



THE CYBA NEWS

July - October 2024

The California Yacht Brokers Association Newsletter

Legal Seminar 2024

The 2024 Legal seminar has passed. It was another outstanding event that saw 90 members, brokers, salespeople, sponsor's

and affiliates who are dedicated to our industry in attendance. After the introduction from our membership committee chair-

man, and MC, Wayne Goldman and President Mark White, we heard from Dean West our Ethics and Advocacy chair.

As the various speakers imparted their various expertise, we were left with an anvil hanging over our head. That is the ongoing

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Letter From The President

October 21, 2024

Dear CYBA members & colleagues,

I am writing you today regarding a very serious subject, and I am asking for your attention for a few moments to hear me out. The California Yacht Brokers Association is about to commemorate our 50th anniversary year, a year which we on the Board of Directors fully intended to celebrate, taking pride in the significant contributions that our Association has made both in the State of California and throughout the land.

However, we are now facing what could be a devastating threat to the existence of our association, and to the business of every yacht broker and brokerage in California.

As you may be aware the CYBA, along with other Brokerage associations, brokerage companies, and advertising/MLS firms across the US are being sued in a class action lawsuit titled "Ya Mon Expeditions, LLC v. Allied Marine, Inc., et. el." alleging that each California broker is liable for commissions paid to buyer's brokers by seller's brokers. This means that approximately 50% of all commissions made by each broker in California could be taken away from that broker and paid back to the parties of the transaction.

The lawsuit alleges that the custom of sellers' brokers paying buyers' brokers' commissions is an unreasonable restraint on trade and that all brokers nationwide must return those commissions as AntiTrust Damages. Obviously, this would have a devastating effect on every member of the CYBA, as well as every broker and salesperson in the state.

In response and to protect you and every one of our members, the CYBA has taken a lead position in defending the case on behalf of all California brokers on the grounds that California law allows brokers to share commissions (e.g., HNC Section 712).

Though the overall defense is



good and for the benefit of all the CYBA membership, the costs to litigate this type of case are high and beyond the CYBA's ability to finance alone. Thus, your Board of Directors decision to create the CYBA Legacy Fund and my reason for reaching out to you now.

The CYBA is a nonprofit and its treasury is all but exhausted due to legal expenses incurred thus far, yet if the CYBA is not properly defended and does not receive your help, there will be a potentially devastating effect on the industry and potentially you the brokers and brokerages.

Without your assistance in supporting the unified defense of the CYBA, each brokerage will likely next be named in suit and called upon to defend itself individually and at tremendous individual cost. As such, it is in every California broker's interest for the CYBA to continue to fight and defend against this case. It is far more cost effective to pay for one defense rather than many. When and if, the CYBA is successful in winning the case or settling it, it will be the CYBA members who benefit and there is no guarantee that non-members will be released from liability. For these reasons, it is in your best interest to assist in funding the defense of the CYBA and we are asking for much-needed voluntary donations at this time.

As you may know, the CYBA derives their operating funds nearly entirely from membership and from sponsorship. In trying to

(cont. on page 6)



ing lawsuit we are involved in and vigorously fighting. A detailed description of the suit is in an article in this newsletter that you can refer to.

Following is a list of speakers and what they touched on, in no particular order.

Sean Kissner of San Diego Yachts (Sean is on our forms committee) Sean spoke of the unity of our forms and the importance of them. Sean was very compelling in laying out why doing business as a California Yacht Broker it is imperative that you use the CYBA forms. Namely the Arbitration clause. This is probably the single most important issue for being a CYBA member. This allows you the chance to a fair and non-partial forum for disputes. The arbitration panel is made up of CYBA board members and marine experts, not some judge in a courtroom that knows nothing about our Industry.

Kate Pearson of Safe Harbor talked about the marina industry and the complexities they face.

Arran Flanagan, Marine Surveyor. Arran ran down the importance of a thorough marine survey. Highlighting the do's and don'ts before, during, and after the survey.

Steve Dillingham, Dependable Marine, a marine engine full-service dealer. Steve touched on re-builds, engine oil analysis, and engine surveys. The various signs of engine issues, including what various engine exhaust smoke indicates, based on the color. Also, what steps to take prior to an engine survey.

Kathi Ford, Reliable Documentation. Kathi has been a mainstay over the years as a panelist. She alerted us to a very important decision by the DMV. Her message was that if you have an older boat and it has a HIN # of say 78. The DMV will no longer recognize that HIN # as valid, requiring a state generated HIN of 12 digits. The HIN would begin with CZY, as you know that indicates a home-built

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vessel or non-boat yard build. The example she used was a 1978 Bertram hardly a home-built boat. The ensuing issue is an Insurer may not except the original builder therefore potentially making coverage very hard to acquire. As she noted, this will not affect US Coast Guard Documented Vessels, they will accept the HIN# 78 as used in the example above.

Ramona Fernandez, Department of Boating and Waterways. We always have someone from the DBW as a panelist at the legal seminar. Ramona touched on licensing and broker related issues.

Beau Biller, Platinum Advisors. Beau is our Sacramento based lobbyist.

Yes, we do have a CYBA retained lobbyist. Beau keeps us informed of laws passed and bills coming up for a vote. Many times, having this awareness we were able to get out and become proactive.

Michelle Agular, BC Connection. Michelle has been a speaker several times. Her input has always proved invaluable. Michelle is our Mexican connection for legally entering and exiting Mexico by boat. She touched on the MTIP (Mexico entry permits) process, how to acquire an MTIP and very importantly how to properly cancel an MTIP. She also explained the process for terminating an MTIP that was never cancelled.

Steve Rizzone, Seakeepers International. Seakeepers is an international organization that promotes the oceans environment, scientific expeditions, and

community engagement. An aspect of Seakeepers is the vessel donation program. Seakeepers works hand in hand with yacht brokers to facilitate the donation of vessels to them. Brokers are paid a commission on donated vessels and the real winner is the doner, who receives a tax benefit that quite often nets them more than a distressed sale would.

Chris Brainard, Brainard Law. Chris is our retained attorney exclusively for this case. Chris spent his time discussing the CYBA lawsuit. His primary focus was that the CYBA (it's broker members as well) are not subject to the suit because we are under the guidelines of the DBW, and we are DBW compliant. A motion for dismissal has been filed and we are waiting for the court's decision. The extent of this is much more complicated. We have more comprehensive detail in articles in this newsletter as well as our website.

The final speakers were attorneys Alexander Gruft, Gruft Law. Will Mc Tagert, Wenthur Law Group, and Dane Wenthur, Wenthur Law Group. Those attorneys discussed a wide range of topics including LLC's, property Tax, Boat donations, state titling transfers, foreign vessel titling to name a few.

As you can see the CYBA Law Seminar covers our industry from stem to stern. This information is so important and could literally save you from an unforeseen predicament you don't want to be caught in. We hope to see all of you at our next legal seminar.



