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His Excellency
Kirsan Ilyumzhinov
Head of the Republic of Kalmykia
and FIDE President

FIDE Executive Board
Via FIDE office and
Deputy President Georgios Makropoulos
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Dortmund, 31 October 2007

Proposal with regard to the organization of FIDE Masters events

Dear Mr. President, dear Mr Makropoulos, dear members of the FIDE Presidential Board,

Taking our recent communication into consideration it is understood that FIDE has no possibility to decide about a possible co-operation between FIDE and UEP in conjunction with a Masters tournament during the EB meeting at Antalya in November 2008.

As an alternative and in accordance with your suggestion we would kindly like to ask you to add this issue to the agenda of the Presidential Board (PB) meeting to take place in Singapore between 22 and 24 December 2008. Many thanks for inviting us to Singapore but we hope for your understanding that we can not go there, just because we are with our families during Christmas.

After Singapore we would like to receive information whether the FIDE is in principal interested to participate in this project or not. Assumed there is a positive tendency we would start to discuss all details immediately thereafter in order to agree everything in contract form.

Once again we would like to inform about our intention and we would appreciate the distribution of this letter and the following text to all the members of the PB in Singapore:

Universal Event Promotion is a company, which was founded in 2005 in Dortmund with the aim to organize chess events on the highest level. By this letter, UEP would like to express its wish to further cooperate with FIDE.

You are well aware that UEP has already organized several chess competitions. One of them – Kramnik vs. Deep Fritz in 2006 – has attracted a lot of attention of the chess society, mass media and chess fans all over the World. Thereafter UEP has signed a contract with FIDE in order to organize the most interesting and exciting chess event: the 2008 World Chess Championship match Anand Vs Kramnik.

Thanks to FIDE the game of chess is growing in many fields. The major events regulated by FIDE including the World Chess Championships, the World Cups and the idea of staging the Grand Prix starting from 2008 is contributing to this development.

Considering the idea of the FIDE President, just one major competition is missing in the general set up of the calendar: the FIDE Masters, a format which is successfully organized since many years and in different World Sports Federations.

Therefore and herewith we propose to FIDE that UEP will organize such FIDE Masters, a tournament at the end of each even year starting from 2010 (non World Cup years) with the best 8 players, based on the results of such 2-years period. All details, rules and regulations of such event, e.g the participation of the World Champion, wild card for the organizer UEP as well as the qualification criteria shall be discussed in good faith between FIDE and UEP after a positive decision of the Presidential Board.

The event would be regulated under the FIDE auspices and at the same time UEP would organize the FIDE Masters by overtaking all financial guarantees. In order to market the event properly, UEP would insist that all commercial and media rights will be assigned to UEP similar to the World Chess Championship Anand Vs. Kramnik. Under such assumptions UEP would guarantee a license fee to FIDE of 20% included into the prize fund which shall be 1 million US dollars per competition.

UEP herewith proposes:

to organize the format of FIDE Masters starting from 2010 by assigning all rights to this tournament for at minimum three coming even years (2010, 2012, 2014) to the Universal Event Promotion. Please take into consideration that our investment and the risk of our company is about 6 million US dollars for those three events. Provided we would be able to market the format successfully during this period up to 2014, UEP of course would agree in a final contract only under the condition to have guaranteed from FIDE a one sided option in favor of the UEP saving our right to continue with the FIDE Masters even in the years after 2014.

If the FIDE Presidential Board is ready to accept this proposal, UEP will start negotiating all further details with regard to the FIDE Masters after the Presidential Board meeting with the responsible FIDE authority involved.

Yours sincerely,

Stefan Koth
(CEO)
On behalf and approved by
Josef Resch
(President and Owner)