

July 13, 2018

Re: Notice of Special Meeting of Members of The Memphis Chess Club, Inc. and Proxy Statement

Dear Memphis Chess Club Member:

On behalf of the Board of Directors (the “Board”), we invite you to attend a special meeting of the members of The Memphis Chess Club, Inc. (the “Club”) on August 15, beginning at 7 p.m. at 4726 Poplar Avenue, Suite 7, Memphis, TN 38117 in order to consider the proposals set forth below in connection with a proposed Memorandum of Limited Purchase and Ongoing Activities (the “Purchase Agreement”), between the Club and Memphis Chess Company, LLC (the “Purchaser”).

We are pleased to announce that the Board has unanimously voted to approve the Purchase Agreement and recommends that the Club’s members vote “**FOR**” approval of the Purchase Agreement and the transactions contemplated therein.

Proposal One: Approval of the Purchase Agreement and the transactions contemplated therein, including the filing of the Charter Amendment (as defined in the Purchase Agreement).

The Purchase Agreement provides for the sale of the name “The Memphis Chess Club” to the Purchaser and calls for the filing of the Charter Amendment with the Tennessee Secretary of State. The Charter Amendment would amend the name of the Club to the “Memphis Historic Chess Foundation,” eliminate the existing class of membership in the Club, and pivot the Club’s corporate purpose to focus more on the charitable and public-benefit aspects that can be realized by existing as an educational organization, focusing on activities aimed at increasing awareness of and appreciation for the game of chess. As is the case now, the Board would continue to direct the Club’s charitable efforts, but following the filing of the Charter Amendment, the Board intends to adopt amended bylaws that would provide for future Board members to be elected by the then-current Board.

In considering whether to approve the Purchase Agreement and recommend it to you for your approval, we considered a number of factors that would allow us best to accomplish our educational and outreach objectives and serve our members’ interest in maintaining a suitable and stable venue for the regular hosting of chess-related tournaments, gatherings, and activities. Although the Club itself will no longer have members after the Purchase Agreement’s transactions are effectuated, the Purchaser intends to develop an exceptional chess-centered commercial space at its premises located at 195 Madison Ave, Memphis, TN 38103 for the daily hosting and promotion of first-class chess tournaments and activities. The general public, other existing members of the Club, and you would be free to join the Purchaser’s chess offering under the name “The Memphis Chess Club” on terms substantially similar to those applying to current members of the Club.

We believe that the Purchase Agreement and the Purchaser’s desire to offer a first-rate location focused on the hosting and promotion of chess tournaments and activities will best serve the double purpose of allowing the Club to focus its financial and other resources on its public, charitable outreach and instruction program, while simultaneously incentivizing the Purchaser to develop—and you the opportunity to enjoy—chess facilities and programs of exceptional quality. In order ensure continuity of operations, the Purchaser has asked the existing Board of the Club to serve as the initial managers of a division of the Purchaser that will oversee the chess operations at the new “Memphis Chess Club.”

These factors and others have led us to the conclusion that the Purchase Agreement and its related transactions are in the best interests of the Club and its members.

This is an important milestone in the history of our Club, and your vote is important. Whether you vote in person or by proxy, we encourage you to vote. We need the approval of three-fourths of the members entitled to vote “**FOR**” the proposal in order to effectuate the Purchase Agreements and its related transactions.

You may cast your vote “**FOR**” or “against” or “abstain” from voting on approval of the Purchase Agreement and its related transactions according to any of the methods set forth below. Again, we encourage you to vote “**FOR**” approval of the Purchase Agreement and its related transactions.

- i. Attend the special meeting in person and cast your vote;
- ii. Mail, e-mail, or hand deliver your executed proxy card to the undersigned Club official; or
- iii. Reply to this notice by e-mail stating your vote as “**FOR**”, “against”, or “abstain.”

A copy of the Purchase Agreement (and all of its exhibits) is attached as Appendix A to this meeting notice. If you have any questions or need more information, please don’t hesitate to reach out to any of us.

Sincerely,

Alex King, President

The Memphis Chess Club, Inc.
4726 Poplar Avenue
STE 7
Memphis, TN 38117

NOTICE OF SPECIAL MEETING OF MEMBERS
TO BE HELD ON AUGUST 15, 2018

You are cordially invited to attend the special meeting of the members of The Memphis Chess Club, Inc. (the “Club”), which will be held on August 15, 2018, at 7 p.m. local time, at 4726 Poplar Avenue, Suite 7, Memphis, TN 38117.

At the Meeting, members will be asked to approve the proposed Memorandum of Limited Purchase and Ongoing Activities (the “Purchase Agreement”), between the Club and Memphis Chess Company, LLC (the “Purchaser”), a copy of which is enclosed as Appendix A to the attached proxy statement.

Your vote is very important. You may cast your vote “**FOR**” or “against” or “abstain” from voting on approval of the Purchase Agreement and its related transactions according to any of the methods set forth below. Again, we encourage you to vote “**FOR**” approval of the Purchase Agreement and its related transactions.

