscoti USA, Brad Wellman.

Henry Kessler addressed the Board with a report from the Finance Committee.

Income from membership dues is done this year, as well as advertising revenue. Money was spent on staff training for the first time in several years. The attendance at the annual convention was slightly lower than the projections causing a loss of income. The perpetuation fund investment gain was very good and increased \$365,000 in value.

Overall, the Institute went from having a constant loss of income in nearly every area several years ago, to being on fiscally stable ground.

Motion 3.3.2017.1

“I move to accept the minutes from January 10th and February 7th.” Made by: Henry Kessler, Seconded by: Sergio Berrios. Motion was accepted unanimously by a raise of hands.

Henry Kessler and Josh Kroman addressed the Board with a report from the Marketing Committee.

The status of the AWCI Certified program was discussed. The primary detail to be worked out in the program is trademarking the term "AWCI Certified" which would require Certified Clockmakers to obtain CEUs to include them in the program.

Discussion took place about the steps that need to be taken to move forward and implement this program.

There is a need for a new advertisement featuring a watchmaker to be created for marketing purposes.

The subject was brought up about the IAB and Board of Directors deciding at the Annual Convention to create a video to entice young people to enter the industry and promote the watchmaking profession. The idea for the video is to replace the perception the general public has of the aging watchmaker with the new younger vibrant watchmaker.

Motion 3.3.2017.2

"I move that we ask Drew Zimmerman to create a video for AWCI along with a series of static images that we can use for our general advertising campaign. The objective of the campaign is to attract people to the profession and make watchmaking and clockmaking look cool. The initial budget for this project will be \$5,000. If work is approved for changes, a second budget will then be created for changes if necessary. Drew would work in conjunction with Jordan and the Marketing Committee."

Made by: Henry Kessler, Seconded by: Aaron Recksiek

Motion 3.3.2017.3

"I move to table discussion on this motion, 3.3.2017.2, until 2:00 p.m."

Made by: Craig Stone, Seconded by: Henry Kessler. Approve unanimously by voice vote.

The subject of the sale of the Battery Replacement video that was filmed at JCK several years ago, was brought up. When the subject was previously brought up, there were concerns with some board members and Henry wanted to try and address those concerns.

A discussion took place about the people that this video would be distributed to and if we should be educating what some consider "non-professionals."

Motion 3.3.2017.4

"I move to sell the rights to distribute the *Battery Replacement video* to Henry Kessler. "

Made by: Joe Cerullo, Seconded: by Craig Stone.

"I move to send this issue for review by the Ethics Committee, for potential conflict of interest. If it passes the Ethics Committee, it should then be reviewed by the Education Committee and brought back to the Board for a final review and approval."

Made by: Josh Kroman, Seconded by: Joe Cerullo. Approved unanimously by voice vote.

Discussion took place about how AWCi could benefit from hiring a sales and marketing professional. This person could also help in other areas around the institute.

Fred White presented a U.S. flag to Jordan that was flown at the United States Capitol.

10:19 a.m. ET - Sergio Berrios took over recording minutes after Aaron was asked to leave the room.

Peter Pronko presented a report on behalf of the Education committee.

Motion 3.3.2017.5

"I move to accept the education committee's recommendation Of Jack Kurdzionak to be the next chief examiner."

Made by: Fred White

Motion 3.3.2017.6

"I move to table the vote of accepting Jack Kurdzionak as Chief Examiner until we have Jacks written answers and have been given additional time to ask any further questions of Jack before voting"

Made by: Josh Kroman, Seconded by: Sergio Berrios, Approve unanimously by voice vote

Discussion took place about ideas for the keynote speaker at the upcoming convention.

The President has made the following committee appointments:

- Board of Examiners: Craig Stone until 2019, Michael Gainey until 2019.
- ELM Trustees: Jack Kurdzionak until 2019, Dennis Warner until 2019, Wesley Grau until 2019.
- Perpetuation Fund: Dennis Warner until 2019.
- Education Committee: Aaron Recksiek as Chairman. Jerry Faier as Clock Division Head.

Motion 3.3.2017.7

“I move to accept the committee appointments provided by the President.”

Made by Fred White, no second needed for Presidential appointments. Approved unanimously by a raise of hands.

There was discussion about the committee reports.

Motion 3.3.2017.8

“I move to eliminate the *Digitization of the Technical Library Committee*.”

Made by: Aaron Recksiek, Seconded by: Craig Stone. Approved unanimously by a raise of hands.

There was discussion about the convention committee report and that it inaccurately described a Board of Directors vote on an issue where no vote was taken. The Board agreed to amend the report by removing that line from the Convention Committee report.