About CCA California

Our Objective

To conserve, promote and enhance the present and future availability of coastal resources for the benefit and enjoyment of the general public.

About CCA

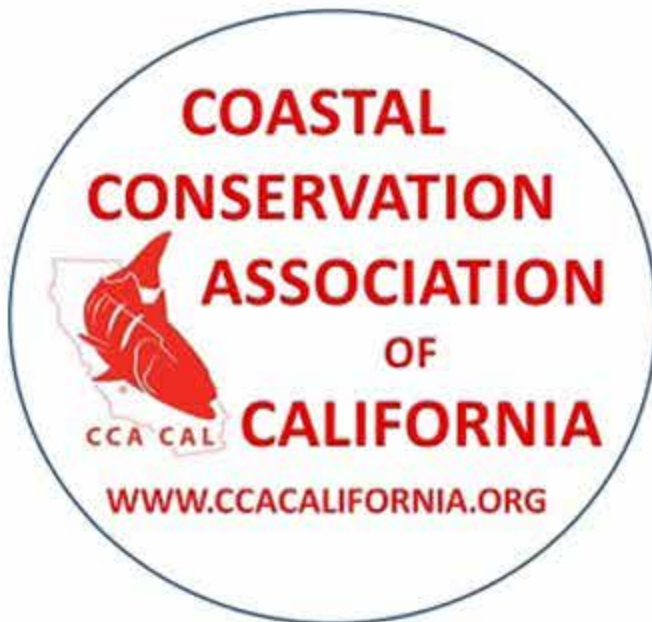
The Coastal Conservation Association (CCA) was initially created in 1977, after drastic commercial overfishing along the Texas coast had decimated redfish and speckled trout populations. A group of recreational anglers gathered to create the Gulf Coast Conservation Association. Only four years later, gill nets along the Texas coast were outlawed and both red drum and speckled trout were declared game fish.

The successful conservation movement that started with the "Save the Redfish" campaign got the attention of anglers across the Gulf and by 1985, chapters had formed all along the Gulf Coast. CCA continued to grow within the South- and Mid-Atlantic regions in the 1990s, and now have chapters formed up and down the West Coast. There are now 19 states with 226 local chapters that have a growing membership of 126,000 members.

Our Story

The Coastal Conservation Association of California (CCA CAL) was created in 2015 when recreational anglers and outdoor enthusiasts grouped together to work for the conservation and enhancement of our marine resources and coastal environments.

Today, we are working to protect not only the health, habitat, and sustainability of our marine resources, but also the interests of recreational saltwater anglers and their access to the resources they cherish and use on a daily basis.



What We've Done For Anglers In California

- Continue to fight against fishing tackle and lead bans
- Fought to keep Bluefin from becoming listed as an Endangered Species
- Continue to fight against destructive fishing gear that hurts our resources
- Protect against unfair fishing regulations
- Continue to support and expand finfish hatchery programs
- Continue to fight for artificial and restoration reefs
- Support programs to increase fishing opportunities

keep our dues at a manageable and attractive level for salespeople and brokers, we have always had to run a tight ship. Despite a meager budget, we are still able to represent California yacht sales professionals on a state and national level:

- We stay informed and participate in monitoring and crafting legislation affecting our industry, in Sacramento and in Washington DC
- We work closely with the Division of Boating & Waterways
- We host the annual Yacht Sales & the Law seminars
- We developed, maintain and update the best professional business Forms Suite in the industry
- We advocate, defend, and promote the California Yacht Sales professional every day of every year
- We support women in the industry and we are actively searching for industry-focused charitable concerns to support

In short, we are the face of yacht sales professionals within the State of California.

The legal fees of this lawsuit are crippling to a nonprofit such as ours. It is why, for the first time in our history, we are making a plea to Brokers/salespersons, service providers, clients, and anyone else who believes in our association and the standard of professionalism that we have helped create and maintain in the State of California.

The CYBA is one of the most respected associations nationwide. Our interaction with the yacht brokerage community nationwide is deep and ongoing, and we intend to keep it that way. But our very existence is in doubt unless we are able to effectively turn back this misguided lawsuit.

On behalf of the Board of Directors, and the below-signed Past Association Presidents, I am asking you for a special contribution to the CYBA Legacy Fund so that

we can continue to advocate and support you and your business.

We ask that you consider a \$500 contribution, or more/less as you see fit. Please consider it as a critical investment in the future of your chosen industry. We ask that you help us and encourage your colleagues and service providers to do the same. Every contribution helps tremendously. The CYBA is a 501 (c) (6) non-profit organization.

Speaking as someone who is neck-deep in this quagmire, I feel the future of our industry will be unrecognizable if we fail to defend our current business model.

The CYBA Board of Directors, the Past Presidents who helped shape this association, and all those individuals and companies that make their livelihood in recreational boating, thank you profusely for your support & generosity.

With gratitude,
Mark P. White, President

SAVE THE DATE

47th Annual CYBA Reception, Meeting & Dinner
January 11, 2025

Come celebrate the 50th Year Anniversary of your Association
January 10-12 on-board the historic Queen Mary in Long Beach, California



Annual Dinner to be held on the 11th of January but you are welcome to join in the weekend events your Annual Dinner committee has put together.
Overnight on the Queen Mary with Special Discounted Cabin Rates for Saturday evening. (Limited Availability)
More information will be provided in the official information/invite/registration flyer to come soon.

The Four R's Of Yacht Brokerage

By Jeff Merrill, CPYB

During a recent Zoom CPYB exam preparation session I came up with four easy Reminders to help you become a more successful yacht broker. I call this the "Four-R's of Yacht Brokerage."

Respect all those who you do business with; clients, trades and other brokers. Your professionalism will be Reciprocated.

Repeat business is your reward for a job done well. Strive to do your best, take the time to be accountable and you will Retain your clients.

Referrals are the ultimate compliment you can receive. Happy clients Relate their favorable experiences to their friends, who tell their friends, who tell their friends... and the momen-

tum builds.

Reputation is your most valuable asset. Care should be taken to maintain control of and work hard to build your own brand; your efforts will be Recognized.

You will find other R's in the above. Now, all you need to do is Remember this daily to increase your success as a broker!

2025 Pacific Sail & Power Boat Show

The California Yacht Brokers Association (CYBA) announces the 2025 Pacific Sail & Power Boat Show will be held May 15-18, 2024

The 2024 CYBA Pacific Sail & Power Boat Show at Westpoint Harbor in Redwood City, California wrapped up on Sunday May 19th, 2024. In its second year of CYBA production, the show is gaining traction and in a much better position to be a main stay for the Northern California boating industry, California as a whole and the CYBA membership. The association is looking forward to its third show year in May of 2025.

This year, the show featured vessels of all types, including sail, power and electric. Several of the dealers took advantage of the show to debut certain models to the public for the very first time. The booth exhibits offered vendors from up and down the state that of course included many of the local vendors known to the Nor Cal boaters and enthusiasts

alike.