- i. Attend the special meeting in person and cast your vote;
- ii. Mail, e-mail, or hand deliver your executed proxy card to the undersigned Club official; or
- iii. Reply to this notice by e-mail stating your vote as “**FOR**”, “against”, or “abstain.”

Please complete, date, and sign the enclosed proxy card and promptly return it, e-mail a copy of your proxy, or *cast your vote by e-mail*, whether or not you plan to attend the Meeting. Votes by e-mail and copies of proxies may be e-mailed directly to memphischessvote@gmail.com. If you attend the Meeting, you may vote in person if you wish, even if you have previously returned or e-mailed your proxy card. If you will not be attending the meeting, please return your proxy card or vote by e-mail no later than August 1, 2018.

By Order of the Board of Directors:
Brad Schmiedicke
Carlos Sims
Jonathan Wade
Kevin Ponds

**PROXY STATEMENT OF
THE MEMPHIS CHESS CLUB, INC.
FOR THE SPECIAL MEETING OF ITS MEMBERS
TO BE HELD AUGUST 15, 2018**

This proxy statement is being furnished to the members of The Memphis Chess Club, Inc., Memphis, Tennessee. In this proxy statement, the terms “we,” “our,” “ours,” “us,” and the “Club” refer to The Memphis Chess Club, Inc. The terms “Board” and “Board of Directors” refer to our board of directors.

This proxy statement is sent to you in connection with the solicitation of proxies by our Board of Directors for use at the special meeting of the members of the Club to be held on August 15, 2018, beginning at 7 p.m., local time, at 4726 Poplar Avenue, Suite 7, Memphis, TN 38117, and at any adjournment or postponement thereof (the “Meeting”). We are sending this proxy statement to all of the members entitled to vote on the matters presented herein.

The Meeting is being held to consider and vote on the proposed Memorandum of Limited Purchase and Ongoing Activities (the “Purchase Agreement”), between the Club and Memphis Chess Company, LLC (the “Purchaser”). A copy of the Purchase Agreement (and its exhibits) is attached as Appendix A. We do not know of any business that will be presented for consideration at the Meeting other than approval of the Purchase Agreement and related transactions.

This proxy statement is issued on July 13, 2018, and is being posted on our website at <memphischess.com> on or about July 13, 2018, along with the form of proxy.

Solicitation, and Revocability of Proxies

As of July 13, we had 20 members. Our bylaws require a vote of three-fourths of the members entitled to vote in order to approve the Purchase Agreement and related transactions.

Once you give us your proxy card, you may revoke the proxy at any time before it is exercised at the Meeting by either (i) giving written notice of revocation to our President, (ii) properly submitting an executed proxy with a later date, or (iii) attending the Meeting and voting in person. All written communications regarding proxies should be addressed as follows:

The Memphis Chess Club, Inc.
P.O. Box 17864
Memphis, TN 38187-0864
memphischessvote@gmail.com

ABOUT THE PURCHASE AGREEMENT

If approved by at least three-fourths of the members of the Club, the Club would execute the Purchase Agreement and proceed to fulfill its obligations thereunder. Under the Purchase Agreement, the Purchaser would buy the name “The Memphis Chess Club, Inc.” and receive control of the existing website <memphischess.com>. The Club would then file the Charter Amendment (as set forth in the Purchase Agreement), which Charter Amendment would re-name the Club as the “Memphis Historic Chess Foundation,” terminate the existing class of membership of the Club, and pivot the Club’s corporate purpose to an educational organization, focusing on activities aimed at increasing awareness of and appreciation for the game of chess. As is the case now, the Board would continue to direct the Club’s charitable efforts, but following the filing of the Charter Amendment, the Board intends to adopt amended bylaws that would provide for future Board members to be elected by the then-current Board.

Although the Club itself will no longer have members after the Purchase Agreement’s transactions are effectuated, the Purchaser intends to develop an exceptional chess-centered commercial space at its premises located at 195 Madison Ave, Memphis, TN 38103 for the daily hosting and promotion of first-class chess tournaments and activities. The general public, other existing members of the Club, and you would be free to join the Purchaser’s chess offering under the name “The Memphis Chess Club” on terms substantially similar to those applying to current members of the Club.

We believe that the Purchase Agreement and the Purchaser’s desire to offer a first-rate location focused on the hosting and promotion of chess tournaments and activities will best serve the double purpose of allowing the Club to focus its financial and other resources on its public, charitable outreach and instruction program, while simultaneously incentivizing the Purchaser to develop—and you the opportunity to enjoy—chess facilities and programs of exceptional quality at no material additional cost to you. In order ensure continuity of operations, the Purchaser has asked the existing Board of the Club to take responsibility for overseeing the chess operations at the new “Memphis Chess Club.”

APPENDIX A

PURCHASE AGREEMENT

Memorandum of Limited Purchase and Ongoing Activities

See attached.