

Louisiana Thoroughbred Breeders Association
Board of Directors Association
August 2, 2014
Holiday Inn Express Hotel
Bossier City, Louisiana
10:00 A.M.

Directors Present:

Jay Adcock
Brett Brinkman
Charlotte Clavier
Jake Delhomme
Jeff Delhomme
Bobby Duhon
Thomas B. Early
Michelle LaVoice
Neal McFadden
Jim Montgomery
Val Murrell
Keith Myers (telephone)

Directors Absent:

Michele Rodriguez

Others Present:

John Adams
Therese Arroyo
Ross Brupbacher
Julie Calzone
Billie Jo Courville
Roger Heitzmann III
Linda McLellan
Joe Pickett
Loretta Romero
Mike Whitler
Dr. Fred Willis

Jake Delhomme called the meeting to order and asked Loretta Romero to call the roll. A quorum was present and the meeting was ready to proceed with business.

Jake Delhomme led us in prayer.

Jake addressed the need to disclose our potential conflicts in order to comply with our Conflict of Interest Policy. Jake Delhomme read the conflict policy report filled out and signed by each Board of Director.

Jake Delhomme stated that he owns shares in two stallions at Adcock's Red River Farm and his brother Jeff is a fellow board member.

Jim Montgomery owns one share of Equine Sales Company of Louisiana, owns one share in the stallion Behindatthebar who is domiciled at LeMesa Stallions. He owns stallion shares in Forefathers, Calibrachoa, Honest Man, Interactive, Private Vow, Redding Colliery and Tiz The One all located at Adcock's Red River Farm. He also reported that he owns mares in partnership with Adcock's Red River Farm and boards mares for fellow board member Neal McFadden.

Val Murrell reported that he is the President of Clear Creek Stud, his daughter Michele Lavoice works for him and is a fellow board member, and that he boards, breeds breaks and trains horses for board members and members alike.

Michele LaVoice noted that her father is a member of the board and she currently works for her father at Clear Creek Stud.

Tom Early disclosed that his daughter Pamela Settoon is and has been employed by the L.T.B.A. since 2005. He owns one share in Custom for Carlos who stands at Clear Creek Stud and he occasionally writes articles for Louisiana Horse Magazine.

Brett Brinkman notified that he is the owner of Brett Brinkman Training Stable as well as LeMesa Stallions. Because he owns these businesses he conducts business with board members as well as members of the association. He informed he is related by marriage to fellow board member Charlotte Clavier and he negotiates contracts with members of the board and members of the association in regards to stallions.

Bobby Duhon informed that Brett Brinkman trains a horse for him, he breeds horses with Brett Brinkman and he owns a share in the stallion Flashpoint. He also stated that his son is a blacksmith and he does business with board and association members.

Charlotte Clavier informed that she was 45% stockholder in Stemmans Inc. a retail horse supply store and sales company. She stated that she does business with everyone. She is also 10% stockholder in Traders Rest Farm Inc. boarding and training facility who does business with most members.

Jay Adcock informed that he and his wife Terry are shareholders in Equine Sales Company of Louisiana as well as invested in partnerships with Neal McFadden, Jim Montgomery and Jake Delhomme in both mares and stallions, and he breeds for numerous members of the association.

Neal McFadden indicates that he is a share holder in Equine Sales Company of Louisiana and has partnerships with Jay Adcock, Jim Montgomery, and Jake Delhomme (stallions).

Jeff Delhomme recorded that he is an employee of Set Hut Inc. owned by his brother Jake Delhomme who is also a board member.

Keith Myers has informed that he is the General Manager/co-owner of Coteau Grove Farms, LLC.

Michele Rodriguez was not in attendance, her conflict policy and the listing of possible conflicts will have to be addressed at the next meeting.

Jake asked the guests to introduce themselves.

Dr. Dexter Gary sent his resignation to the board by e-mail on July 1, 2014 at 2:40 P.M. Jake Delhomme read the e-mail. Dr. Gary congratulated those re-elected (Val & Michelle) and the returnee (Jim). His e-mail stated that "Personal considerations necessitate my resignation from the LTBA board of directors. Consider this as my notice of resignation."

Election of Officers: Jake Delhomme explained his time was limited with upcoming engagements and the commitment to be president takes a lot of time. He felt that he did not have the time needed to be president. Charlotte Clavier nominated Jake Delhomme for president.