The grand opening of the onsite Club at Westpoint and the restaurant Hurrica provided relaxing over the water views to those that took advantage of the facilities. Not only during the show but many exhibitors and patrons alike were seen dining and conversing long after show hours. A change to the position of the booth exhibitor tents was received with great reviews. Given last year's weather and the location of them then, the south side of the marina proved to be more aesthetic and integrated as more of a part of the show's entrance; more so being on hard and stable grounds the area was prepared for any weather issues faced. The rain experienced last year never came. In fact, all four days of the show were treated to the beautiful Mediterranean weather that Westpoint Harbor is known for.

Show Manager Jim Behun started the opening day of the

show providing a substantial amount of knowledgeable information while being interviewed by NBC Bay Area News. Jim walked the crew around the docks while giving information on many of the boats they passed. The segment aired during the show's morning and repeated several times during the day during other program segments. The link was shared and did very well on all the social media applications where it was viewed.

Overall success of this year's show was based upon the efforts put forward by the CYBA show manager Jim Behun, Boat Show Chairman Mark P. White and his committee along with the help and support of the Sausalito Boat Show Manager, Mitch Perkins. DeeDee Taft of Spin Communications proved to be an invaluable source of assistance in all her promotions, and the CYBA looks forward to having both her and Mitch involved again in 2025.



2025 Board Of Director's Nominations

Dear CYBA Member,

We are looking for qualified and engaged brokers to run for a seat on the CYBA Board of Directors. This is a 2-year commitment for 2025-2026 and will require occasional travel for in-person meetings (reimbursed) as well as full participatory involvement in various functions for the Board.

The requirements are:

- Membership must be in good standing
- Must be a current CYBA Broker or a Master Member

These are elected positions and voted on by all CYBA members. This is a great opportunity for yacht sales professionals to increase their personal growth and experience, while contributing to the administration and development of the CYBA. As an additional benefit, participants not only give back to their yacht sales field of endeavor, but position themselves to play a role in sustaining and improving the brokerage profession, as well as interacting with other entities within the recreational boating industry in the state of California.

Should you be interested in this career-enhancing opportunity, or if you have any questions regarding the position, please email or call.

Deadline for nominations is Friday, November 15th, 2024.

Thank you,

Mark P. White

CYBA President

310-968-9376

markpwhite@cyba.info

New Affiliate Member

Justin Law

Born in Newport Beach, CA Justin grew up sailing from the age of 3 with Charlie Ullman, (CYBA Member and Director on the CYBA Board.) After graduating from Newport Harbor High School, he went on to graduate from St. Mary's College of Maryland where he excelled in scholastic and sailing alike, having earned four years of Collegiate Sailing All-American Honors. After graduating college, Justin worked on Capitol Hill in Washington DC. After moving back home to SoCal, he took a position in Sales/Government Affairs and in the boating industry. With that he still finds time to sail professionally on the side.

Recently Justin took the opportunity to become the Sales/Operations Manager for Goodhue Boat Company. Established in 1903 by Nathaniel Goodhue and Chester Hawkins, Goodhue & Hawkins Navy Yard (now Goodhue Boat Company) is the oldest marina on Lake Winnepesaukee and the finest boat dealer serving the New Hampshire Lakes Region. The previous owner sold the marina in 2004 to Brent and Cameron Pratt who retained the

original Goodhue & Hawkins Navy Yard name until 2018, when they updated the name to Goodhue Boat Company.

Since acquiring the waterfront property in New Hampshire in 2004, Goodhue Boat Company has expanded to locations in NH,

ME, VA and Southern California. In the heart of Newport Beach, Goodhue Boat Company is the Boat Dealer for Pursuit and Cobia boats in the Southern California area and more, offering New Boat Sales along with Service and Warranty work.



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- Vessel Stock Purchase Agreements with or without post-closing merger restructuring to avoid future inefficient, expensive or illegal ownership structures.

Vessel New Build Contracts including assistance with Technical Team assembly. WLG has a worldwide web of project managers, naval architects and yacht designers. WLG will guide your buyer through the phases of conception, contract, milestone construction inspections and finally the launch phase which includes ownership structure, tax, VAT, registration and regulatory planning and compliance.

EU and other Country Vessel Acquisitions. WLG has a worldwide web of VAT, Attorney and Customs experts. Most international transactions utilize the WLG 3 Stakeholder Structure[®] for the safety and protection of the Buyer. WLG urges you not attempt to use a local US Vessel Purchase Agreement for an international transaction.

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Property Tax Strategy, Exemption and Minimization.

WLG is the leader in representing yacht owners concerning obtaining exemption from, minimizing or reducing California Property Taxes. WLG has taught the maritime industry, including local governments, the true basis and methodology of California Property Taxation including its constitutional law underpinnings.

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Proper Broker and Brokerage Operational Structures. WLG will consult with brokers and brokerages concerning the optimal operational structure from both an income tax, estate tax, and regulatory perspective.

Trust & Estate Planning. WLG will consult with brokers to ensure they personally have trust and/or estate plans in place to protect them and their families. WLG has drafted and administered thousands of trust and estate plans during its 36-year history.

The WLG Team – The Attorneys

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S.O.S.

By Jeff Merrill, CPYB

The easy Morse code sequence requesting assistance, commonly thought to stand for "Save Our Ship" and primarily considered a distress call in the nautical nomenclature. Fortunately, the CYBA is not in distress, but 2024 has been a very trying year in the yacht broker community.

Almost everyone I've spoken with is optimistically looking forward to closing out the last quarter, getting the election cycle behind us and anticipating the holidays and a chance to refresh before the new year arrives.

The CYBA is fortunate to have a hard-working board of directors, who are all volunteers, looking after not only our best interests, but our future as yacht brokers.

Our boat show is still maturing and building into a revenue source. Your dues as members help to cover costs and we are blessed to have an incredible variety of CYBA affiliate members who provide sponsorship.

Several years ago, I was pleased to initiate the CYBA sponsorship program and turned over the helm when I stepped off the board. I have been invited to once again coordinate our sponsorship program and am incredibly pleased to say we are doing great.

It's that time of year when we will be seeking renewals from our generous sponsors, and we have already seen a couple move up to the next tier (thank you!). We are also pleased to welcome some new sponsors to our roster.

When you do business, look for CYBA sponsors as your partners. We need to support our sponsors like they support us. S.O.S. can be restated as Support Our Sponsors, let us direct our energies into doing just that.

Denison Yachting's 5th Annual Witches & Warlocks Paddle & Food Drive

Once again, a large gathering of witches and warlocks descended upon Shelter Island Basin to cast their spells amongst

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Witches & Warlocks... (cont. from page 10)

the yachting community. This was our largest cover to date with over 40 paddlers and a few dinghies for those who feared what might happen if they were to get wet. The bewitching spectacle was witnessed by the local yacht clubs, hotels and curious boaters peeking out of their cockpits to see what all of the raucous cackling was about.

