

Type: Mail
From: CN=Matthew St. John/OU=HomeOffice/O=KofC
To: CN=Denise Serafini/OU=HomeOffice/O=KofC@KofC; CN=Tanya Graham Nobile/OU=HomeOffice/O=KofC@KofC; CN=Jillian Kiernan/OU=HomeOffice/O=KofC@KofC; CN=Andrew T Walther/OU=HomeOffice/O=KofC@KofC; CN=Charles A Lindberg/OU=HomeOffice/O=KofC@KofC; CN=Rick A St. Hilaire/OU=HomeOffice/O=KofC@KofC; CN=Peter Harrison/OU=HomeOffice/O=KofC@KofC; CN=Thomas A Hamling/OU=HomeOffice/O=KofC@KofC; CN=Kevin P Brady/OU=HomeOffice/O=KofC@KofC; CN=William J Murray/OU=HomeOffice/O=KofC@KofC;
CC:
BCC:
Subject: UKnight Update: UKnight's Response
Sent On: 07/16/2015 07:59:50 PM -0400 (EDT)
Attachments: 2015 07 15 UKnight Response to Supreme Matt St John.pdf;

Ladies and Gentlemen,

As mentioned in yesterday's email, I had -- at the request of the Deputy Supreme Knight and Mr. Smith -- sent our requirements list to UKnight, while also stressing the newly determined requirements of a full recode and majority ownership.

Attached is their 15-page response, which I encourage you to read. While nothing is perfect, I believe that this is a step in the right direction, especially when considered against the first three proposals and some of the issues we discussed in the Kinkade report. While there's still a ways to go, there's a lot of agreement and a lot of potential here.

With their response in hand -- which is in and of itself not a proposal -- our task remains the same: to find the best possible path forward with UKnight, fully evaluate it, and then recommend that we either pursue it, or pass and go in another direction.

Subsequently, I have asked the Deputy Supreme Knight and Mr. Smith for permission to invite UKnight to New Haven for further discussions and negotiations. I have also alerted them that we will likely need a timeline extension.

I will be reaching out to you individually and in smaller groups to perform some of the specialized evaluation of the majority buyout option. I will also intend to schedule a full committee meeting in the near future prior to Convention departures in the hopes that UKnight's partners will be present at that meeting. I will also be meeting with the Deputy Supreme Knight and Mr. Smith next week to discuss this document.

Please let me know if you have any questions or concerns.

Best,

Matt

P.S. You'll note that the language of the requirements is in some instances slightly different. I made a few minor tweaks since some of the requirement language was specific to things we need to consider and determine, and not relevant to or appropriate for UKnight.

Matthew A. St. John
Director, Insurance Marketing
Knights of Columbus Supreme Council Office
1 Columbus Plaza | New Haven, CT 06510-3326
Phone: 203-752-4633
Email: matthew.stjohn@kofc.org



Dear Matt,

Following is in response to your email of July 10th. First, we respond to the main two points in the body of your email, those concerning technology, specifically recoding, and then ownership. Immediately following will be our point by point response to the document you had attached headed, *Proposed Requirements for UKnight*.

We look forward to discussing this with you further to address your comments and to answer any questions you may have.

Recoding -- *The document mentions a redesign (which we talked about in Texas), but it's also clear that the platform needs to be recoded completely -- this was also discussed at length in Texas, and given the documentation you provided to Ian, you seem to already be well aware of that.*

UKnight's Response: Ever since we first anticipated the need to set up the K of C roll-out of the UKnight platform across the order, we have been aware that such a set up may include some recoding, especially where security is concerned. So it has been a part of our internal discussions and on the drawing board for years. In fact, we first had this discussion after our meeting with Denise Serafini in 2011.

As we know however, even though Supreme has been very positive in their encouragement for us to keep moving forward and developing and refining our platform and technology, over the last four years the actual roll-out of UKnight has been more of a start and stop proposition.

