



# **WORLD CONVENTION CORPORATION of NARCOTICS ANONYMOUS**

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**To: The N.A. Fellowship**

**From: Steve Bice, Chairperson  
World Convention Corporation**

The following is a report to the Fellowship on the activities of the World Convention Corporation for the 1987-88 year.

## **CORPORATE TITLE**

After our experience with the Expotel matter and after considerable discussion, the Board of Directors decided to propose that the corporate title of the convention corporation be changed from "World Convention Corporation for Narcotics Anonymous" to "World Convention Corporation". Discussions that followed included the impact that a law suit against the convention corporation would have on the public's awareness of N.A. and that such a suit could draw the Narcotics Anonymous name into public controversy. The fact that the corporation's name included the words "Narcotics Anonymous" was one of the primary factors involved in the decision that took place. This change will help to insulate the Fellowship as a whole from any potentially negative publicity as a result of legal action.

## **EXPOTEL**

Expotel arose as an issue when the WSO was notified that one of the companies assisting with the London convention intended to sue the convention corporation to recover money it lost as a result of activities associated with WCNA-16. A more detailed explanation of the Expotel matter follows.

During the year the World Convention Corporation resolved a problem left over from the 1986 World Convention in London. Because the issue could have resulted in formal legal proceedings against a service arm of the Fellowship, details were not generally available until the convention corporation was able to satisfy ourselves that there was an appropriate plan of action to pursue. The delay in distributing information to the Fellowship, was intended to provide maximum protection to the Fellowship's interest, so that any discussions on this matter could not be taken out of context and used as suppotive evidence by Expotel's attorneys.

The hotel accommodations which the London Host Committee based their bid upon were reserved through the services of of company called Expotel Ltd. This company was the enterprise through which the rooms that were used by our members would be counted as credit towards convention hotel expenses and complimentary rooms. Using a company for this purpose is the normal business practice in the United Kingdom.

In January 1986 the World Convention Corporation, after considerable research, agreed to have Cardillo Travel Inc. offer their services to our members by assiting with travel arrangements for the 1986 World Convention.

Cardillo would receive as funds from of our members and in turn would reserve rooms for them through Expotel Ltd., according to the agreed upon procedure.

Cardillo Travel Inc. paid only part of the money for the rooms and then defaulted on over half by issuing payment with a check returned for non-sufficient funds. They then went out of business, and filed for bankruptcy protection with the court. Expotel Ltd. took the position that Cardillo Travel was "functioning" as an agent of the World Convention Corporation and therefore the World Convention Corporation was responsible for incurring the loss.

In early 1987 Expotel Ltd., formally contacted the World Convention Corporation to inform us of their position. The response from the World Convention Corporation was that Cardillo Travel was not formally engaged by the World Convention Corporation and as such there was no obligation by WCCNA to Expotel Limited to cover the loss sustained by Cardillo Travel. The World Convention Corporation solicited the opinion of our attorney. His opinion was slightly ambiguous and another opinion was sought and obtained.

Through correspondence during the early months of 1987, it became clear that Expotel was indeed going to file suit in the English Court to recover their loss. WCCNA was eventually served with notice that proceedings had been instituted for the full amount of their loss, plus standard interest on that amount from the date Expotel believed the obligation became effective.

At the June 1987 meeting of the Board of Directors this issue was discussed in detail. There were four separate issues: (1) The WCCNA Board believed that they were not liable for the loss and could ably defend this position, with this in mind, in court. (2) It was also possible that the suit could become public knowledge and possibly create a public controversy. (3) There was also doubt about the ability of Expotel to sue WCCNA by using English courts. (4) Even if WCCNA won the suit, the matter would take several years to resolve, costing considerable man-hours of WSO staff time and legal fees that would not be recovered. The cost of defending the suit would eventually exceed the amount that Expotel sought to recover. It was decided at that time that if settlement became possible we would be willing to accept a settlement for approximately 50% of the original loss.

On the 14th of July 1987 the World Convention Corporation was formally served by a U.S. Marshall with a lawsuit by Expotel Limited. The lawsuit was for \$ 13,800.00 plus attorney's fees plus \$5.00 per day interest beginning January 1, 1986. The total would have been approximately \$16,000.00 US.

