

AMERICAN SADDLEBRED REGISTRY, INC.



**Board of Directors Meeting
Friday, February 15, 2013 at 3:30 p.m. ET
Marriott Griffin Gate Resort & Spa
Lexington, Kentucky**

MINUTES

Members Present: Brian Curran
Chuck Herbert
Gail Kline
Sandra Lilly
Scott Matton
Margaret McNeese
Don Schilling
Lisa Sideman
Judy Werner

Members Absent: Lynda Freseth
Minna Hankin

Guests Present: Kelly Rosenbaum, Stites and Harbison
Fred Sarver, Registry Committee
Redd Crabtree, Kentucky & National Futurities Committee
Lisa Duncan, Registrar
Katriona Adams, Assistant Registrar
Scarlet Hall, Controller
Cynthia Lowell, Technology Manager
Patricia Edwards, Prize Programs

I. Roll Call/Establish Quorum

Mr. Matton called the meeting to order at 3:30 p.m. Ms. Duncan called the roll and noted that a quorum of directors was present.

II. Introduction of Guests

Mr. Matton introduced guests Kelly Rosenbaum of Stites and Harbison, Fred Sarver Chairman of the Registry Committee and Redd Crabtree Chairman of the Kentucky & National Futurities Committee.

III. Liens

Ms. Rosenbaum explained a rule change proposal that she has drafted regarding liens. The current rule talks about recordation of liens. She has been working with Ms. Duncan on a lot of liens recently and has noticed that some of the legal opinions of counsel received are not reliable so she is recommending removing that reference. She also recommends removing the term recording of liens and to replace it with the term notation of liens. The proposed new rule reads as follows and would replace ASR Rule Section VII. Recording of Security Interest or Lien:

SECTION VII. NOTATION OF SECURITY INTEREST OR LIEN

The Registry shall use commercially reasonable efforts to note in its internal files evidence of a security interest, judicial or other lien or a release of a security interest or lien potentially affecting a horse registered with the Registry that may from time to time be provided to the Registry. The Registry shall have no duty, however, and specifically disclaims same, to: (1) take any steps to publicly record such documentation; (2) forward such documentation to any third party; (3) review such documentation for accuracy, effectiveness, compliance with law, perfection, or priority; (4) confirm the accuracy of any facts or statements of law reflected in such documentation; or (5) take any action whatsoever with respect to such documentation. The Registry cannot provide legal advice, explanation, opinion or recommendations to any person regarding such security interest or lien documentation.

Mr. Herbert made a motion to approve this rule change, Mr. Schilling seconded and the motion was passed with all in favor.

Following is the proposed language to be deleted from ASR Rule Section V. E. Transfer without Signature of Recorded Owner:

~~“In the case of a sale or disposal without the Certificate of Registration, or enforcement of lien, a legal opinion of counsel for the party seeking the transfer that ownership has legally passed to the new owner may be required”.~~

Mr. Schilling made a motion to delete this language, Mr. Curran seconded and the motion was passed with all in favor. These rule changes are effective immediately.

IV. Online Registrations and Transfers

Ms. Duncan explained that we are working on allowing transfers of ownership and applications for registration to be submitted online with the new database. Ms. Rosenbaum explained that the best practice would be to have owners opt into the online system in writing by signing a Participation Agreement. This agreement would include provisions that only that person would use their particular username and password, that

Kentucky Law would govern all transactions and that they accept our disclaimer and release the Registry from any liability for any misuse of the electronic system.

After much discussion, the Board agreed with the concept of allowing online registry transactions and recommended that staff continue investigating the feasibility first of online applications for registration and then transfers of ownership. Ms. Rosenbaum will draft a disclaimer to address the issue of electronic signatures and will insure that everything is under Kentucky Law.

V. Registry Committee Recommendations

Ms. Duncan and Mr. Sarver explained the following rule change proposals with a proposed effective date of April 1, 2013. They explained that a lot of these changes are being proposed so that we can cover the costs to the Registry.