From a business perspective this creates a real risk of prematurely over-committing resources as we try to anticipate future needs. To give you just one example, so that we could be certain our systems were sufficiently robust to accommodate the accelerated subscription rate of thousands of councils within a few months, last year we almost committed to an infrastructure increase that would have quadrupled our costs. Thank goodness we did not do it or not only would we have been wasting many thousands of dollars each month in excess infrastructure costs, but we would have also locked UKnight into a managed server environment that has already been eclipsed by our next provider, Rackspace, with a far more flexible Cloud based solution and 24/7 tech support.

The technologies in which we are immersed change and depreciate rapidly so "at the last minute" is the best time to upgrade technology. Had we pulled the trigger and recoded our platform when we first anticipated a roll out almost four years ago, we would have recoded to asp.net for no good reason. And now, again, we would find ourselves discussing the need to go through the effort and expense to recode once more.

So to answer your question more specifically, we would say "not necessarily". According to everyone who has contributed to this discussion, including Ian, UKnight's Classic ASP coding

environment in the Cloud servers of Rackspace, can scale to accommodate our needs well beyond those contemplated by this contract without compromising stability or security.

So the question is really not about the need to totally recode, because recoding is the means to some end and not an end unto itself. Rather, as we understand it, it is about the need to accommodate single sign-on and encrypted authentication processes within the UKnight platform for which total recoding is seen by some as a necessity.

UKnight has recently discovered however, that a solution to the single sign-on and encrypted authentication processes can be accomplished within our current environment by employing an Active Directory based solution that can be invoked from a Classic ASP program. Again, this helps to prove that haste can make waste, and that before committing to the exorbitant expenditure of time and resources to accomplish a recoding project that may not be necessary, it would be far more prudent to further explore simpler solutions.

Another example would be the requirement to address responsive design and mobile functionality. While some recoding may be necessary for HTML 5 and CSS 3, UKnight's current development tools already include the framework necessary to accomplish such a redesign effort.

Again, as the UKnight proprietary processes are in a constant state of evolution, we do not disagree that perhaps certain functionalities might benefit from recoding certain elements of the site. But this is a preference, not a necessity, and should, as UKnight sees it, be viewed within this context. So if recoding the platform, or some part of the platform, is part of the set-up necessary to accommodate the specific needs of Supreme, to limit set-up fees and costs and conserve the resources of Supreme, any commitment regarding such should be made as part of the contracting process, and any actual recoding initiated after the contracting process has been complete to allow for further exploration.

Structure -- *The document mentions the necessity of an advisory board, but as our conversations developed, and as we digested the reports, we came to the conclusion that we need majority ownership of UKnight, so that we can lead the platform and its future updates and reconfigurations.*

UKnight's Response: Since our first meeting in 2011, the only reference to ownership ever contemplated was that there could be no Supreme ownership because of the arms-length relationship required. So, with only a couple of weeks left before the August 1st deadline, we are surprised and unprepared to learn that, to the contrary, a majority ownership position is required.

Matt, for four years UKnight has always and in every way, immediately and without argument, accommodated whatever Supreme has ever asked of us. Given this track record, we believe that the advisory board would be a reliable and far simpler way to see that UKnight remains in compliance with any concern Supreme may have.

However, also as evidence by our track record, if selling a majority stake in our company to Supreme is required for us to continue serving the Order, we will comply requesting only that standard considerations are in place such as 1) current equity holders are fairly compensated for the majority share, 2) operational standards and procedures are put in place to ensure the continued success of UKnight, and 3) rights of the minority are protected.

The value of a majority stake in UKnight Interactive: With respect to the UKnight Valuation, of course such an analysis is best conducted by qualified and objective third parties that are neither a part of us nor a part of you. Such professionals would have experience to understand and appreciate the complexities of the UKnight platform, the value of UKnight as an on-going enterprise, and the cost for an unaffiliated third party to build a Comprehensive and Interactive Scheduling, Communication, Content and Contact Management Platform to replace UKnight Interactive for the Knights of Columbus.

Of course, such a “replacement” valuation would necessarily recognize that a significant part of UKnight’s value rests in its proprietary systems and processes that have been custom developed over the course of five years.