This was immediately discussed with the attorney and a copy of the papers were delivered to him. There was some initial discussion by the attorney that the service itself may not be valid. There was also doubt as to whether or not an English court could effectuate a service on a corporation that existed outside of their jurisdiction. The thrust of our discussion was that he was to call the Solicitor (lawyer) in London used by the UK Service Office, for further consultation. It was then determined that we would wait until this question could be resolved before taking any further action to respond.

Our attorney here called the Solicitor and arranged for a meeting with Bob Stone, Chuck Lehman, Steve Bice, and Jamie Scott-Hopkins while they were in London prior to the European Service Conference.



The meeting was held the following week. After presenting the Solicitor with copies of all the relevant materials, his analysis was that both WCCNA and Expotel were the victim of the travel company. Rather than forcing WCCNA into the long legal battle and expending an amount larger than the amount being sought and rather than Expotel doing likewise without any clear assurance of success, that the matter should be resolved with both parties accepting an equal share of the financial loss.

A call was made to the Solicitor for Expotel suggesting that both Expotel and the World Convention Corporation were not to blame for the problem, and that Expotel is the victim of Cardillo Travel. Although the World Convention Corporation admits no responsibility for the loss, it would be reasonable to accept a settlement. In this way WCCNA could avoid the expense and inconvenience of a lawsuit to prove that we are without liability in the matter. The settlement suggested that both parties share equally in the loss, not including interest.

During a meeting of the WCCNA board, in September, it was agreed that we would accept settlement for a figure around 50% of the initial amount. We notified the solicitor to inform Expotel Limited that we would settle for this amount and began the necessary financial arrangements to do so. We insisted that part of the settlement state, that if Expotel received any or all of their claim against Cardillo Travel Inc., that they would refund to WCCNA an amount commensurate with the level of funds recovered. In other words, if Expotel were to receive 50% of their funds from Cardillo through the bankruptcy proceedings, that WCCNA would receive 50% of our settlement amount back. Additionally, we insisted that no further action could be taken against any N.A. members.

In early October 1987 we were contacted by our Solicitor in London. He had been in contact with the Solicitor from Expotel Limited and they proposed that the World Convention Corporation settle this matter for Five Thousand Pounds/Sterling plus a part of the Expotel legal expense. It was very clear that this was the best resolution that could be expected.

On the day the funds were converted to pounds and the sent to our Solicitor, the total amount of the settlement was approximately \$8,500.00 US. The funds were taken from the operational account of the Convention Corporation.

We now consider the Expotel issue closed. This was not a pleasant matter and the settlement was accepted with great reluctance. We must avoid public controversy, but at the same time, this situation left us with little room for negotiation or the option of fighting it out. The distance involved, the high cost of fighting the suit and the relatively modest amount of the settlement all led to acceptance of the settlement idea.

Part of the issue involved was determining whether or not it was appropriate for the corporation to become involved with a lawsuit at all. That issue remains unresolved, as the matter was settled without having to engage in formal legal proceedings. The philosophical issue still needs to be discussed. The practical matter of removing the words "Narcotics Anonymous" from the name of the corporation, however, is a matter that is simple and would have no impact on the corporation except to further distance N.A. from possible public controversy. (Refer to the November 1987 Fellowship Report for additional information pertaining to this matter.)

## SITE SELECTION

The second matter that arose during the year concerned the lead time necessary for world convention site selection. The present time schedule has proved to be less than practical.

At WSC '87 the conference selected Northern California as the site for the 18th World Convention. Immediately after the conference we began to try to implement the bid that was submitted by the Northern California region. When we contacted the facilities that were identified in the bid we learned that the hotel and convention facilities that the conference made their decision on were no longer available. The bid had been submitted with these facilities being a second option which means that someone else had the rights of first use to these properties. This placed the Convention Corporation in a difficult position. We were forced to consider a replacement site outside the realm of the conference decision. The corporation felt compelled to allow the Northern California region the opportunity to quickly prepare an alternative bid. This process was assisted by the staff at the WSO who traveled to Northern California to assist the bid committee in soliciting alternative site information. After the information was gathered a conference call with the Executive Committee of the corporation, the Chair and Vice-Chair of the WSC, the Chair and Vice-Chair of the Trustees, the RSR from Northern California, and the RSR from Southern California was held. During this call all of the new factors were considered and a decision was reached to pass the convention to the only other region that had submitted a bid. This situation highlighted the necessity to change the site selection process. Even if the Northern California region had held the first option on the facilities, anyone that wanted to use them only had to sign a formal offer, and we would have been given 72 hours in which to sign a contract.