Jake Delhomme rejected the nomination with thanks.

Jeff Delhomme nominated Tom Early for President, seconded by Val Murrell and all in favor.

Mr. Early accepted the position and moved to proceed as president.

Jay Adcock asked the question about filling vacancies on the board. The attorney Ross Brupbacher stated the by-laws read in Section 4 Part B they may be filled by the board. Charlotte Clavier stated in previous years our attorney recommended an odd number of directors but she couldn't find the minutes to present at the meeting. Jake said he called several businesses and they had odd numbers on their board.

Jake Delhomme made a motion to keep the board at 13 directors. Bobby Duhon seconded the motion, which was voted on and passed with one opposing vote by Jay Adcock.

Keith Myers sent a phone message to nominate Jake Delhomme for 1st vice-president, seconded by Charlotte Clavier and all in favor.

Jake Delhomme nominated Brett Brinkman for 2nd vice-president, seconded by Bobby Duhon and all in favor.

Charlotte Clavier made a motion to accept the minutes of the May 24, 2014 meeting, seconded by Jake Delhomme and all in favor.

Ross Brupbacher reported on the Necaise grievance case. A certified letter was sent on May 15, 2014 and was received on May 19, 2014 denying accreditation due to the fact he had not provided the necessary information on the three mares in question. No reply has been received at this time.

Jay Adcock made a motion to deny the accreditations, seconded by Val Murrell and all in favor with Brett Brinkman abstaining from voting.

Ross reported on the accounts receivable for the Louisiana Horse Magazine. We will need to include attorney fees on our collection efforts.

Ross stated the Breeders Sales Company of La will meet after this meeting to discuss his report on the sale.

Roger reported on a mare registration that Jay wanted put on the agenda. Roger stated he charged the breeder \$250.00 for a late registration as rules and regulations call for. A member of the association took the mare for a board bill after she had a foal. A member of the board called Jay and asked his opinion. When the application for the foal was sent in to the office the breeder was listed as a single breeder. The Jockey Club papers indicated a partnership. The mare is registered under a third party entity that is also owned by one of the breeders. The stud fee was not paid so the board member agreed to be ½ breeders for the release of the stallion certificate. The other fee of \$250.00 was charged for the late mare registration for the new owner so that the mare would be in their name at the time of foaling. That entity was not a member but the principal breeder is a member. After discussion the Grievance Committee was charged with writing up standards to be followed in abandoned horse situations and return to the board with the standard ruling.

After discussion the board decided to have Roger call and take the necessary action to handle this in the proper manner.

Jay reported on the Louisiana foal crop. Jay read the report and thought it was interesting our fees were rising and the foal crop was dropping each year. Brett expressed his opinion that the proper channels would have been to send this to the Grievance Committee to decide on the proper fees. We are under the microscope and need to be careful.

Brett Brinkman made a motion to send future cases to the Grievance Committee along with the attorney, Val Murrell seconded the motion voted on and passed unanimously.

Committee Reports:

By-Law: Tom Early – Chairman

Nothing to report

Events: Michelle Rodriguez – Chairperson

Jeff Delhomme spoke to Michele Rodriguez and she thought the party or Gala was costing too much money and maybe we should consider canceling it. Charlotte thought we could make the race day or Race Central more attractive. Roger was instructed to cancel the party for this year and to work on adding a little flair to Race Central, by working with the new events committee and the president.

Finance & Audit: Keith Myers – Chairman

Keith reported by telephone on the budgetary adjustments and policy revisions deemed necessary by the finance committee. All board members acknowledged receipt of the current budget and financial statements for the period ended June 30, 2014. The board entered into discussion. Keith requested Therese review the budgetary adjustments with the board.

Therese reported the budget for Louisiana Horse needed a decrease to publication income of \$40,000 due to decrease in projected advertising revenue. She further reported expenses of Louisiana Horse required an increase to the budget of \$16,428, to bring it to actual. There was additional publication printing expense in the prior year, paid in current year requiring an expense increase. Other expenses were incurred (not in original budget) due to the timing of the movement of the Louisiana Horse main office.

These adjustments are recommended by the finance committee. Charlotte made a motion to approve the budget changes recommended for Louisiana Horse, seconded by Michelle LaVoice which was voted on and passed unanimously.