- The reason UKnight works so well and so interactively for councils, assemblies, chapters, states, agencies, agents and DDs; and,
- The reason a single Council or District Deputy can post a degree event in their own UKnight calendar, and that same degree event is made available to members searching from Council sites, Assembly sites, State Council Sites, Chapter Sites, Field Agent sites, as well as to anyone anywhere in the world from www.kofcdegrees.org; and,
- The reason anyone with an internet connection and computer, laptop, tablet or smartphone can find a Council, Assembly, Degree Event, Council Event, or Field Agent anywhere in the world; and,
- The reason councils do not have to rely upon a single experienced webmaster who could leave or whose interest can wane, but rather include many members of their council with different talents and abilities to perform different duties with specific authority on a web content management team; and,
- The reason officers of and the members within those entities, whether volunteering as safe environment coordinators, membership directors, newsletter editors, event chairmen, photographers, program directors, or every other volunteer position are all able to work together effectively to each fulfill their specific responsibilities by using the tools provided by UKnight; and,

- The reason why every member is presented with their Field Agent's name and contact link whenever they open a council email and welcomed every time they visit their homepage by their correct Field Agent's name, photo, testimonials, Financial Beacon, custom message and link to his website; and,
- The reason Field Agents have been able to generate thousands of dollars in commissions from the Birthday Feature of their UKnight Calendar and the unsolicited emails and phone calls coming from their UKnight sites; and,
- The reason Field Agents can open their UKnight calendar and find every event scheduled by their councils right there, consolidated in one place; and,
- The reason Agencies can easily manage their FA/Council relationships and move all of that integrated Council and member information from one Field Agent to another with two clicks of a mouse; and,
- The reason UKnight notifies the Council FS and FA whenever a member changes or updates his contact information, and the reason the Supreme database finds FSs making sometimes dozens of member record updates and corrections every time a council subscribes to the UKnight Network; and,
- The reason a member can update his contact information in one place, one time and have those changes replicated throughout the system including:
 - ✓ His own Council member list,
 - ✓ His Assembly member list,
 - ✓ His Color Corps contact record,
 - ✓ His contact information wherever he is listed as an event leader for any event,
 - ✓ His contact information wherever listed as a volunteer or attendee on any roster,
 - ✓ His contact information as a Council Program Director,
 - ✓ His contact information in his DD's email center,
 - ✓ His contact information wherever listed as a Chapter Officer and in the Chapter Email center,
 - ✓ His contact information wherever listed as a State Program Director,
 - ✓ His contact information wherever listed as a State Officer and in the State Email Center; and,
- The reason the Membership Invitation Program provides such effective and efficient tools for Council Membership Directors and their authorized team members, Field Agents, General Agents, District Deputies, State Deputies, State Membership Directors and State

Regional Recruitment Chairmen to reach out and recruit the >90% of Catholic men in their associated parishes that have not yet been introduced to the Knights of Columbus; and,

- The reason so many other such important and unique functions all work together so well,
- Is because literally thousands of programs have been specifically and intentionally designed and coded to all work together interactively and without conflict on top of the UKnight Interactive platform.

Because of this complexity and more, our suggestion would be that we agree to the structure of the majority ownership purchase, if that is determined to be the best way to proceed, request at least two such independent valuations, and then base our discussions upon their conclusions.

Operational Standards and Procedures: With respect to operational requirements, for over five years UKnight has been interacting with and gathering specific input from thousands of Knights and Agents all across North America. UKnight has been compiling and analyzing their patterns, paradigms, perspectives and priorities in order to build proprietary processes and systems that have enabled UKnight subscribers to:

- Increase the Number of Members, especially Younger Members
- Increase Member Participation and Retention
- Improve Fundraising Effectiveness
- Increase Administrative and Reporting Efficiencies
- Increase Sales of Financial Products

Three of the fundamental reasons why UKnight is successful in these areas would be:

1. UKnight has developed a corporate philosophy regarding the way it develops its systems and interacts with its customers that intentionally and effectively encourages members to accept and use its technology;
2. UKnight has designed, developed and built effective proprietary interfaces that bridge the gap between its tools and features, and the older, often technology adverse members who need to use them: the majority of all UKnight users are over the age of 55; and
3. UKnight has designed, developed and built proprietary processes that produce results that require complex systems, but that do not require complex methodologies.