Motion 3.3.2017.9

“I move to accept the committee reports as amended.”

Made by: Aaron Recksiek, Seconded by: Josh Kroman. Approved unanimously by a raise of hands.

Jordan presented a plan for the scanning of the technical library. AWCI has recently developed a relationship with a company that finds “light duty” work for individuals who have been injured on the job at their companies and need a temporary working situation while they recover.

Motion 3.3.2017.10

“I move to accept Jordan’s proposal for scanning the technical library. This would include amending the budget if necessary, adding \$10,000 under Professional Expenses, to hire a temporary employee after the current volunteer temporary employee has finished his time with the Institute and another volunteer temporary employee is not available.”

Made by: Aaron Recksiek, Seconded by: Craig Stone. Approved unanimously by a raise of hands.

Aaron Recksiek gave a presentation about the future of education within AWCI, summary of the presentation:

The Education Committee needs to be re-defined and motivated to carry out their designated tasks. Over the years, the duties of the Education Committee and Board of Examiners have become blurred and sometimes both groups have been assigned the same duties.

The Education Committee needs to be the primary body for reviewing and developing courses offered by the institute. The Education Committee should begin to develop an apprenticeship curriculum and program. The Education Committee should begin to develop a Watch

Technician certification with a defined pathway to CW21, much of the work has already been done to pilot some components.

The educational offerings need to be expanded to be more inclusive of all aspects of the industry. We should develop courses and training programs for anybody who has the desire to learn and receive training from AWCI.

Lunch 12:07 p.m. ET

Resumed 12:30 p.m. ET

The presentation by Aaron Recksiek on the future of education within AWCI was resumed.

Motion 3.3.2017.11

"I move to refine the role of the Education Committee and rename it the Education and Standards committee which better reflects their roles.

Article XV of the Bylaws shall be changed

From:

Article XV Committees

Sec. 1 The following shall be standing committees of the Institute:

- (A) ~~Education~~
- (B) Horological Times
- (C) Strategic Action
- (D) Convention
- (E) Ethics

Sec 2 ...

To:

Article XV Committees

Sec. 1 The following shall be standing committees of the Institute:

- (A) Education and Standards
- (B) Horological Times

(C) Strategic Action

(D) Convention

(E) Ethics

Sec 2 ...

Section 6.2005.02 of the Policy Manual shall be changed

From:

6.2005.02 Standing Committees

The following shall be subcommittees of the Standing committees as listed in the By-laws Article XVI, Sec. 1

~~A) EDUCATION Duties: This committee's responsibility is the formulation and implementation of AWCI's educational policies and programs. 1. Watch Section 2. Clock Section~~

B)...

To:

The following shall be subcommittees of the Standing committees as listed in the By-laws Article XVI, Sec. 1

EDUCATION AND STANDARDS The education and standards committee shall consist of not more than eleven (11) individuals. No more than five(5) individuals assigned to the clock section whose primary focus shall be clock education and no more than five(5) individuals assigned to the watch section whose primary focus shall be watch education. A chairman approved by the AWCI board of directors oversees the work of both sections. The committee chairman must hold a current AWCI certification: CC, CMC, CC21, CMC21, CW, CMW, CW21, CMW21. The committee's responsibilities include formulation and implementation of AWCI's educational policies and programs, establishing standards for service of watch and clocks, as well as those duties related to certification and the educational development program assigned to them in the *Standards and Practices* documents.

All references to the Education Committee in the *Standards and Practices for Watchmakers* and *Standards and Practices for Clockmakers* shall be changed to Education and Standards Committee."

Made by: Aaron Recksiek, Seconded by: Josh Kroman. Approved unanimously by a raise of hands.

Motion 3.3.2017.12

I move to change Article IV of the Bylaws

From:

Sec. 1 Rules governing the certification of an applicant shall be ~~determined by the Education Committee, subject to the approval of the Board of Directors.~~

~~Sec. 2 The following categories of certification are established:~~

~~(A) Watch Specialist~~

~~(B) Watch Technician~~

~~(C) Twentyfirst Century Certified Watchmaker (CW 21)~~

~~(D) Twentyfirst Century Certified Master Watchmaker (CMW21)~~

~~(E) Clock Associate~~

~~(F) Twentyfirst Century Certified Clockmaker (CC21)~~

~~(G) Twentyfirst Century Certified Master Clockmaker (CMC 21)~~

~~(H) Certified Master of the Institute~~

To:

Sec 1. Rules governing the certification of an applicant including definitions for the categories of certification shall be recorded in the documents *Standards and Practices for Watchmakers* and *Standards and Practices for Clockmakers*.

