

1. Zipporah McKinney v. ACBL

FACTS (Previously Reported): In 1999 Mrs. McKinney sued the League for alleged wrongful termination and unequal treatment. Baker and Donaldson, legal counsel for the League ("Memphis Counsel"), indicates that this is a very thin lawsuit and plaintiff's attorney has withdrawn. The case is in discovery stage and no activity has occurred. A local rule in the Tennessee Chancery Court requires a dismissal hearing in a matter in which no activity has occurred for 18 months or more. On advice of Memphis Counsel, we are waiting for the court to set this matter on its dismissal docket.

Memphis counsel determined that the case is still dormant as of February 17, 2004. He will make an informal request to the court clerk to have the case set for the dismissal calendar.

STATUS: No further information has been received from the court.

2. Baron Barclay Bridge Supplies v. ACBL

FACTS (Previously Reported): On December 1, 2005 Baron Barclay Bridge Supply filed a complaint in Federal District Court against the League alleging various antitrust and restraint of trade violations. Service on the League was made. The League's insurance carrier has agreed to cover legal costs and has appointed legal counsel. The League's Memphis counsel believes that the complaint has little merit. After preliminary negotiations with Baron Barclay, it appears that plaintiff's goal is to establish its position as principal bookseller at the NABCs.

STATUS: The League has entered into an Agreement with Baron Barclay in which the League's book and supply business has been purchased by Baron Barclay and in which the lawsuit is dismissed with prejudice. This matter is closed.

3. Elizabeth Maloney-Rafaie v. Bridge at Schools, Inc., American Contract Bridge League, American Contract Bridge League Educational Foundation, Barbara Heller, Nadine Wood, Charity Sack and Joan Gerard

FACTS (Previously Reported): On December 28, 2005, Ms. Maloney-Rafaie filed a complaint in the Delaware Superior Court alleging breach of her employment agreement by her employer, Bridge at Schools. The League is not a party to the employment agreement. However, Plaintiff alleges that the League was the alter ego of Bridge at Schools, despite the fact that the League had no legal relationship to or control of Bridge at Schools. The Educational Foundation is also alleged to be the alter ego of Bridge at Schools, and the individual defendants are alleged to have improperly induced Bridge at Schools to breach the employment agreement. The League's insurance carrier has agreed to cover legal costs and has appointed legal counsel.

STATUS: The League has not been served in this matter.

4. John Lyddon v. American Contract Bridge League

Facts: On June 19, 2006, Mr. Lyddon filed his third lawsuit in the Supreme Court of New York against the League. The first two lawsuits were dismissed by different divisions of the same court. The third suit alleges that "Member election rights granted by the laws of the State of New York have been illegally denied by the defendant." On August 1, 2006, the League's New York attorney filed a timely Answer to Mr. Lyddon's Complaint.

At a hearing held on July 14, 2006 the ACBL Disciplinary Committee found that Mr. Lyddon violated Section 3.10 of the League's the Code of Disciplinary Procedures, which reads as follows:


"Filing formal legal action against a Unit, District or the ACBL without first exhausting ACBL administrative or other internal remedies."

Since Mr. Lyddon was on ACBL probation at the time (after having served a period of suspension), the Committee imposed the discipline of three years suspension and five years probation. Because this discipline included a suspension of one year or more, it will be automatically reviewed by the Appeals and Charges Committee in Honolulu.

On October 4, 2006, Mr. Lyddon filed a Motion for Preliminary Injunction in the same New York Court requesting the Court to rescind "...the defendant's

'Notice of Suspension and Probation' dated July 24, 2006." League counsel will file an Opposition to this Motion not later than October 23, 2006 and at the same time file a Motion to Dismiss the entire complaint.

Signed:

A handwritten signature in black ink, appearing to be 'Peter Rank', written in a cursive style.

Peter Rank, Esq.