UKnight is constantly weighing the value of new technologies and new features against the potential cost to Councils, the technical sophistication of our users, and the effectiveness as

measured by Council Site usage and activity. The newest and most powerful technology may be a high-value proposition for a young and computer-savvy demographic. But that same technology can undermine the relationship UKnight has with its subscribers if it raises the complexity beyond where the vast majority of our users are comfortable. In this regard, UKnight has extreme caution wired into its DNA because so many members who are now thriving on the UKnight network asked first if they could get their money back before any other question. They've "heard it all before" and have been very hesitant to go down that Internet Road again. Many would rather stick to the handshake and clipboard rather than have to learn a new and overly-complex system that from their perspective, will probably be abandoned anyway.

This is the critical yet indefinable point upon which UKnight Interactive remains so focused, and helps to explain why UKnight has been so enthusiastically embraced. UKnight balances what the small but growing number of 35-year old users expect in a Council website against what we know the majority of users - who happen to be around sixty – need and want. Those 60-year olds are finally using the internet to bring in the younger guys, and so we need to be sure they remain comfortable and confident using the tools UKnight makes available to them.

When Councils first subscribe to UKnight they tend to do very little. They are reluctant to pour a lot of time and effort into something that they fear may very well disappear with a change in policy or loss of the council webmaster. By talking to Council and District leaders across the country, UKnight has learned that they have become especially cynical about the web because of what they say are prior false starts. While they'll put up a simple little website, they are reluctant to make the big commitment of time and effort to dive in deep because of those experiences. Fool me once, shame on you; fool me twice or three times...

Building a website and committing to a technology is a big deal, a very big deal. It takes time and effort to learn it; and it then takes time and effort to build it; to upload photo and video galleries, build libraries, build email lists, set up their Member Invitation Program, create their Council history, build a slideshow, post all kinds of council and degree events, and that's just the start. Perhaps hardest of all is the commitment it takes for these guys to change the way they have been doing business their entire lives, and for them to integrate technology into the little things they do to run their councils day in day out because that integration – which does away with the clipboard - is the only way technology will work for their council and help them achieve the goals set out above.

Many have gone out on a limb before to push their Councils into embracing technology. They've convinced their brothers, built their teams, and done the work necessary only to find that eventually the programs were abandoned. Many still sting from those experiences. So it takes a little while for them to develop the trust necessary to make that commitment again; to know that they can trust us and that not only can they actually understand and manage the technology, but that we are here to support them fully and enthusiastically. That we will not rush them off the phone, that we will not

make them feel embarrassed, that we are loyal to them and that truly, while we may be helping them, we are the ones blessed for having been given the opportunity to serve.

If UKnight were to integrate changes and newer technologies that confused members and disrupted that trust, even if it can be argued that such changes are in the Council's best interest, it would be very difficult if not impossible to regain that trust. The thought could be, "Here we go again", and they will simply abandon their sites as they have abandoned others in the past, and all that has been gained will be lost. Just search and you will find the internet full of Council websites that have not been touch in years, not to be updated or even taken down.

For example, in your proposed requirements you state, "[The] Agreement must allow the Supreme Council to shut down any site or page, at any time, for any reason." The issue here is that each Council is an independent, on-going subscriber to UKnight, and they each have the ability to shut down their own subscription at any time, for any reason. Since they are paying for it, they see it as their site, and they believe they have the right to post their desired content without outside interference, provided that material conforms to existing K of C guidelines. Given many conversations we have had with councils, we can very easily foresee that if Supreme were to have such unilateral control, whether exercised or not, Councils would opt out of the system.

We have personally visited with and heard stories from hundreds of members before they adopted or took over responsibility for a UKnight site, and then again after. We've heard the initial trepidation, the reluctance to get excited and invest their time to get another site going, and to rally everyone around another website effort. But on the other side, we've heard the joy and confidence of having mastered technology to a degree they never thought possible. And then we've heard their pride of accomplishment when their members increase, their participation rates increase, their fundraising results increase, and their number of delinquent members decrease. And especially when we receive reports from many successful Field Agents who thank UKnight for helping them reach their goals, we know that the proprietary processes we have worked so hard to develop, and the corporate philosophy that has guided the development of those systems, are working together and right on track.