Sec 2. The Education Committee in cooperation with the exam administrators, assessors, and Board of Examiners recommend changes to certification by updating the Standards & Practices documents. Changes to the Standards & Practices documents must be approved by a majority of the Board of Directors.

Sec 3. The Board of Examiners and Chief Examiner oversee all certification and assessment processes, including construction, administration, and scoring of candidate assessments in accordance with the Standards and Practices documents. No member of the Board of Examiners may serve on the Education Committee.

Sec 4. The Chief Examiner may receive financial compensation at a rate determined by the Executive Committee for his/her services and shall not serve on the Board of Directors, on the finance committee, as an ELM Trustee, as a member of the Perpetuation Fund Committee, or be employed in any other manner by AWCI.”

Made by: Aaron Recksiek, Seconded by: Sergio Berrios. Approved by secret ballot.

Scott Andrews from Sirscoti USA gave a presentation about their view of the state of American watchmaking.

Sirscoti USA has received pledged funding from certain brands and institutions and would like to partner with AWCI to help educate future watchmakers. They would also like to promote the American watch manufacturing industry.

They are developing marketing strategies to promote the profession and the industry to help fill the need for watchmakers in the United States.

The board encouraged them to join the Industry Advisory Board and we can continue the discussion about ways to collaborate in the future.

The Board took a break at 2:40 p.m. ET

Meeting resumed at 3:00 p.m. ET

Jordan Ficklin gave a report on the status of the Institute.

Membership numbers have been going down over the last several decades but the average age of member has remained relatively constant.

We must make efforts to be sure everyone feels welcome to be a member of our institute. We need to develop significant and drastic ideas that will get people outside our institute talking about us.

AWCI has received advice from many experts and consultants over the years that gave us ideas and areas of improvement. Our mission state has changed several times but the advice we have received has largely been ignored. We must not confuse motion with progress.

Rob McLeod, Education and Certification Coordinator, gave a report on the status of AWCI education.

AWCI would benefit from making our educational offerings more accessible, whether it be the in-person classes, off-site training, or digital content. If education is our product we need people to know its value. We need a larger instructor pool, Tom Schomaker's schedule is already full for this year, so if any other opportunities for expanding education arise, we need more instructors to rely on to fulfill those needs.

The on-site education would benefit from implementing the modular exam process and allowing an exam component to be administered at the end of an educational course.

Peter Pronko presented a plan for AWCI's Academy of Watchmaking courses and expanding into the mainstream educational system.

Students could receive credit towards their two or four-year degree by taking an elective course offered by AWCI through their local community college. AWCI would also gain some legitimacy by being involved with an accredited state institution.

This would require AWCI to educate people who are not necessarily choosing watchmaking or clockmaking as their primary careers. In order to continue to provide the highest level of independent education, it may be necessary to fund those operations with providing education to amateurs or other non-professionals.

There was discussion about big ideas for the future of the Institute.

The current AWCI 501c6 tax status was discussed and also the merits of transitioning to a 501c3 status. The ELM Trust currently files as a 501c3 and operates as a sister organization of AWCI. The topic of rebranding and possibly restructuring the ELM Trust was discussed to avoid the need to change the tax status of AWCI.

There was discussion about investing in a significant manufacturing workshop and teaching courses on how to operate the equipment.

There was discussion about the merits of moving AWCI headquarters or creating a satellite facility to a larger more accessible city to be more closely located to watch brands and other relevant entities.

Adjourned for the day 5:03 p.m. ET

Meeting resumed 3/4/2017

Call to order 8:20 a.m. ET

Directors Present: Fred White, Joe Cerullo, Henry Kessler, Aaron Recksiek, Craig Stone, Josh Kroman, Sergio Berrios, Peter Pronko.

Directors Absent: Peter Whittle.

AWCI staff present: Jordan Ficklin, Mary Ellen Bunnell.

Also present: Paul Wadsworth as Parliamentarian.

The board performed a formal evaluation of the Executive Director. Each Board member was given a list of questions about Jordan Ficklin's performance and was asked to rate his performance on a scale of 1-5.

Board members were asked to fill out a self-evaluation from outlining individual duties of Board Members.

Jack Kurdzionak called into the Board of Directors to discuss the Chief Examiner position.

Aaron Recksiek was asked to leave the room.

Craig Stone took over to record the meeting minutes.

Motion 3.4.2017.1

“To take the motion from the Chief Examiner sub-committee off the table.”