This points out that unless we have the ability to secure facilities in advance we were open to this happening again. It is necessary to be able to determine the zone and the city in which the convention will be held much longer in advance than the current guidelines provide. This is a result of the growth in size of the convention and the different arenas of competition for sites that our new size places us in. Because we have grown so large, we now need convention center facilities, and need to compete for sites several years in advance.

As a result of the open meetings held at the WSC workshops in July and October, a solution was evolved. The most logical choice is to have the zone sequence selected by drawing. This would permit the selection of the zones in an almost random schedule for an indefinite cycle.

The second part of the solution is to assign the corporation board the responsibility to select the actual city and site from among those cities interested and capable within the zone that was being considered. This process would permit all interested and capable cities to be considered on a more equal basis and avoid the problem of having a site pulled out from under us because of a lack of flexibility in our procedure.

## ZONE CHANGES

Input received during the year resulted in a more thorough evaluation of the large number of states within the zone one. There is a much larger number of potential sites in this zone than in neighboring zones. In the third zone there is an



almost equal number physical area but the number of potential bid cities is much smaller. In an effort to provide a more equal opportunity for the cities in both zones to be selected for the world convention, it is being proposed to move three states from zone one to zone three. This change will not affect the eligibility of cities in the states that are moved from one zone to the other.

A similar evaluation of the eighth and ninth zones was also conducted. In order to clarify selection of future conventions for Europe and Asia, it is necessary to change the description of these zone boundaries.

In 1984, when the *Convention Guidelines* were first proposed, it was decided to include a Hotel Search Fact Sheet because it was a convenient and logical tool. It made the bid committees look realistically at the facilities that were needed and gather actual facts for the decision making. While the format as it currently exists may be generally acceptable for regional conventions it is now insufficient for use by bid committees for the world convention. The requirements for facilities and services needed for a world convention are much more complex and they continue to change. The Convention Corporation has requested that they be authorized to prepare an expanded bid package requirement for this purpose. In order to avoid submitting to the Fellowship a new format each year, the Corporation requests that the Fellowship assign the responsibility to the WCC Board for making one each year. It is anticipated that a new fact sheet can be developed that will be more flexible and suitable for world convention activities. This new fact sheet may be included in the agenda for information at the WSC '89.

#### GUIDELINE CHANGES

One item in the guidelines continues to cause controversy for the world convention and other conventions as well. This concerns "special interest meetings." In the final draft of the *Convention Guidelines* developed several years ago, some thoughts on this subject were developed. It has become apparent that there is still quite a bit of confusion about this issue within the Fellowship.

The issue of special meetings should be addressed and decided by the Fellowship at large rather than by indirect reference for conventions currently included in the *Convention Guidelines*. Accordingly, the Corporation is proposing a modification to this section of the guidelines. At one of their annual meetings the Board of Directors decided to submit to the Fellowship a position that they believe more accurately reflects the actual practice of the corporation since the London convention.

During the year a number of minor inconsistencies or imperfections were found in the language of the Guidelines. These are proposed for correction in a single motion.

#### WCNA-17

The world convention in New Orleans had 3,871 members registered with approximately an additional 700 members present. We used in excess of 1800 hotel rooms and a major convention center facility. We ended up with rooms in six different hotels throughout the city. Some of which we contracted for and some that the members sought out directly.

During the initial contracting for the facilities in New Orleans no formal provision was made to have access to ample space prior to the beginning of the convention. The result of this was that we did not have the necessary space to set-up the convention. It appears that it is a fairly standard practice for major hotel facilities to book two major convention events right on top of each other. This being the case it is necessary for us to insure that we will have provision of ample space prior to the beginning of future world conventions. In New Orleans we did not have access to a space large enough prior to the convention . This forced us to use a space that was inadequate for our needs to do both registration and the store.