Therese also reported the budget for Louisiana Thoroughbred Breeders required the following adjustments;

Increase miscellaneous income by \$7,000

Decrease Salary expense by \$75,000

Decrease payroll tax by \$5,737

Increase computer expense by \$20,000

Lobbing expense increase by \$21,755

Research & Public relations expense increase by \$52,500

These adjustments are recommended by the finance committee. Charlotte made a motion to approve the changes to the budget for Louisiana Thoroughbred Breeders, seconded by Jake Delhomme which was voted on passed unanimously.

Roger explained the costs of the accounting firm to count Horse of the Year Ballots.

Charlotte made a motion to allow the office staff to count the ballots for Horse of the Year, seconded by Bobby Duhon, voted on and passed. This policy will be implemented at the next Horse of the Year vote (2015).

Therese presented additional recommended policies for the accounts receivable of Louisiana Horse. In addition to the current policy of (adopted April 10, 2012);

- All advertisers must sign contract prior to ad placement
- Contracts written with partnerships or corporations must include disclosure of all interested parties
- Debt to Louisiana Horse will incur interest at a rate of 18% APR, 1.5% per month, when the payment due is 90 days delinquent.

It is recommended you add the following to the current policy;

- All new advertisers MUST prepay to establish account
- Credit Card Policy: Advertisers must supply valid credit card information at the time the contract with Louisiana Horse is signed. The card will not be charged unless you authorize it OR your balance is over 90 days and therefore delinquent.
- If any unpaid balances exceed 90 days, your credit card will be charged.

Michele LaVoice made a motion to approve the recommended additions to the current accounts receivable policies, seconded by Bobby Duhon and the motion was voted on and passed unanimously.

Therese explained that the cost of the stallion statistical pages in the register has increased in cost to Louisiana Horse, but we have not increased rates accordingly. Brett

Brinkman asked about the possibility of putting together packages for the advertising of multiple stallions. Val Murrell requested more information be collected and brought to the executive committee for review. Roger discussed his conversation with the Louisiana Quarter Horse Association about the publication of a duel stallion register. He requested they commit to paying for their portion of the cost of a “duel register” which would consist of the printing and mailing of the register to members of the Louisiana Quarter Horse Breeders Association. Roger will have an answer from them by next week, and will report it to the board.

Charlotte made a motion to waive the 10 day notice and schedule a teleconference call after Roger hears from the Louisiana Quarter Horse Association. Brett Brinkman seconded the motion, which was voted on and passed unanimously.

Governmental Affairs: Seat Open

Nothing to report

Grievance: Seat Open

Nothing to report

Inspection: Jeff Delhomme – Chairman

Nothing to report

Membership & Nominating: Michelle LaVoice – Chairperson

Michelle reported on the facts of our membership. The website reported women are visiting our site more than men. Michelle would like to explore the social media like face book and twitter. The costs are \$600.00 a month for online advertising. Julie Calzone explained the cost effect and how it actually works. Brett Brinkman made a motion to try this for 6 months starting in September with a detailed contract or a guideline. Charlotte seconded the motion which was voted on and passed unanimously.

Technology: Seat Open

Nothing to report

Salary and Benefits: Charlotte Clavier – Chairperson

Delayed until later in meeting to be discussed in Executive Session

Old Business:

Reap will be held on Tuesday August 5, 2014 at a cost of \$300.00 a table at Evangeline Downs. Reap Hall had 300 people in attendance for a Bar B Q on the backside. The children received 150 backpacks on the backside. Charlotte was commended on the great job she has done helping Reap. Louisiana Thoroughbred Breeders are a sponsor with a table for 8.

New Business:

Charlotte made a motion to accept the amount overspent on OSB's (\$5.233) due to out of the country races. Jake Delhomme seconded the motion.

Roger reported on the Louisiana Futurity.

Charlotte made a motion to go into Executive Session; this motion was seconded by Jake Delhomme, voted on and passed unanimously.

Charlotte made a motion to return to Regular Session, this motion was seconded by Bobby Duhon, which was voted on and passed unanimously.

There was no report on Executive Session as no changes were made.

Date, Place, & Time of next Board of Directors Meeting

October 7, 2014 at 11:00 A.M. Place to be announced at a later date.

Champions Day will be December 13, 2014 with a meeting to be held the night before.

There being no further business to come before the board, the meeting was adjourned.

Respectfully submitted,

Roger Heitzmann III
Secretary / Treasurer