Made by: Josh Kroman, Seconded by: Craig Stone. Motion passed unanimously.

Motion 3.4.2017.2

“I move to accept the education committee’s recommendation Of Jack Kurdzionak to be the next chief examiner.”

Made by: Josh Kroman, Seconded by: Craig Stone. Motion passed unanimously.

Jack Kurdzionak declined the Chief Examiner position.

After the position was declined, the board decided to send the recommendation decision back to the education committee for re-evaluation. Because Aaron Recksiek was in consideration for the Chief Examiner position, he is unable to chair the committee that will be responsible for re-evaluating the recommendation.

Motion 3.4.2017.3

“I move to remove Aaron as Chairman of the Education Committee.”

Made by: Josh Kroman, Seconded by: Joe Cerullo. Motion passed unanimously.

Motion 3.4.2017.4

“I move to resume Fred White as Chairman of the Education Committee with Jerry Faier as Co-Chair.”

Made by: Sergio Berrios, Seconded by: Joe Cerullo. Motion passed unanimously.

Motion 3.4.2017.5

“I move to add the following text to the 4.2003.03 Teleconference Meetings section of the AWCI Policy Manual:

“Minutes from all Board of Directors meetings will be emailed to the membership within one week of being approved by the Board of Directors.”

Made by: Aaron Recksiek, Seconded by: Sergio Berrios. Passed unanimously by a raise of hands.

Fred White gave a presentation on what the Institute can do about the membership decline.

The Board discussed the benefits the Institute currently provides its members. The topic of what our main focus should be? The discussion continued about whether AWCI should be considered a trade organization or just an educational Institute as it was originally set up. Each Board member disclosed what their current working situations and if their repair businesses were affiliated with any watch brands.

The board discussed the availability of spare parts and whether it should be part of the duties of AWCI to fight watch brands to make parts available. This issue has undoubtedly been one of our member's greatest concerns. AWCI had a paid consultant address the board in 2013 and it was decided at that time that it was not a battle that AWCI could win.

There was discussion about how working with the brands would better our relationships with them. There was an idea of trying to get as many brands and industry organizations together for a large conference where we can find common ground and more ways to work with one another.

Ideas for new business operation related courses were discussed as a benefit to our members.

There was a discussion about developing and providing prep courses for individual brand certifications, such as the OWME. There have been requests from some of our members to provide that.

The desire to focus on what benefits we can offer to our members in order to retain their membership or gain new members was reiterated. There was discussion about how to survey all different types of professionals to get a clear picture of what we can offer to benefit the different segments of membership.

There was discussion about different ways to reach out to store owners and jewelry industry leaders to provide education to them. The idea was presented about AWCI producing a "Geller Book" type of book that would benefit our members and jewelry store owners to educate them on recommended services and pricing. Trying to reach jewelry store owners through different trade publications could also be an avenue of education that would better the situation for our members.

Break for lunch at 12:15 p.m. ET

Resumed at 12:45 p.m. ET

There was discussion about the proposal for an apprenticeship program and how it can be worked out with the mentor and the apprentice. The curriculum and constant direction for the mentor could be provided by AWCI. We could offer to find an apprentice for stores in need of someone at the same time, we could offer to find a mentor for somebody looking to train with an existing watchmaker. The apprenticeship model is designed to fit perfectly in with the modular administration of the exam and the development of a Watch Technician certification.

It was brought to the boards attention that after Jack Kurdzionak declined the Chief Examiner position, Wes Grau, the current Chief Examiner was made aware of the situation. Wes

requested that the board to allow him to continue to serve in the position under the new framework of the position.

There was further discussion about how the process for selecting a new Chief Examiner has been carried out.

There was discussion about how Wes has been talking about his desire to step down from the position for over a year now and that is why this process for finding a replacement was started last March. Discussion took place about Wes's commitment to the position and the reasoning of his desire to continue.

Motion 3.4.2017.6

"I move that we continue the process of replacing the Chief Examiner."

Made by: Henry Kessler, Seconded by: Josh Kroman. Motion passes with 5 yes, 1 no, and 1 abstention.

There was discussion about the process of selecting the Chief Examiner and how it has been carried out.

The discussion was brought up about what we as a board have accomplished during these meetings. The answer was that very little was accomplished up to this point. The items the board would like to accomplish were also discussed.

The process for developing a list of action items and proposing motions to implement change was discussed. After making a list of over a dozen ideas, the board discussed the merits of each idea and what decisions could be made now to implement these ideas or further their development.

The subject of the videos filmed at JCK several years ago, was discussed. AWCI currently makes around \$500 a year off the sales of these videos.