The Witches & Warlocks Paddle is not just a celebration of Halloween, but a chance to make a posi-

(cont. on page 18)



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CYBA Affiliate Sponsorship Program for 2025

The CYBA is pleased to offer a Sponsorship Program with varying levels of participation to our Affiliates. These promotional packages are available to companies and individuals who wish to contribute donations based on varying values.

We have Four Levels of Affiliate Sponsorship available:

- Bronze Sponsor - \$1,000
- Silver Sponsor - \$2,500
- Gold Sponsor - \$5,000
- Platinum Sponsor - \$10,000+

Each level has different contribution total. CYBA Affiliate membership is available by application and all sponsors must be approved CYBA Affiliate members to participate. CYBA Affiliate initiation fee of \$195 and yearly dues of \$195 are included at each sponsorship level.

Additional programs of sponsorship and promotion are available to supplement your support and can be coordinated through the CYBA Sponsorship Chairperson.

The CYBA welcomes separate materials to be submitted for inclusion on our website and in our newsletters. We are also open to discussing additional promotional avenues with you to customize a sponsorship package that will optimize your impact with our members. All Bronze, Silver, Gold and Platinum Affiliate Sponsors may have the opportunity to present to the CYBA membership at prearranged meetings and seminar events or through CYBA generated e-mail blasts.

At the Bronze, Silver, Gold and Platinum levels, in-kind services can be combined with dollar value contributions. Sponsorships will be invoiced in December with the full balance due by January 5th in order to ensure inclusion beginning with our first major event of the year, the CYBA Annual Dinner in January.

For more information, please contact CYBA Sponsorship Chairman:
 Jeff Merrill.
Jeff@JMYS.com,
 949-355-4950.

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\$149,900

Formula

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PC Express Cruiser

South Mountain Yachts



\$511,108

Nimbus

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Seattle Yachts



\$1,850,000

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Seattle Yachts



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CPYB – Sign Up Now, It’s The Right Time

By Jeff Merrill, CPYB

What are you doing to improve your skills as a yacht broker?

As a broker, you should always be looking for ways to elevate your professionalism and improve your knowledge. A good way to accomplish both is by studying for and passing the CPYB exam.

One of the requirements of CPYB’s is continuing education (CE). This is a huge advantage because you have to keep engaged with our business to retain your credential. There are many ways to earn CE- you can attend in-person yacht broker events (like the CYBA Legal seminar) and there are also several webinars presented each year you can attend from the comfort of home.

In mid-September the CPYB program presented a two-hour “Broker’s Brunch” webinar. The topic was “Surveyor selection, survey reports and how to handle findings”. The survey is the pivotal point in every transaction, and while it is a normal part of our job, it seems there is always something new to learn and different ways to manage the process. I was joined in the panel discussion by Paul Groesbeck, CPYB (president of the NYBA), Tim Hoving, CPYB from NYBA and Rob Langford, CPYB from BCYBA. Our discussion was recorded and there were over 100 CPYB’s listening in across North America who can now benefit from the shared wisdom.

Where do you learn more about being a yacht broker? As a CPYB you can also access the Learning Library that has archived webinars like the survey discussion mentioned above.

The CYBA is represented at the national level on the CAC (Certification Advisory Council) by three CPYB brokers (Nick Friedman, CPYB, Mik Maguire, CPYB and Jeff Merrill, CPYB) as well as our executive director, Ty Mellott. If you are interested in learning more about the CPYB program, please feel free to get in touch with me, Nick or Mik. The qualifying exam is now available in five modules that have proven to be a friendlier way to test your knowledge.

As the year-end holiday season approaches can you find the time to commit? Make it priority, call it a new year resolution to improve your career. You have everything to gain – please take a look at CPYB.net, review the details and make your move.



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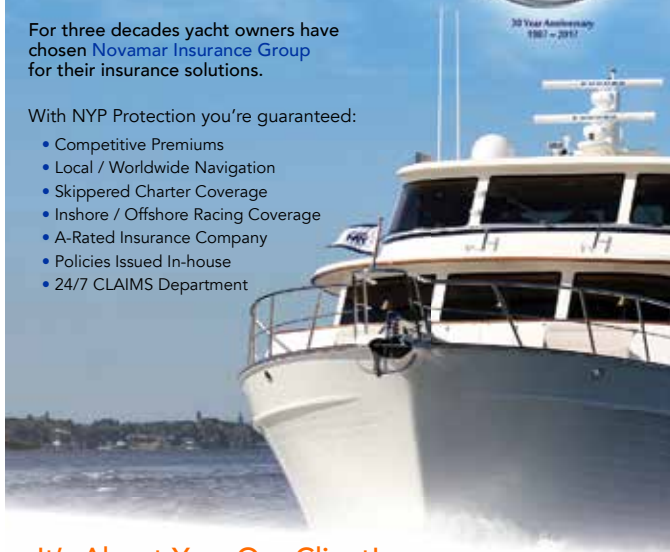
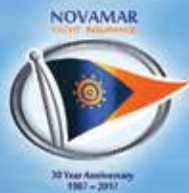
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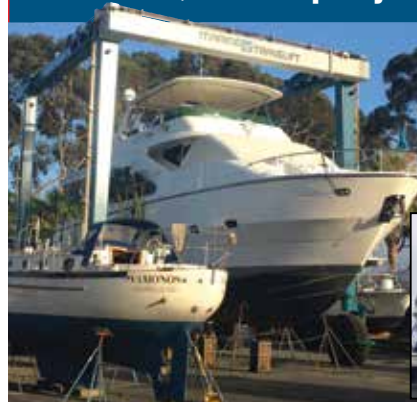


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Forms Corner

By Nick Friedman

Recently we substantially modified the Listing Agreements and Cooperative Agreement. The Listing Agreements now offer a toggle option giving the broker a choice of commissioning on the gross (original accepted price) or net selling price after survey and other due diligence reductions. The brokerage community seems about evenly split on this protocol. The Cooperative Agreement follows with a toggle choice to follow the Listing Agreement. By using the toggle format, just the choice made is included in each contract.

To follow the code more accurately, we have added a choice for the Seller to make regarding vessel accessibility to other brokerages. The seller needs to choose between three options:

- Vessel is available for co-op
- Vessel is available for co-op after a specified time
- Vessel is not available for co-op

The seller makes and initials his choice, so there is no question about the broker and the seller agreeing with whatever strategy has been chosen. We are making the formatting a bit more logical on this in the upcoming weeks.

