

**NATIONAL EXECUTIVE COMMITTEE  
OF  
THE AMERICAN LEGION  
INDIANAPOLIS, INDIANA  
OCTOBER 17 – 18, 2012**

**Resolution No. 10: Sales and Royalty Payments Made to Departments on Emblem Sales  
Merchandise Sold within a Department**

**Origin: Emblem Committee**

**Submitted by: Finance Commission**

WHEREAS, The December 2011 change to the Charter of The American Legion created the need to examine and edit language within certain resolutions of the organization in order to bring a resolution into compliance with the Charter, and gave opportunity to correct deficiencies in other resolutions, the subject herein being one as originally set out in Res. 31, NEC, May, 1984; and

WHEREAS, Resolution 31, NEC, May 1984, negated the practice of providing discounts to departments on Emblem Sales merchandise destined for resale, and instituted the practice of paying departments ten [10] percent of the annual net profit on merchandise sold by departments, and directed departments and their posts to place all orders for American Legion Emblem merchandise only with National Emblem Sales; and

WHEREAS, Resolution 38, NEC, October, 1984, amended Res. 31, NEC, May 1984, and gave departments a one-time option to continue to receive discounts on resalable items, or receive ten [10] percent of the annual net profit on Emblem Sales merchandise sold by departments; and

WHEREAS, Resolution 18, NEC, May 1998, further amended Res. 31, NEC, May 1984, and changed the amount paid to departments from "10 percent of net profit," to "1.75 percent of net sales," and mandated that merchandise shipped from Emblem Sales to department headquarters be shipped "FOB Shipping Point"; and

WHEREAS, Resolution 42, NEC, May 2006, further amended Res. 31, NEC, May 1984, by allowing departments and their posts to purchase American Legion Emblem merchandise from American Legion licensed entities (as set out in Resolution 11, NEC, May 2005); and

WHEREAS, The American Legion Emblem Sales Division, being charged with the licensing and selling of all items bearing the emblem of The American Legion, receives income from said sales; and

WHEREAS, These sales are predominantly to members of The American Legion residing in the departments; and

WHEREAS, It is in the best interests of The American Legion that departments participate in and benefit from the sale of the items bearing the emblem of The American Legion; now, therefore, be it

**RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, on October 17-18, 2012, That for the protection of the name and emblem of The American Legion, departments and their posts are to place all orders for American Legion Emblem merchandise only with National Emblem Sales and/or entities licensed by The American Legion, unless otherwise**

**authorized by the National Adjutant or the National Adjutant's designated staff representative (as set out in Res. 11, NEC, May 2005); and, be it further**

**RESOLVED, That The American Legion shall pay to departments that do not receive discounted merchandise for resale, a 1.75 percent royalty for net catalog sales of all merchandise sold, with the exception of American Legion Auxiliary merchandise, be they either direct sales or drop ship sales made within a department; and, be it further**

**RESOLVED, That The American Legion shall pay to departments twenty [20] percent of the net royalties received on licensed merchandise sold within a department, as stipulated in The American Legion Licensing Policies, June, 2005; and, be it further**

**RESOLVED, That payments to departments shall be made annually in the first quarter of the year following the year in which sales were made in departments, based upon merchandise sold to members within a department; and, be it finally**

**RESOLVED, That Resolution 31, NEC, May 1984, and Resolution 38, NEC, October 1984, and Resolution 18, NEC, May 1998, and Resolution 42, NEC, May 2006 are hereby superseded and rescinded.**