Motion 3.4.2017.7

"I move to make the AWCI educational videos, filmed at JCK, available online for free to the public. The videos will be posted with collaboration of an IAB member sponsor who will pay for the sponsorship of the video for a one year period. The sponsorship is intended to offset the retail revenue brought in by the sale of the videos. The rate for the sponsorship will be determined by a negotiation between the executive director and the IAB member."

Made by: Aaron Recksiek, Seconded by: Josh Kroman. Approved unanimously by a raise of hands.

The process of developing a service pricing guide was discussed and how the perception of price fixing can be avoided. There was a discussion about how best to implement this idea, the projected cost, and how it would be distributed. The board discussed reaching out to David Gellar to propose this idea and discuss a possible collaboration.

Motion 3.4.2017.8

"I move to develop a service pricing guide to be distributed to retail jewelers across the country."

Made by: Josh Kroman, Seconded by: Aaron Recksiek. Approved unanimously by a raise of hands.

The marketing committee will be tasked with developing this idea and coming back to the board with a plan of execution.

The board brought up the topic of creating a satellite office and classroom in New York City. The cost of doing this is the first area of concern. AWCI could solicit sponsorship opportunities to try and offset some of the costs.

Motion 3.4.2017.9

"I move that we empower Jordan to make a cost analysis for establishing a satellite office and classroom in the NYC area and report back to the Board by the May meeting of the Board of Directors."

Made by: Craig Stone, Seconded by: Josh Kroman. Approved unanimously by a raise of hands.

The idea was discussed about providing some publicity for the institute by writing some educational columns to be published in some jewelry industry periodicals. The columns could direct people to the AWCI website where we could have a section with newly developed videos and other digital content.

The video to promote the watchmaking profession was discussed. The target age group for the video should be 15 to 25 years old.

Motion 3.4.2017.10

"I move to take the motion off the table from yesterday regarding the advertising video"

Made by: Aaron Recksiek, Seconded by: Joe Cerullo. Approved unanimously by a raise of hands.

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Motion 3.3.2017.2

"I move that we ask Drew Zimmerman to create a video for AWCI along with a series of static images that we can use for our general advertising campaign. The objective of the campaign is to attract people to the profession and make watchmaking and clockmaking look cool. The initial budget for this project will be \$5,000. If work is approved for changes, a second budget will then be created for changes if necessary. Drew would work in conjunction with Jordan and the Marketing Committee (Henry, Justin, Kelly, and Josh)"

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Made by: Henry Kessler, Seconded by: Aaron Recksiek. Approved unanimously by a raise of hands.

The topic of providing “free membership” was discussed. Current membership is subsidized by the perpetuation fund by 50-60% annually. The idea is that we could drastically reduce the cost or eliminate the cost of being a member and provide many services on a pay per use basis. We may be able to offset the cost of dues by distributing the cost among the services that will be purchased separately. This could potentially increase the number of members and get more people involved with the institute.

Individual benefits were discussed and where the cost of fulfilling those benefits per member is.

Motion 3.4.2017.11

“I move to task Jordan to come up with ideas to 1. Reduce the cost of membership and 2. Possibly provide some services a la carte. Jordan will be asked to report back to the board at the April meeting of the Board of Directors.”

Made by: Aaron Recksiek, Seconded by: Craig Stone. Approved unanimously by a raise of hands.

Break at 3:55 p.m. ET

Resume at 4:11 p.m. ET

There was discussion about sponsoring a series of videos highlighting the American watch industry and showing how a watch is made.

Motion 3.4.2017.12

“I move to create a collaborative horological project documented via a serial video production using US watch and clock manufacturers, US independent watchmakers and clockmakers, and watchmaking schools to teach skills to a well-known horological personality. At the culmination of the project the horological personality produces a US Made watch or clock to be auctioned or raffled off with the proceeds to support watchmaking education in the United States.”

Made by: Josh Kroman, Seconded by: Craig Stone. Approved unanimously by a raise of hands.

There was discussion about the convention and getting affiliate chapters involved in the process. There is a plan in development to work with the local Florida affiliate chapter during the 2017 convention.

The board sees a value in getting the affiliate chapters more engaged with AWCI.

Drew Zimmerman, chairman of the Nominating committee, was contacted about the status of the candidates running for the Board of Directors this year.

Motion 3.4.2017.13

"I move to adjourn, 5:03 p.m. ET"

Made by: Joe Cerullo, Seconded by: Craig Stone. Passed unanimously by a raise of hands.

Respectfully Submitted,

Aaron Henry Recksiek – Secretary