Transfer of Ownership Fees

Within 30 days of sale ~~\$50.00~~ **\$65.00**
Late fees – after 30 days \$10.00 per month to a maximum of \$200.00

Unregistered Foal Transfer Fee ~~\$50.00~~ **\$65.00**
(If not filed with the Registry within 12 months of the foaling date)

Back Transfers ~~\$50.00~~ **\$65.00**
(Transfer of ownership previously not recorded)

The transfer of ownership fee has not been increased since 1997; however the costs related to processing transfers have increased.

Certificate Correction and Replacement Fees for five or more certificates at one time for marital or other name changes of individual owners ***\$15.00 per certificate***

The intent of this change is to encourage owners to update more registration certificates when their legal name has changed.

Lien/Security Interest Investigative Fee ***\$150.00***
This fee is to help cover the cost of time spent by ASR legal counsel investigating some liens and security interests. It was suggested that we add a Q&A section on our website regarding liens.

Adding pedigree of mare or stallion registered with an approved foreign registry to database ***\$75.00***

This fee is to cover staff time spent entering a full pedigree for an American Saddlebred into our database.

<i>Embryo/Oocyte Transplant Certificate</i>	<i>\$50.00</i>
<i>Staff Research</i>	<i>\$75.00 per hour</i>
Researching the possible identity of a horse (includes search for horses fitting criteria provided by owner, including color, markings, sex, approximate age, and last known location of the horse or of the state in which the horse was sold. Registry makes no warranty horse will be identified.)	\$100.00
<i>Registration Processing Fee to be retained by ASR when an application for registration is cancelled</i>	<i>\$25.00</i>
<i>DNA Processing Fee to be retained by ASR when a DNA kit is cancelled and a sample has not been submitted to the lab</i>	<i>\$15.00</i>
Change of Registered Name	\$200.00 <i>\$250.00</i>

After consideration, Mr. Curran made a motion to approve the above rule change proposals as presented, Ms. Kline seconded and the motion was passed with all in favor. These changes will be effective April 1, 2013.

Ms. Duncan explained that we would like to offer a \$65 registration fee for a six month period from March 1 to August 31 for horses six months and over whose sire and/or dam is registered with an approved foreign registry. For foals under 6 months, the \$45 registration fee would still apply. We have had renewed interest from horse owners and breeders in Australia and several of them have asked if we would consider a limited time lower registration fee. Many of these horses are older and would normally be subject to the \$200 or \$300 registration fee. The Australian Registry has agreed to share DNA results with us provided the horse owner signs a release form. All other fees would apply such as DNA testing fees, the fee to add foreign DNA results to the database, adding foreign pedigrees to the database, unregistered foal transfer fees, etc. The Registry Committee has been consulted by email regarding this request and is in favor of granting the \$65 registration fee.

Mr. Schilling made a motion to approve this recommendation, Ms. Sideman seconded and the motion was passed with all in favor.

VI. Financials

a. Treasurer's Report

b. Registry Financial Statements as of December 31, 2012

Mr. Herbert explained the Statement of Financial Position for the period ending December 31, 2012. He reported that some cash was moved to an

investment account and that the process of designating fees has been changed so that fees are being assigned to their relevant accounts as they are received.

c. 2013 Budget

Ms. Hall reported that the draft copy of the proposed 2013 budget includes the registry fee changes just approved. She worked closely with Ms. Duncan to try to balance the budget. The key items are a reduced audit fee, DNA income is in direct relation to DNA expenses, an increase in salary fees due to the management agreement with the Association and the cost of the database project.

Mr. Schilling made a motion to accept the proposed 2013 budget, Mr. Curran seconded and the motion was passed with all in favor.

d. ASR Investment Policy

Mr. Herbert explained that the ASR Investment Policy mirrors the ASHA Investment Policy as instructed. Ms. Lilly made a motion to adopt the ASR Investment Policy as presented, Ms. Kline seconded and the motion was approved with all in favor.

e. Other

Mr. Herbert reported that the Technology Fundraising Committee has agreed that any funds raised would be split 50/50 between the Registry and the Association to cover the database project.

