

## **RESOLUTION**

**BE IT RESOLVED** that the General Membership of Colorado Association of Business Intermediaries, Inc. (CABI) authorizes the Board of Directors to develop and produce an education project, tentatively entitled “How to Be A Highly Effective Business Broker,” also known as the CABI Video Project.

**BE IT FURTHER RESOLVED** that the Board of Directors is hereby authorized and empowered to enter into contracts as necessary to produce the approved education project.

**BE IT FURTHER RESOLVED** that the Board of Directors is directed to develop a distribution and marketing plan to offset all or a portion of the expenditure of up to, and no more than a total of \$30,000 to develop the approved education project.

**Vote on the attached ballot. Choose one of the three voting methods on the ballot.**

### **BACKGROUND MATERIAL**

**Mission Statement:** CABI creates clarity and ethical opportunities, through collaborative learning.

**CABI’s Purpose, according to its By-laws:** “Providing opportunities for dialogue, education, advancement and improvement of all aspects of the business intermediaries profession through meetings, seminars, communications, publications and other programs and activities . . . while promoting and maintaining high standards of conduct.”

Historically, CABI has had two critical education resources: International Business Brokers Association (IBBA) courses, carrying CBI credits; and Colorado Real Estate courses that are relevant for CRE credit and to our professional development. In recent years, CABI’s Board, under Kevin Waide and Suzanne De Lucia’s leadership, made a grand effort to qualify 20 IBBA courses for CRE credits.

Over the last year, the CRE certification has expired on most of those courses. Due to IBBA’s changes, and with CABI no longer able to present IBBA classes, CABI is in a dilemma to meet its vision in 2016 and beyond. The Board’s solution: investing in the future for the benefit of CABI, our profession, new and established professionals, and the general public, including buyers and sellers of businesses.

CABI is in the unique position of being highly visible and respected within the national business brokerage community:

- CABI has a large number of IBBA founders and board members who have served on the IBBA Board, have become certified as instructors by IBBA, and, in several cases, have developed IBBA courses.
- CABI has one of the most-visited websites of all state and national business brokerage member organizations.
- Over the last 15 years, CABI has accumulated a treasury that is more than double its annual expenditures, with no discernible plan or rationale for CABI’s continued growth. Several years ago, the Board set the goal to maintain cash balances equal to one year’s expenditures.
- The business brokerage profession is maturing, and new professionals entering the industry are seeking a local resource for best practices training. CABI is in a perfect posture to provide this.
- The Board, and its Education committee, working together in the 2015 Board meetings, in an all-day retreat, and in talking with CABI members, has identified several options for attaining our purpose:

- Provide 1 or more IBBA courses to CABI members, without charge, during 2016. Our estimate of CABI's cost, including IBBA's \$350 per-person fee, for each meeting of 20 participants would be \$10,000. For 80 participants, the cost would be \$30,000.
- Refund \$20,000 of membership fees paid by Broker, Associate, and Sustaining Sponsor members, pro-rata.
- Find additional member benefits (such as business valuation and/or marketing comparison programs) and subscribe and offer them to our members.
- Develop our own sequence of professional business brokerage education materials, in the form of 36-40 videos of 20-30 minutes each, teaching individual aspects of the profession that are not currently being addressed by, and would not compete with, IBBA courses.
- Among our members, one IBBA Fellow member, who has taught IBBA courses nationwide, developed and co-developed IBBA courses, and has consistently been a full-time business broker for over 30 years, made an offer that 100% of the CABI Board initially accepted (with controls).
  - He offered to author, develop, and produce between 36 and 40 videos, covering the topic "How To Be a Successful Business Broker." He offered to involve as many CABI members as possible, and to contribute his time and expertise. CABI would pay for the independent videographer company. CABI will own and copyright the materials. If and when CABI decides to sell the videos, CABI will split equally the net proceeds with him (the gross proceeds, net of marketing, reproduction and distribution costs).
  - On August 14, 2015, the Board unanimously approved a \$5,000 pilot project of 6 videos (\$5,000 of the complete project's \$30,000 production cost), and invited all CABI members to participate in the videos. Those participants appeared in the first six videos produced between September and December of 2015.
  - The Board and Education committee planned for the 2016 education programs, which include two instructor-facilitated education meetings for CABI members. Each program will feature one or more of the videos. These initial meetings are designed as pilot projects to form the protocol for future CABI education programs, utilizing the videos. These two 2016 initial meetings are to be at no charge to CABI members. CABI plans to eventually do the work to qualify several of the videos for CRE Credit.
  - The primary purpose for the CABI Video Project is to provide materials for CABI's future education programs. Following completion of the Project, CABI may later choose to sell the videos to update and further develop CABI's education library. CABI may also recover some or all of CABI's production costs by selling the videos. In this regard, our preliminary plan is to sell them as a package to individuals and business brokerage firms nationwide for \$795, online and on our website. The process to develop our marketing plan began in January.
  - In November, all CABI members were invited for a viewing and discussion, held on December 9, to view one of the initial videos and discuss whether to complete the video project, or to halt it. For two weeks prior to the meeting, all board members were provided with links to each of the 6 videos and with copies of the 4-12 pages of education materials relating to each video. 18 attended the showing. At a Board meeting following the showing, the Board voted to complete the project, by a vote of 6 for and 2 against. The vote count did not include Glen Cooper.
  - Following the Board vote, and through January 6, 15 emails were received from CABI members and sponsors relating to the CABI Video Project. The predominate request was to delay the project until it can be brought before the members and for the members to vote on whether to complete the project, or not to complete it. All Broker Members are eligible to vote.

**BALLOT [Choose one of the 3 following voting methods]****CABI BROKER MEMBER'S VOTE:****1. In Attendance**

As a Broker Member of CABI, I, \_\_\_\_\_ [print name], hereby place my vote:

\_\_\_ To Continue or \_\_\_ Not To Continue - the CABI Video Project.

Date: \_\_\_\_\_

x \_\_\_\_\_ Member's Signature

**2. Not In Attendance**

As a Broker Member of CABI, I, \_\_\_\_\_ [print name], hereby place my vote:

\_\_\_ To Continue or \_\_\_ Not To Continue - the CABI Video Project.

(This Ballot must be delivered to the CABI President, Dennis Smith, by physical delivery, c/o Capital Advisors, LLC, 116 Inverness Drive East, Suite 205, Englewood, CO 80112, or email delivery to dennis@a4s.com – at or before beginning of the January 20, 2016 Annual Meeting of the Members.)

Date: \_\_\_\_\_

x \_\_\_\_\_ Member's Signature

**3. Proxy**

As a Broker Member of CABI, I, \_\_\_\_\_ [print name], appoint and authorize \_\_\_\_\_ [print name], a CABI Broker Member, my proxy to attend and represent me at the Annual Meeting of the Members to be held on January 20, 2016, and to vote on my behalf on the Resolution, or any amendment to that Resolution, presented at the Meeting, and to take any other action which I could personally take if present at the Meeting.

Date: \_\_\_\_\_

x \_\_\_\_\_ Member's Signature

**Proxy Holder Vote -**

As a Broker Member of CABI, I, \_\_\_\_\_ [print name], as a Proxy Holder hereby place my vote:

\_\_\_ To Continue or \_\_\_ Not To Continue - the CABI Video Project.

Date: \_\_\_\_\_

x \_\_\_\_\_ Proxy Holder's Signature