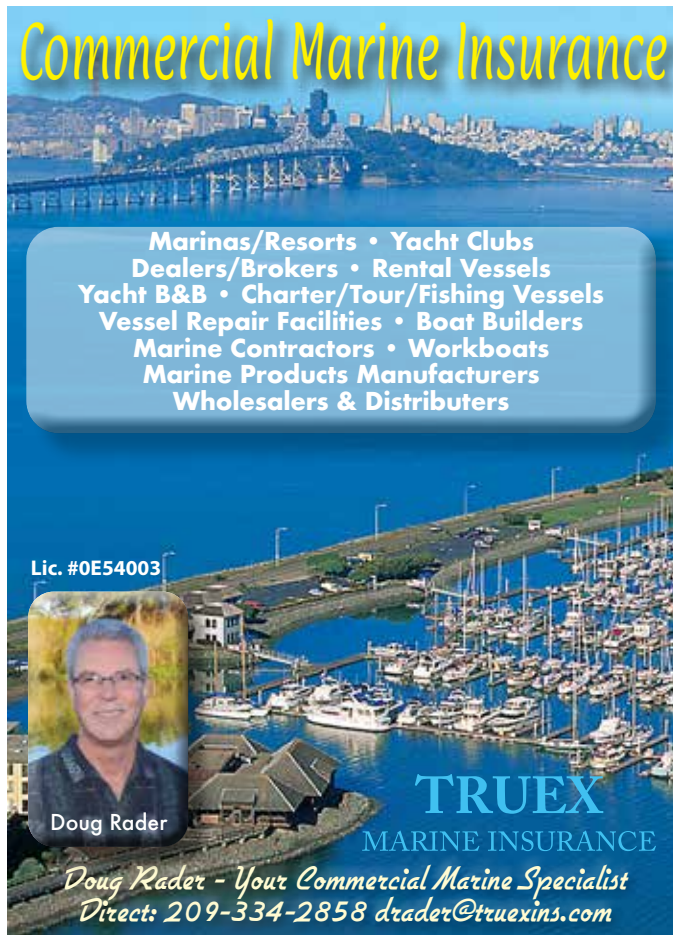
Our next project is to update the Purchase Agreement. More on this as it evolves. If you have any suggestions, please email the forms committee at: forms@cyba.info. Lastly, we are putting together a self-populating form that collects all the information needed to send to our document services, saving the time of filling out a separate information sheet with information that exists in your database.



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Notice To CYBA Members

Notice to CYBA Members Regarding *Ya Mon, et al. v. Allied Marine Inc., et. al.*

July 30, 2024

Dear CYBA Members,

As you may be aware, the California Yacht Brokers Association was recently named as a Defendant in a Consolidated Complaint filed in Federal Court by a class of yacht sellers who sold a pre-owned boat or yacht, using a yacht broker and MLS listing, and paid a broker commission.

Please read the following background information regarding the case:

Beginning in late February 2024, several Complaints were filed in Miami federal court by yacht sellers who sold a preowned boat or yacht using a broker and an MLS listing and paid said broker a commission. The sellers are trying to make the case a class action on behalf of all such sellers on sales from February 2020 to now in the United States.

On June 10, the plaintiffs filed a Consolidated Complaint - now known as *Ya Mon, et al. v. Allied Marine Inc., et. al.*, on behalf of the same class of sellers. The Consolidated Complaint names three types of defendants – brokers, MLS operators, and associations. Along with CYBA, the suit names IYBA, NYBA, and YBAA. Prior to June 10, CYBA was not a part of the suit.

The gist of the Complaint is that the sellers claim the defendants violated federal law by agreeing to require sellers to compensate the buyer broker and have collectively refused to deal with sellers who do not retain a broker. As a result, they allege, sellers have had to pay inflated commission rates. The case tries to leverage recent litigation against the real estate industry, which resulted in significant settlements.

CYBA strongly disagrees with the sellers' claims, both on the facts and the law. For example, the real estate and yacht brokerage industries and practices are very different from one another. CYBA is represented by Christopher M. Brainard, esq., of the law firm C.M. Brainard & Associates and the position of the CYBA is that it has done absolutely nothing wrong and that its brokers are in compliance with both California and Federal Law since Harbor and Navigation Code § 712, states "a licensed broker may pay a commission to a broker..." The next step in the case itself is that CYBA and the other defendants will be responding to the Complaint by August 9 and that response will be available publicly and to any of you after it is filed.

Please note, due to this ongoing lawsuit, we are not able to currently comment beyond the information contained within. We are confident our organization is in good hands with our current and future legal representation and look forward to a resolution.

Sincerely,
Mark P. White
President
markpwhite@CYBA.info
310.968.9376 cell

Witches & Warlocks... (cont. from page 11)

tive impact on the lives of others. With the combination of spooky fun on the water and the spirit of charity, the event truly captured the essence of what it means to come together in celebration and support.

This year, our witches and warlocks donated loads of non-perishable food to the San Diego Rescue just in time for Thanksgiving. Not all witches are bad...

Who's in for next year?



Recognizing The "Trust" In California Trust Accounts

Sometimes we forget to communicate to our new salespeople and brokers that there is such a thing as the California Yacht and Ship Brokers Act which includes the: Harbors and Navigation Codes and the Codes of Regulations

One of the more important and often over-looked regulations is the mandatory need to deposit, withdraw, transfer and wire in and out all funds through the established California Bank Trust Account. Establishing and using a California Bank Trust Account is part of becoming a licensed and bonded Broker as regulated by the California Division of Boating and Waterways. Two of the more significant regulations are outlined below:

7604. Trust Accounts

(c) Failure to maintain a trust fund account when required, and to deposit trust funds received promptly in said account, may be construed to be commingling, in

violation of section 732, subsection (e) of the Harbors and Navigation Code

714. Deposit and record of funds, neutral escrow depository.

A licensed broker who accepts funds from others in connection with any transaction subject to this article who does not, as soon as possible, place those funds into a neutral escrow depository, shall place the funds into a trust fund account maintained by the broker in some bank or recognized depository and shall retain all the funds in the account until the broker makes a disbursement of the funds in accordance with written instructions from the person entrusting the money. The written instructions shall also set forth the specific purposes for which the broker may use money deposited with him or her. If the broker wishes to use money from the deposit for a purpose not included in the written instructions, the

broker shall first obtain the written consent of the person entrusting the money specifically authorizing the use proposed by the broker for the money. The written consent may be given to the broker by a letter or facsimile. A separate record shall be maintained of all moneys received subject to this section and shall further indicate the disposition thereof. Any funds received by a licensed salesperson shall be delivered by the salesperson to the broker under whom the salesperson is a the time licensed.

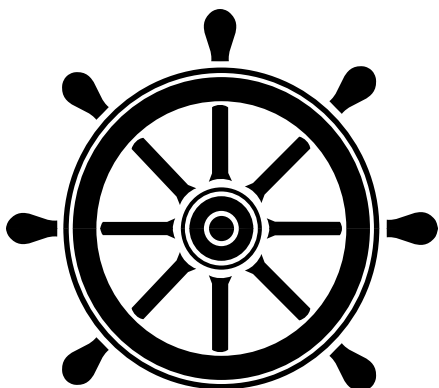
Not complying with these regulations can result in a fine of as much as \$1,500 per occurrence, and/or license suspension or revocation. Any questions regarding these regulations can be directed to the CA Division of Boating and Waterways: Emily.Whaley@parks.ca.gov (916) 902-8792.