Again, while the proprietary systems and processes are impressive, and while there would be no UKnight without them, the corporate philosophy and culture that has directed the development of the UKnight systems, processes and subscriber interactions are almost, if not more, important. Which brings us to the discussion of business acquisitions that, while seeming to make perfect sense, faltered. Many entrepreneurial companies such as UKnight, have been taken over by large and established companies, such as the Knights of Columbus, only to lose the very things – the philosophy and culture - that made them so effective in the first place.

Among many examples that can be found online one is very close to home. The wife of one of UKnight's founders works for J.Jill. J.Jill is a women's clothing chain that was acquired by Talbots, another very successful women's clothing chain. After buying the company in 2006 for \$500

million, they had to sell it in 2009 for \$68 million – a staggering loss. Talbots, a chain with over 500 stores and 9,000 employees, obviously had excellent management; but the cultures were different. Afterward, with J.Jill free to reestablish its original culture, the company was rebuilt and sold again five short years later for over \$400 million. Same stores; same customers; same high level of management expertise; different culture. And the list of examples where brilliant management executed mismatched acquisitions is indeed a long one that includes IBM, Quaker Oats, Time Warner, Bank of America, Sears, Ebay, Chrysler and many, many more.

So there is a major risk in that the culture of an Insurance Company and the culture of an Internet Company are about as far apart as you can possibly get. While the Supreme Council is clearly brilliant when it comes to building and managing a fraternal organization and top insurance company, to be honest, councils across the country report the history with respect to Council Websites has been less so. So it is incumbent upon the management of both companies to evaluate the potential ramifications of this part of our contract, and discuss whether or not it will be disruptive to an effort that is, at this time, proving itself to be working very well.

UKnight has little doubt that if allowed to remain independent and guided by a Supreme Advisory Board – a request made by UKnight to Supreme two years ago because we understand the value of such oversight - the positive impact we now see on a small scale will sweep across the entire order. Given the credit UKnight has received from Councils earning Star Status, once the UKnight platform is rolled out across the country and supported by Supreme for voluntary subscription, membership growth over the next three to five years will be tremendous. And, because this accelerated membership growth will skew towards a much younger demographic, the sale of financial products to these new young families will be even more impressive.

There is a saying that goes, “if it ain’t broke, don’t fix it.” We would understand why you would want controlling interest if UKnight were intractable and difficult to work with. But for over four years UKnight has proven itself to be in every way faithful and obedient. So, again, if to sell controlling interest is the only way to move forward and continue serving the Order, UKnight will be compliant as described above. But given the four years of experience we have on the other side of the equation, on the Council side, there needs to be serious consideration given to how such an acquisition will affect the potential UKnight has to further the primary goal that both parties share. Because unlike those other business combinations the goal we share is far more significant than to simply generate numbers on a financial statement; it is to bring more Catholic men and their young families into the Order and to make sure they are financially protected.

Rights of the Minority: With respect to protecting the minority owners, these provisions are standard and rather obvious, but still they must be stated. The fact is that if you are the majority owner, you will also be your own customer. This presents a specific set of risks to the minority.

We can talk about the business points and the attorneys will work out the details, but they will include things like honoring employment contracts, maintaining reasonable revenue and profit levels, charging at least the average market price for any products and services in addition to those currently provided, making sure the company is not overburdened with unreasonable expenses and debt, prohibiting further dilution, etc.

Proposed Requirements for UKnight

Procedural

1. *UKnight must have a Supreme Council-approved policy in place for its Market Center.*

Agreed. The Market Center now complies, as instructed, with specific K of C rules and By-Laws.

2. *a. UKnight must have a Supreme Council-approved policy in place for its Career Board. b. Consideration should also be given to the possibility of including Supreme Council job postings on Career Board.*

a. Agreed

b. Agreed - Field Agent Ads are already given top placement

3. *UKnight must have a Supreme Council-approved policy in place for handling websites and accounts after the termination of an agent or suspension of a council.*

Agreed. UKnight will immediately implement such policy when instructed.