We learned that some modifications to our registration process was necessary. Many of the members who pre-registered were forced to stay in line as long as someone who had not. We decided to streamline the process of registration for future world conventions. The new process will be a more smooth and comfortable registration process to experience.

Attached you will find a copy of the final report from the 17th World Convention in New Orleans, La. The first page is a detailed asset statement, the next page is a breakdown of income and expense solely for the convention (WCNA17). The next page is a breakdown of expense that was strictly administrative in nature. Page four is a summary of the corporate fiscal report for the year. It represents the combination of convention and administrative income and expense.

On the WCNA-17 report you will notice that the profit for this event was \$ 43,000.00. Additionally, the net profit as a corporation was only \$ 11,000.00. If the WSC approves our motions to modify the process of selecting the sites for the convention it will require significant outlays of cash for two or three conventions at a time. This will require the convention corporation to establish an effective reserve; so that whatever the fiscal requirements of future world conventions may be, the World Convention Corporation will be prepared to address them. This increase in available revenue should happen naturally over the course of the next couple of world conventions as the size of the convention and the relative sales increase.

#### WCNA-18

The 18th world convention is progressing nicely. The members of the Host Committee are working diligently to plan the best possible convention. We have currently made arrangements for 2025 hotel rooms in three facilities. To date 497 of those rooms are already sold. The response to this convention has been tremendous.

The program committee is actively working to review and select convention participants that will make the workshops and meetings informative and interesting. The committee has scheduled a Bus Trip that will take members on a tour of one of Southern California's most colorful beaches, then move into the San Fernando Valley with a stop at the WSO, then on to Hollywood, then down to Olvera Street for a taste of Mexican fair, and then back to the hotel in Anaheim. Also a Comedy Store has been scheduled where a variety of comedians will perform live. There is also an Oldies Show planned which will highlight artists and music that will bring back some pleasant memories. There is also a Banquet and



Breakfast planned. The Talent Showcase will also be held. This is shaping up to be a fantastic convention.

#### **TULSA WORKSHOP**

The Convention Corporation in conjunction with the WSO sponsored a very successful Convention Workshop in Tulsa on the 20th of March. There were 33 convention trusted servants in attendance from at least nine different regions. In many cases this was the first opportunity for a lot of these trusted servants to be exposed to some of the detailed information that was discussed at this workshop. We were able to address the areas of Incorporation, Committee Structure, Relationship to the Service Structure, Contracting, Merchandising, Taping, and many other relevant convention issues. We believe that the convention trusted servants that were in attendance benefitted greatly from these discussions. We intend to continue to have these workshops whenever the WSO schedules an Office Workshop. We believe that the issues of N.A. conventions have become so complex that this type of direct exchange of ideas and information will benefit the Fellowship as a whole.

#### **NEW BIDS**

If the conference adopts the proposed changes in site selection bids for the 20th World Convention (WCNA-20) must be postmarked by July 1, 1988. We realize that this does not afford regions a lot of time to develop bids; however, this deadline is necessary. Because the new fact sheet is not ready, those regions bidding should use the existing Hotel Fact Sheet; however, you must prepare one sheet for each proposed facility. All of the regions within the selected zone that are interested in bidding to host (WCNA-20) should submit their bid packages to WCC P.O. Box 9999 Van Nuys, CA 91409-9999, attn: WCC Coordinator.

Bids for the 21st World Convention (WCNA-21) must be submitted by the 1st of October 1988.

If the conference does not adopt the proposed changes then the bids for the WCNA-20 will be due October 1, 1988.

