

Legal Counsel Report

Prepared by
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JCNA Legal Counsel has dealt with a number of legal issues that arose in 2009, some of which have continued on into 2010. Because of confidentiality and concerns for potential litigation, details of these matters will not be provided in this report, but they will be summarized to the extent permitted.

A. Revocation of Membership

As announced on the JCNA website, action was taken to revoke the JCNA membership of Michael and Cheryl Cummins of California. The Cummins were provided with an opportunity to respond to allegations against them in accordance with due process rights provided to members by the JCNA by-laws and corporate policies and procedures. While some members decried what they believed to be the lack of speed with which this process took place, we must all be reminded that were they in a similar position, they might wish to avail themselves of the procedures to defend their right to continue as a JCNA member.

B. Misuse of JCNA Credentials and Website

A number of complaints were received in 2009 regarding misuse by members of JCNA credentials, such as Concours Judge certification, and placement in JCNA competitions to lend credibility to certain business ventures. JCNA has taken action to assure that persons are not violating JCNA by-laws or corporate policies in the use of JCNA's name or competition results improperly. Members and the general public have been reminded that JCNA affiliation or placement in JCNA competitions does not prove that someone is capable, competent or reputable. Due diligence in entering into any business dealings is imperative, and the rule of *caveat emptor* must always be kept in mind.

In related matters, a number of people have taken to the JCNA website forums to air their complaints and grievances about certain

vendors and other members. While JCNA maintains a policy that allows both members and non-members to post to the forums, and such postings are allowed wide latitude in terms of the nature and content of the messages, JCNA will not tolerate postings that are patently false and malicious, obscene, or amount to “character assassination.” Legal counsel has reviewed a number of postings with our webmasters, and those found to offend JCNA’s policies have been removed. Action has also been taken to ban certain commercial postings that have been showing up in the website’s classified ads sections.

C. Intra-Club Disputes

Legal counsel has been called upon in 2009 to handle issues arising from an on-going intra-club dispute among members and former members of a JCNA affiliate club. Thus far, the matter has not resulted in litigation. However, legal counsel is monitoring the situation in the event litigation should arise.

D. Review of Proposed By-Laws

Legal counsel has reviewed a number of proposed changes to the JCNA by-laws to assure that they are properly worded and do not cause potential internal conflicts with other provision of the by-laws, or violate any other laws, rules or regulations applicable to the club. Legal counsel has not opined on the propriety of such proposals, rather review has been limited to the technical aspects of the manner in which these proposals have been drafted.

E. Proposed Tech Support and Tool Loan Program

Legal counsel has reviewed proposals to establish a technical support “hot line” and information sharing program, as well as a tool loan program. Issues have been coordinated with JCNA’s insurance company, and potential areas of liability have been identified and addressed.

JCNA’s insurance company has raised several issues with regard to a potential tool loan program, and cannot assure coverage for the program. We are currently exploring alternatives, such as a

referral database of members who have tools they will loan to other members, but where JCNA will not be involved in the actual loan or exchange of tools.

F. Relationship with Jaguar Cars of North America, Inc.

With recent changes in ownership of Jaguar Cars, ongoing discussions have been taking place regarding the nature and extent of the relationship between Jaguar Cars and JCNA. Several issues with regard to ownership of JCNA and Jaguar logos and copyrights have come up that have been and are being addressed. We have also been addressing contractual issues with regard to Jaguar's advertising in Jaguar Journal.

Affiliated clubs are reminded that any changes in their club logo that involves the use of any logo of Jaguar Cars, like the "leaper" or the "growler" MUST be submitted to legal counsel for review and authorization and acceptance by Jaguar Cars of North America. While Jaguar Cars allows JCNA and its affiliates to use its logos, any use must be approved by Jaguar Cars. In designing logos, please remember that you can only use the most current version of Jaguar's leaper and growler, and nothing can appear on top of their logo.