Mark P. White

The Darrell McConnell Award

Darrell McConnell was an old-fashioned Lobbyist in Sacramento who conversed with legislators in bars and restaurants and relied on relationships to get work done. He represented MRA in the early days of the association, and his legacy lives on with this annual award.

The Darrell McConnell Award honors those who dedicate their time to industry service and advocacy, Dean West is the 2024 recipient. Congratulations, Dean, well deserved!



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~ STUDY SESSION AND TESTING ~

**Contact Jeff Merrill or Nick Friedman
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The CYBA is conducting a study session, immediately followed by the examination, for all those interested in becoming Certified Professional Yacht Brokers. This will be our first available session in response to the great interest in this worthy program.

If you have a desire to take your business and personal accomplishment up to the next level, you owe it to yourself and your clients to earn the CPYB designation. Join a growing number of the best and brightest brokers nationwide in increasing your knowledge, professionalism, and ethical standards as they relate to your chosen profession.

For complete information, including study materials, applications, and required qualifications, please visit the National Yacht Broker Certification website at www.cpyb.net. There you will find all the forms you need in a downloadable format.

If you have any questions, please contact one of the CYBA's Members on the Certification Advisory Council:

SO-CAL
Jeff Merrill, CPYB
Jeff Merrill Yacht Sales, Inc.
949-355-4950
jeff@JMYS.com

Nick Friedman, CPYB
The Shoreline Yacht Group
310-748-5409
yachtbroker@pacbell.net

You may also respond to cpyb@cyba.info or contact any CYBA Board Member. The National Yacht Broker Certification office needs time to process your application and to perform your background check.

Brokers wishing to attend the study session, but who are not testing, are welcome. However you must reserve a space! Seating is limited!

NOTE: This session is for CYBA Members only. If you are not yet a Member, and would like to join, contact the CYBA office immediately @ 925-588-8929.



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New Membership

List of Newest CYBA Members Since July 2024

Membership Type	Name	Company	Membership Type	Name	Company
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Administrator	Erika Gravett	Alexander Marine USA	Associate	Santino Viramontes	Bay Yachts, Inc.
Administrator	Krystyne Castro	Denison Yachting	Associate	Martin Isreb	Bayport Yachts, Inc.
Administrator	Manuel Torres	Denison Yachting	Associate	Thomas Hall	Marine Servicercenter
Administrator	Haylee Treviranus	Galati Yacht Sales California, Inc.	Associate	Ben Hirschfeld	Rifkin Yachts
Administrator	Julie Ann Galati	Galati Yacht Sales California, Inc.	Associate	Drew Harper	Rubicon Yachts
Administrator	Mackenzie Bennetts	Seacoast Yachts	Associate	Sam Betko	Seacoast Yachts
Administrator	Lorenzo De Stefanis	Silver Seas Yachts California, Inc.	Associate	Craig S. Watkins	Seacoast Yachts
Administrator	Toby Pearce	Silver Seas Yachts California, Inc.	Associate	Anthony V. Rosanova	Silver Seas Yachts California, Inc.
Affiliate	Kells Christian	Christian & Company Marine Surveyors	Associate	Benjamin Masonheimer	Silver Seas Yachts California, Inc.
Affiliate	Rex Lee	Dahlia Sales	Associate	Edward A. Dainko IV	Silver Seas Yachts California, Inc.
Affiliate	Douglas Emley	Douglas Emley Marine Surveying	Associate	George Lang	Silver Seas Yachts California, Inc.
Affiliate	Vincent Finetti	Yacht Sales Academy	Associate	Sean E. Conner	Silver Seas Yachts California, Inc.
Associate	Arin Jeffers	Atomic Tuna Yachts	Master Broker	Ian McGhie	Kadey Krogen Yachts (KKY-CA Inc.)

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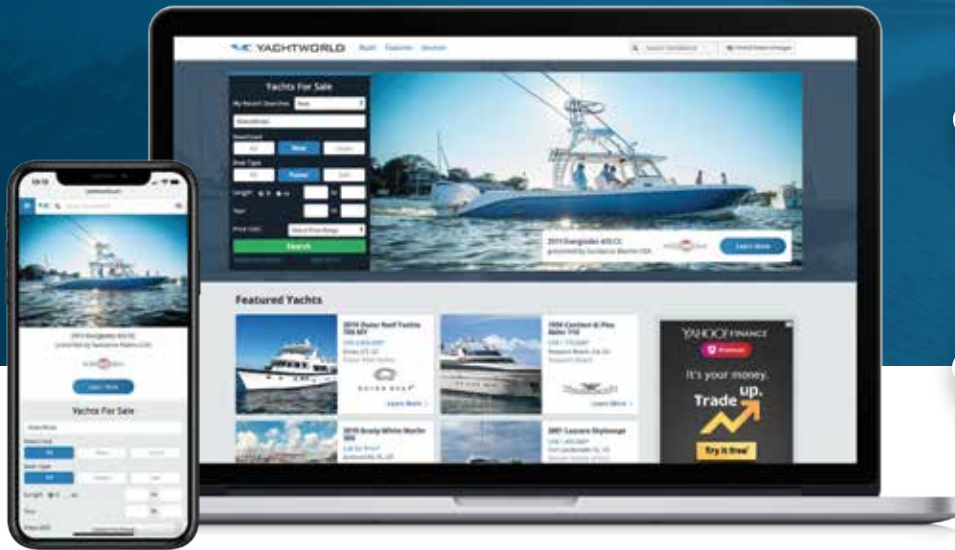
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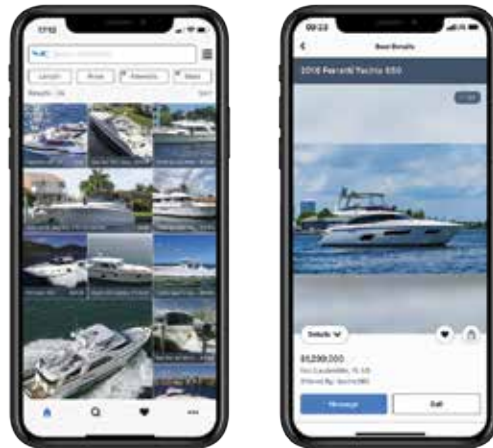
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The Current State Of The Yacht Brokerage Business In California

By Wayne Goldman
CYBA Board member

The yacht brokerage industry in California is navigating a complex landscape shaped by post-pandemic market corrections, fluctuating inventory levels, and the potential effects of upcoming U.S. elections. While California saw a boom in yacht sales during COVID-19, the market has since stabilized, with current economic and political conditions adding new layers of influence. As affluent buyers weigh the impact of economic policies on their purchasing power, yacht brokers are adjusting their strategies in response to a shifting environment. Below, we explore these dynamics and their effects on the California yacht brokerage industry.