VII. President's Report

a. Mare Harmony

Mr. Matton reported on a concept to help promote leasing of mares by providing a venue for owners to advertise those mares on our website. A proposed annual fee of \$25 would be charged for each mare being enrolled in the program which would be called Mare Harmony. If someone agrees to lease the mare, then a lease agreement form along with a \$25 lease fee would also need to be submitted to the Registry. Mare owners could also submit photos and/or videos of the mares online.

After discussion, Mr. Schilling made a motion to approve the Mare Harmony Program with a \$25 per mare annual enrollment fee and a \$5 fee for adding photos and a \$5 fee for adding video, Ms. Siderman seconded and the motion was passed with all in favor.

VIII. Registrar's Report

a. Registry Statistics

Ms. Duncan reported on the Registry Statistics for 2012 and the percentage variance against 2011. She also referred to reports which

include the numbers of registrations and transfers received and the numbers processed broken down by month.

b. Fundraising

Ms. Duncan reported that we now have seventeen horses honored in the Faithful Friends Program. Fees received for Faithful Friends will be used for the database project.

c. Update on conclusion of the Grand National Program

Ms. Duncan reported that the Technology Fundraising Committee members are contacting individuals who are due to receive Grand National Program payouts and are asking them to donate part or all of their payouts to the database project. Payout checks will be mailed on March 8th.

IX. Kentucky & National Futurities Committee Recommendations

Mr. Crabtree explained some recommendations from the Kentucky & National Futurities Committee as follows:

Declarations of Intent to Show for ASR Futurity classes held at the Kentucky State Fair

Effective immediately, failure to declare and pay the starting fee by the designated deadline will result in an added \$500 penalty which must be paid before the last day of the competition.

After discussion, Ms. Lilly made a motion to approve this recommendation, Dr. McNeese seconded and the motion was passed with Mr. Schilling abstaining.

ASR Kentucky, Kentucky Amateur and National Three-Year-Old Futurities

Payment(s) not made by the designated deadline will be allowed a 30-day penalty grace period. All subsequent payments must be paid in advance with an additional \$100 penalty. Due to the Kentucky State Fair entry closing date, foals will not be allowed to show in their weanling year if payments are made within the 30-day penalty period. The sire and dam must have been nominated by April 15 of the year in which the foal is born.

After discussion, Mr. Schilling made a motion to approve the above recommendation, Mr. Herbert seconded and the motion was passed with all in favor.

Weanling Eligibility

The foal must be registered (or application for registration ~~received in the ASR office~~ *postmarked*) by December 31 of the foaling year.

After discussion Ms. Kline made a motion to approve this recommendation, Mr. Curran seconded and the motion was passed with all in favor.

National Three-Year-Old Futurities

Any three-year old not nominated to the National Three-Year-Old Futurity in the foaling year, will be allowed to be nominated for a one-time payment of \$5,000. This payment must be received or postmarked on or before January 31 of the horse's three-year-old year (there will be no grace period).

After discussion, the Board asked that this proposal be sent back to the Kentucky & National Futurities Committee with a request to add the following language: *If the sire and/or dam were not originally nominated, an additional fee of \$100 for the sire nomination and \$25 for the dam nomination must also be paid by the above-mentioned deadline.*

X. Other Business

Mr. Herbert explained a concept to help promote breeding. We could ask stallion owners to donate a stud fee to a first time breeder and would ask that the registry waive the registration fee for the foal resulting from that breeding. Other fees such as DNA kit fees and member or non-member fees would still apply. All agreed that this was a good idea and that we should pursue it. We could issue a press release asking stallion owners to participate.

Ms. Werner suggested asking Louise Gilliland to go back and put old photos on Saddlebred Moments.

XI. Adjournment

There being no other business before the Board, the meeting was duly adjourned at 5:30 p.m.

Submitted by:

Katriona Adams, staff