Content and Design

1. *a. The Supreme Council must control a certain percentage of the space on each UKnight homepage to display Supreme Council content. b. Consideration should also be given as to whether or not the State Councils should control portions of the council's pages.*

- a. Agree in principle. Details to be discussed. This has already been proposed by UKnight and offered in earlier versions of contracts and proposals that have gone back and forth between us.
 - b. Agreed. We have visited with States and discussed this in a variety of ways. Supreme's perspective is welcomed on the matter.
2. *Supreme must be able to require that certain events appear on UKnight calendars (major events, observances, reporting of forms, etc.).*
- Agreed. This has already been proposed and offered by UKnight in earlier versions of contracts and proposals that have gone back and forth between us. UKnight has offered to build an entire Supreme Admin Center to manage such activities.
3. *Simple features must be made available to manage (automatically) expiry capability of content delivered by the Supreme Council to local entities.*
- Agreed. This automatic time-based functionality already exists in Council Admin Centers for UKnight messaging, and is easily adaptable for Supreme push down content as part of the Supreme Admin Center.
4. *a. All templates need to be redesigned to improve quality and to simplify. b. Certain sections of the new templates must be non-editable. c. Other sections must rely on a library of pre-approved content for customization. d. Sections that are fully customizable (photo galleries, council history sections, etc.), must have a set of rules/procedures governing the content therein.*
- a. Agreed. We have already complied with Supreme's directives on this once a few years ago, and the site as it is currently presented is the result. Comments from the Supreme Knight a year or so ago put us on notice that such a redesign effort was again being contemplated, and we have been prepared to comply ever since. In fact, we have been holding off the major effort required to update our help center because of this anticipated redesign and the inevitable obsolescence it would create.
 - b. Agree in principle – need to discuss further to understand scope and details. Such non-editable features are already a part of all UKnight sites.
 - c. Agreed. We have proposed such a library multiple times for the Insurance side of the Order and have in fact already created it. We stand ready to create the same kind library for the fraternal side
 - d. Agreed. We will implement the policy upon notice.

5. *Users must have access to easy to operate administrative features of text, graphics, video, photos, and other promotional materials.*

Agree, though we are unsure of what you mean by promotional materials. Universal feedback from Councils tells us this kind of user friendly administration is already in place, and we stand prepared every day to make it even more so. Supreme's input here would be appreciated.

6. *Users must have access to easy to use graphical tools that assure presentation quality for pictures and graphics.*

Agreed. Such tools have been and are currently in place. However, we do understand that improvements in such tools have probably occurred which means that superior solutions are most likely available. UKnight will search for and include such improved tools to satisfy Supreme.

7. *Templates must be available in Spanish and French. System should also be established for easy transition and policy for translation management.*

Agreed. This has been discussed with Denise Serafini with respect to the different methodologies available, and the UKnight Executive summary discusses the plan to integrate and expand multi-lingual sites and help-desk personnel as the demand for such services grows. If a specific timetable and methodology for multi-lingual site development is required, UKnight would be open to discuss and provide it.

8. *Must explore greater opportunities for leveraging information within and across councils with automated tools for electronic sign-up and notification for participation in Supreme Council and local events.*

Agreed. This functionality is already available to a significant degree on the Council, Assembly, Color Corp, and Chapter level, and a far more robust version is on the drawing board. UKnight would look forward to integrating Supreme's vision for such tools into its current development program

9. *Sites must be mobile.*

Agree in principle. UKnight already has a mobile functionality that has received very positive reviews at www.kofcmobile.org, and understands the desire to expand this functionality to accommodate responsive design elements in the main sites. UKnight is ready to modify the sites to meet any new design criteria as contracted.

Contract

1. *a. UKnight must have written contracts containing "must have" paragraphs dealing with choice of law and other technicalities. The contract terms must have controls over our name and emblem. b. They must have written agreements both with the Supreme Council, and with individual councils and agents who use their services.*

a. Agreed.

b. Agree in principle as long as electronic agreements are acceptable. UKnight believes this refers to the UKnight Terms of Use Agreement which has been on the drawing board awaiting collaboration with Supreme.