Pandemic Surge and Subsequent Market Correction

During the COVID-19 pandemic, yacht sales surged, as affluent buyers sought private alternatives for travel and leisure, driving California's yacht brokerages to record-high demand. For the first time, many new buyers entered the market to enjoy California's coastline, capitalizing on the exclusivity and convenience yachts offered during restricted travel periods. This heightened demand created a seller's market, with limited inventory and marked-up prices as buyers competed for available vessels.

As the world returned to normalcy, however, demand for yachts cooled, leading to a natural market correction. This shift has led to a decline in new yacht sales as the competitive urgency of the pandemic period fades. Brokers report that while demand remains steady, sales have not maintained the pandemic's rapid pace, and buyers today tend to compare yachts with other luxury purchases and travel opportunities, leading to a more measured buying process.

Inventory Levels and Changing Pricing Expectations

Inventory levels have also

been impacted by the market's shifts. During the pandemic, the rapid pace of sales led to reduced inventory, long wait times, and increased prices. Today, with production and supply chains back to pre-pandemic efficiency, brokers are seeing increased inventory, allowing buyers to select from a wider array of yachts. This has led to more balanced pricing, as the market's competitive edge has softened.

However, this pricing normalization has created unique challenges for sellers who purchased yachts at inflated pandemic prices. Many pandemic buyers, who often paid above pre-2020 valuations, are now looking to sell but are finding it difficult to accept that their yachts are worth significantly less in today's market. Brokers report that sellers holding out for higher prices face longer listing times, while those who adjust their expectations to reflect the current market achieve quicker sales. Helping sellers understand today's valuations and guiding them through the pricing process has become a central focus for California brokers.

The Upcoming Election's Economic Impact on Buyer Behavior

The upcoming U.S. election is expected to influence buyer behavior, particularly in California's yacht market, where luxury spending is often sensitive to economic conditions and policies. The election could impact tax policies, interest rates, and economic growth expectations—all of which factor into how affluent buyers plan large expenditures, like yacht purchases. For example, potential shifts in capital gains taxes or luxury tax policies may cause some buyers to delay yacht purchases until there's more certainty regarding future financial conditions.

California yacht brokers are already seeing signs of cautious buyer behavior, with clients closely watching the election's potential economic outcomes before making significant purchases.

Additionally, the uncertainty surrounding the Federal Reserve's interest rate policies, which may be influenced by political shifts, has also contributed to hesitation among buyers, as higher interest rates can increase the cost of financing luxury assets. Many prospective buyers are taking a wait-and-see approach, considering the long-term costs and benefits of yacht ownership in light of possible changes to tax laws and fiscal policies.

To adapt, brokers are working to offer flexible financing options, discounts, and trade-in programs that appeal to buyers who may be uncertain about post-election economic conditions. These strategies allow brokers to provide attractive options for clients, making yacht ownership feel less daunting even in the face of potential economic changes. Some are also focusing on personalized, consultative sales approaches, helping clients understand the potential tax implications of a purchase and assisting them with financial planning resources to address concerns related to future policy shifts.

The Role of Digital Platforms and Market Expansion

With potential buyers now more cautious and considering alternative options, digital tools and online marketing have become critical for California brokers. Digital platforms offer brokers the ability to showcase yachts remotely, providing virtual tours, high-quality images, and detailed specifications that allow prospective buyers to explore vessels before committing to an in-person visit. By expanding their reach, brokers can capture the attention of buyers beyond California, including international clients interested in California's yacht market but monitoring global economic factors before investing.

Social media and search engine optimization (SEO) also play key roles in boosting visibility for California yacht brokers, espe-

(cont. on next page)

cially as election-related economic shifts create greater competition for buyers' attention. Brokers are increasingly using digital platforms to communicate the value of yachting, aiming to attract clients who may be cautiously considering luxury purchases.

Future Outlook: Adapting to Economic and Political Realities

Despite the challenges of fluctuating demand, election-driven economic uncertainties, and changing inventory levels, California's yacht brokerage industry remains resilient. Brokers who

can adapt to the post-pandemic market's adjustments, offer value through consultative and digital approaches, and provide attractive financing options are well-positioned to attract buyers even amid economic and political uncertainty.

Looking forward, the California yacht brokerage industry will likely be influenced by the election's outcome, with brokers prepared to help clients navigate new policies and possible tax implications. The industry's success will depend on a balanced approach:

providing valuable insights for clients while emphasizing yachting as a lifestyle investment that offers unmatched personal freedom and exclusive leisure opportunities along California's coastlines.

In a time of both opportunity and uncertainty, the California yacht brokerage industry is adapting to remain a vibrant part of the state's luxury market. By anticipating buyer needs and adjusting to economic shifts, brokers are positioning themselves for continued relevance and growth, regardless of the election's outcome.

Wooden Boat Insurance

By Craig Chamberlain of Novamar

Having grown up on and sailed wood boats for much of my life, I understand the affection many of our yacht insurance clients have toward their classic wood boat. Fortunately for those of us that live and breathe all things boating, there are still die-hard boaters among us that are willing to take on the expense of keeping these beautiful "oldies" nice and shiny as well as functional. Because of the unique characteristics and increased expense of maintaining older vessels, this class of yacht is increasingly difficult to insure.

What do insurance company underwriters typically look for when insuring a wood boat? The main two concerns are the condition of the boat and the prior wood boat ownership experience of the boat owner. To satisfy the first concern, it is necessary to hire a qualified marine surveyor with extensive prior wood boat surveying experience and who is a current member of one of the surveyor associations such as SAMS, NAMS, USSA. When the boat is hauled out for survey, the underwriter typically wants the surveyor to have 5-10 random bottom fastenings removed, inspected, note their condition, and include photographs of the fasteners in

the survey. If there is significant fastener wastage due to galvanic corrosion or electrolysis, it will be very difficult to insure the boat unless hauled out ashore pending a complete refastening of the bottom, review of shipwright invoices, and an updated post refastening survey is provided prior to vessel launch. Any receipts available for prior refit work or large maintenance items by the current or prior vessel owners should be included or referenced in the survey. This will create a record showing the yacht has been well maintained and upgraded over the years. Another concern for insurers is they do not want to insure carvel planked boats that have been fibreglassed over. The immediate assumption is the bottom of the yacht needed refastening and possibly frames and floor and planking replacement. Rather than spending many thousands of dollars to replace fastenings, sister or replace frames and floor timbers, and planking, a couple of quick layers of fiberglass on the outside of the hull will extend the life of the boat. The underlying problems still exist, like bad fasteners, and can no longer be removed and checked.