## **SUPPLEMENTARY INFORMATION**



WORLD CONVENTION FOR NARCOTICS ANONYMOUS  
STATEMENT OF ASSETS AND LIABILITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 1987

ASSETS

CASH IN BANKS	\$57,568
INVENTORY	2,359
OFFICE EQUIPMENT	4,940
ACCUMULATED DEPRECIATION	( 412)
TOTAL ASSETS	\$64,455
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LIABILITIES AND FUND BALANCE

FUND BALANCE	\$64,455
TOTAL LIABILITIES AND FUND BALANCE	\$64,455
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SEE ACCOUNTANT'S COMPILATION REPORT

**WORLD CONVENTION FOR NARCOTICS ANONYMOUS  
STATEMENT OF REVENUE AND EXPENSES - WCNA-17 - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 1987**

**REVENUE:**

MERCHANDISING	\$105,468
REGISTRATION	73,212
BANQUET	61,686
JEWELRY	25,671
BRUNCH	24,065
BOAT RIDE	14,830
WCNA-17	6,448
NEWCOMER	4,108
MISCELLANEOUS	<u>20</u>

<b>TOTAL REVENUE</b>	<b><u>\$315,508</u></b>
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**CONVENTION EXPENSES:**

COST OF MERCHANDISE	\$ 41,897
FOOD AND BEVERAGES	91,135
FACILITIES	10,643
HOTELS AND HOSPITALITY	42,790
CONTRACT LABOR	19,341
TRAVEL	9,142
PRINTING	13,395
ENTERTAINMENT	9,641
REGISTRATION REFUNDS	6,941
REFUNDS & ALLOWANCES	6,500
EQUIPMENT RENTAL	5,857
EXPENDABLE SUPPLIES	1,472
MISCELLANEOUS	<u>118</u>

<b>TOTAL CONVENTION EXPENSES</b>	<b><u>\$258,872</u></b>
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**ADMINISTRATIVE EXPENSES:**

BAD DEBTS	\$ 1,247
BANK SERVICE CHARGES	117
OFFICE EXPENSE	6,621
POSTAGE & SHIPPING	2,849
TELEPHONE	2,735
MISCELLANEOUS	<u>66</u>

<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b><u>13,635</u></b>
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<b>TOTAL EXPENSES</b>	<b><u>272,507</u></b>
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<b>EXCESS REVENUES OVER EXPENSES</b>	<b>\$ 43,001</b>
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SEE ACCOUNTANT'S COMPILATION REPORT



**WORLD CONVENTION FOR NARCOTICS ANONYMOUS  
SCHEDULE OF ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 1987**

ACCOUNTING AND LEGAL	\$11,306
BAD DEBTS	1,847
BANK CHARGES	224
DEPRECIATION	412
LAWSUIT SETTLEMENT	8,533
OFFICE EXPENSE	6,955
POSTAGE AND SHIPPING	2,882
TELEPHONE	2,735
TRAVEL	8,526
MISCELLANEOUS	66
WCNA-16	<u>1,748</u>
 TOTAL ADMINISTRATIVE EXPENSES	 \$45,234 =====

SEE ACCOUNTANT'S COMPILATION REPORT

WORLD CONVENTION FOR NARCOTICS ANONYMOUS  
STATEMENT OF REVENUE AND EXPENSES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 1987

REVENUE:

MERCHANDISING	\$105,468
REGISTRATION	73,212
BANQUET	61,686
JEWELRY	25,671
BRUNCH	24,065
BOAT RIDE	14,830
WCNA-17	6,448
NEWCOMER	4,108
MISCELLANEOUS	1,169
INTEREST	<u>1,863</u>

TOTAL REVENUE	<u>\$318,520</u>
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CONVENTION EXPENSES:

COST OF MERCHANDISE	\$ 43,389
FOOD AND BEVERAGES	91,135
FACILITIES	10,643
HOTELS AND HOSPITALITY	43,451
CONTRACT LABOR	19,341
TRAVEL	9,142
PRINTING	13,509
ENTERTAINMENT	9,641
REGISTRATION REFUNDS	7,036
REFUNDS & ALLOWANCES	6,541
EQUIPMENT RENTAL	5,857
EXPENDABLE SUPPLIES	1,472
MISCELLANEOUS	<u>358</u>

TOTAL CONVENTION EXPENSES	<u>\$261,515</u>
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ADMINISTRATIVE EXPENSES	<u>45,234</u>
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TOTAL EXPENSES	<u>306,749</u>
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EXCESS REVENUES OVER EXPENSES	\$ 11,771 =====
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SEE ACCOUNTANT'S COMPILATION REPORT