2. *UKnight cannot create shadow sites unless they actually have a contract with a local council.*

Agreed. Until today, UKnight believed Supreme wanted each and every Council not on the Network to at least have a some kind of Council Communication Portal for information to be pushed down from and sent up to Supreme. These so called "Shadow Sites" were going to be reconfigured so as to provide that access without conflicting with existing Councils' sites. Now UKnight understands this is not the case and will comply.

3. *Service Level agreements need to be developed to assure that our local organizations will be effectively serviced by the vendor organization; it also needs to be established for data refresh/updates.*

Agreed.

4. *UKnight needs to demonstrate its ability to be accountable and accessible 24/7 in the case of an emergency.*

Agreed. Already prepared to do so.

5. *There must be a Business Continuity Plan (BCP) that has been fully developed and tested.*

Agreed.

6. *Agreement must include creation of an advisory board that will drive and inform the vendor organization regarding upcoming strategies and initiatives with a means to drive commitment for delivery of those items. Advisory board must retain creative control to*

ensure KofC brand is accurately represented. The Advisory Board must also provide input and guidance on UKnight's marketing materials and strategies.

Agree in principle. This Advisory Board was initially suggested by UKnight and included in earlier versions of contracts and proposals that have gone back and forth between us.

7. *Agreement must allow the Supreme Council to shut down any site or page, at any time, for any reason.*

This is much more significant than it many appear initially, and should be discussed. To this end, however, UKnight has already offered to build an entire Supreme Admin Center that could have such capability.

8. *a. UKnight must not be allowed to use promotional materials without Home Office permission. b. UKnight must have written permission from the Home Office to use the marks of the Order.*

a. Agree in principle. Not sure whose "promotional materials" you mean. Important details remain, for example, how much time between submittal of materials and your approval or denial.

b. UKnight will put Supreme approved procedures in place to ensure compliance with use of Order's marks.

9. *UKnight must not be allowed to pursue independent talks with other Supreme Office-affiliated third party vendors, such as SmartOffice.*

Agreed.

10. *Contract must allow for an annual audit of servers and systems.*

Agreed.

Technical

1. *Knights of Columbus data must be stored on U.S. servers.*

Agreed.

2. *Membership data must be secure and cannot be sold to a third party.*

Agreed.

3. *UKnight must have a privacy provision that satisfies ITS' Questionnaire.*

Need to see the questionnaire.

4. *We must have clarification of UKnight's internal networks to assess the privacy of communications. Some councils may not want communications with other councils.*

Not sure what you mean here by our Internal Networks, but of course we are willing to discuss. UKnight already allows members to opt out of Council email, and Field Agents to opt out of Council emails.

5. *UKnight must allow for automated interface for data interchange using secure data management, single sign-on capabilities with appropriate levels of authorization and authentication.*

Agreed. Look forward to exploring the exact details of this request.

6. *Back up and recovery processes sufficient to mitigate the risk of lost data in the event of a significant interruption in service.*

Agreed. Such protection is already in place.

7. *UKnight must undergo a series of upgrades in technological infrastructure that address security and performance risks. UKnight's system security must be thoroughly reviewed and evaluated by the Supreme Council's ITS security team. Review must also include a review of information provided by UKnight's hosting facility.*

Agree in principle pursuant to a better understanding of exactly what is meant by "a series of upgrades in technological infrastructure".

8. *ITS need to review and approve any data integration between KofC, SmartOffice, and UKnight.*

Agreed

9. *All systems need to be on current supported versions of software.*

Agreed with the understanding that what you mean is that the software is currently supported, and not that you are saying that you expect UKnight to constantly maintain the most current versions of software. Also need clarification on what you mean by "all systems" and which software.

10. All functionality for communication must be accommodated with automated coding support like xml, web services, JSON, or other tools.

Agreed. Assume this refers to communication between servers. If not, please advise.

11. UKnight must demonstrate an increased hardware, software, and human resource capacity to support an increased number of users, websites, and visitors.

Agreed. UKnight has a four year history of understanding the service need levels of its various sites across the network, and is prepared to do whatever is necessary – including upgraded software and increased personnel – to make sure that the very high levels of service currently provided is never diminished.