The second important underwriting consideration is the prior boat ownership experience of the

insured. Of particular importance, is prior wood boat ownership. It is an expensive and time-consuming proposition and truly a labor of love to keep a classic wood yacht looking her best and systems updated and functioning. A "Bristol" yacht can turn into a derelict within a very short period if time and money are not showered on the boat regularly. Understandably, some new boat owners are drawn to the beauty and romance of these classics without fully recognizing the expense required to keep the boat in top shape. A new buyer providing a basic maintenance pro forma is helpful to show to underwriters the boat owner is aware of the financial commitment required. Sourcing capable shipwrights and boatyards is also a challenge as there are very few carvel planked new boats being built with few capable craftsmen to maintain them.

In summary, assuming the boat surveys well and we are working with an experienced wood boat owner, Novamar does have insurance markets available to insure these beautiful yachts. Providing your insurance agent/broker with complete information up front to submit as a package to underwriters is critical. In this tight yacht insurance market with few

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yacht insurance specialty companies remaining, underwriters are flooded with new risks. The easier your insurance agent/broker makes it for an underwriter to return a quote instead of returning a quick declination, the better. It is difficult to get an underwriter to

reverse a decision once a risk has been declined. Working closely with an experienced marine insurance agency like Novamar is critical to obtain the best possible insurance terms for your classic yacht possible. We hope this is helpful information for the wood

boat enthusiast to navigate these choppy insurance waters. Us boaters appreciate the time, money, and love that it takes to improve our view as you sail or motor by us in your shiny classic yacht!

Membership Report Q3, 2024

By Wayne Goldman

Currently, we have 431 members, with 10 new applicants in process.. We increased 4 members this quarter. We have surpassed the 400 member milestone, but there are many California licensed brokers and salesmen that are still not CYBA members. Please mention the benefits to anyone you know that is not a member. Benefits of CYBA include:

- Standard contracts and forms
- Working with fellow CYBA members
- Arbitration & Mediation committee
- Code of Ethics
- Education
- Social networking activities
- Close working relationship with the Division of Boating & Waterways
- Legislation
- CYBA newsletter
- CYBA website
- CYBA name recognition
- Working with peer organizations
- Boat shows

Please mention the benefits to anyone you know that is not a member. Currently, we have 439 total members broken down as follows:

- Master Brokers: 118 (+1)
- Active Brokers: 40 (-3)
- Associate Salespeople: 206 (-3)
- Affiliates: 52 (no change)
- Affiliate Individuals: 1 (no change)
- Administrators: 10 (-4)

There are approximately 292 Licensed Brokers and 28 Associate Brokers in California. 50% are CYBA members. There are 655 Licensed Salespeople in California, approximately 31% are CYBA members.

Let's continue to bring these numbers up. Any licensed Yacht Broker or Salesperson should be a CYBA member. Please help us increase these numbers.

You can reach me at 510-759-8481 if you have any questions.

Wayne Goldman

CYBA Membership Chairman

membership@cyba.org

Dear CYBA Membership,

With the CYBA address having changed in January of 2023, there is still correspondence being sent to past addresses used by the CYBA. In most cases, although arriving late, your correspondence has been received as far as it be known. However, to avoid delay please make note of and use the current CYBA address:

CYBA, P.O. Box 2323, Martinez, CA 94553

In addition, a notice was recently sent out notifying the CYBA Membership of a new email address being used for CYBA invoicing. Due to the security updates made by Intuit / QuickBooks, the application will no longer allow emails to be sent from info@cyba.info as of July 1st. All invoicing / payment receipts are now being sent from infocybainvoicing@gmail.com and if you feel you have overlooked an invoice please check your inbox. If you have any questions, please contact me at TyCyba@gmail.com or call 925-588-8929. Kind regards, Ty Mellott



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CYBA Board Of Director's Meeting

Newport Beach

Meeting called to order: 16:02 October 9, 2024
 BoD in attendance: Mark White (Pres), Dean West, Nick Friedman, George Sikich, Jim Murrell, Chuck Ullman, Wayne Goldman, Peter Zalinski, Ty Mellott - Executive Director
 Approval of September, 2024 Minutes: Motion, approved.
 Communication: Letter to members on lawsuit discussed and approved to send out.
 Dean contacted by DBW via letter for audit and materials requested going back four years. Dean read official letter. Discussion of response from CYBA. Dean responded he needed an extension to get that much information together. Option to call Romona or make contact at a higher level on how difficult compiling records going back 4 years would be. Possible discussion with DBW during legal seminar. More to come.
 Wire payment to new insurance that includes directors & officers' coverage. New level of premium.
 Bank refund from US bank on vendor tickets for \$700.00.
 Treasurer Report: Delayed until Peter arrives, morphed into president's report on attorney fees.
 President's Report: Update on lawsuit. Our attorney is still working with judge on ruling to dismiss

based on 3 reasons for dismissal. Reasons not published here. Attorney Chris Brainard gathering discovery including minutes from all CYBA meetings. Attorney optimistic on chances for dismissal. Long discussion on attorney billing and payments to date that became financial report.
 Membership Report: 3 changes of membership. 10 pending new memberships. Historic high for salespeople and admins. Possible increase in 2025 dues.
 Sponsorship: Letter from Jeff Merrill on need for sponsorship. Acknowledge Dean for securing Safe Harbor sponsorship. Discussion to pursue Yachtworld as major sponsor next year. Board members need to each work on getting sponsors. Review Jeff list of sponsors and assigned whom would contact. George to ask sponsors for newsletter articles at Legal Seminar.
 Forms Report: Update from Nick on forms issue with larger broker. Check into getting more information for the end of the year. Completed listing and coop forms. Working on purchase agreement, give any comments in the next 1-2 weeks. New form for documentation that can go directly to documentation companies. Discussion on separating final acceptance from purchase agreement.

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Board Of Director's Meeting... (cont. from page 27)

Discussion on charging for forms or enticing to join CYBA. No free service.
 Boat Show: Newport Beach May 1st, San Diego no show, Sausalito show Oct. 4-6
 Website/Newsletter report: George needs articles for November. Ideas on article from Legal seminar, Tips, Jim to send one. Discussion on people to facilitate website content.
 Legal: Marina Recreation Assoc. Conference Wed to Friday Nov. 6-8. Arbitration Clay vs. Nivante. Dennis plans for the future and need for possible replacement.

Legal Seminar: The next day. 16 speakers, 87 attendees. Signs for all sponsors. Discussed agenda.
 Annual Dinner: Discussion on event. Decided we need to have it even with Lawsuit bills. Many options discussed including effort to have sponsors cover event expenses. Will be at the Queen Mary and should be well attended.
 GEO: Lelaini looking for nominees. Call for nominees was sent out.
 Meeting adjourned

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Calendar Of Events

November 21, 2024

Board of Directors Meeting
 9:00 a.m., Zoom Meeting

December 11, 2024

Board of Directors Meeting
 9:00 a.m., Zoom Meeting

January 11, 2025

Board of Directors Meeting
 10:00 a.m. Location TBA

January 11, 2025

CYBA Annual Dinner
 6:00 p.m. The Queen Mary, Long Beach

