

AMERICAN SADDLEBRED HORSE ASSOCIATION, INC. AMERICAN SADDLEBRED REGISTRY

Joint Board of Directors Meeting

Kentucky Horse Park
Hospitality Tower, Sheila C. Johnson Outdoor Stadium
Lexington, Kentucky

Monday and Tuesday, October 5-6, 2009
10:00 a.m. Eastern Time

MINUTES

[DRAFT of October 29, 2009]

[As APPROVED/CORRECTED November 2, 2009: Association]

[As APPROVED Electronically January 2010: Registry]

(Association)

Members Present: President Judy Werner, Vice President Vicki Gillenwater, Vice President Barbara Molland, Secretary Paul Treiber, Treasurer Jim Ruwoldt; Directors Betsy Boone, Nelson Green, Charles Herbert, Carl Holden, Germaine Johnson, Scott Matton, Dr. Margaret McNeese, Mary Ann Pardieck, Dr. Alan Raun, Jimmy Robertson, William Whitley. (Mary Anne Cronan attended as a member of the Executive Committee.)

(Association)

Members Absent: Directors Louise Gilliland, Art Zubrod.

(Registry)

Members Present: President Barbara Molland, Vice President Lisa Duncan, Secretary Margaret McNeese, Treasurer Jimmy Robertson; Directors Mary Anne Cronan, Charles Herbert, Brian Reimer, Bob Ruxer, Judy Werner.

(Registry)

Members Absent: Directors Louise Gilliland, Art Zubrod.

Others Present:

Former Officers and Directors David Howard, Sandra Lilly, Misdee Wrigley Miller, Fred Sarver.
UPHA Vice President Bret Day, American Saddlebred Museum President Laurel Nelson.
Jeff Streepey and Ed Stopher, Boehl Stopher Graves.

Executive Secretary/Registrar Alan Balch.
William Bennett, CPA, Independent Auditor.
Controller Joan Jones, Registry Associate Katriona Adams.

I. The meeting was called to order by President Werner at 10:00 a.m. Mr. Balch called the roll and noted that quorums of both the Association and Registry boards were in attendance. Ms. Werner and Mr. Balch called the attention of directors to the formally adopted Guidelines for conduct of directors, and emphasized the importance of the ability of directors to deliberate among themselves only, especially where sensitive subjects were involved and litigation was threatened. A brief discussion of the importance of confidentiality in board deliberations ensued.

II. Introduction of Guests

Guests (above) were introduced.

Mr. Day and Ms. Nelson did not attend until the Tuesday session, nor did Ms. Adams.

Messrs. Stopher, Bennett, Howard and Sarver, and Mmes. Jones, Lilly and Miller, attended only the Monday session.

III. Consideration of Minutes

The minutes of the Joint Meeting of Association and Registry on July 6, 2009, in Lexington, were considered. *On behalf of all directors, Mr. Ruwoldt moved the approval of the minutes, and Ms. Cronan seconded the motion.* Mr. Matton suggested that the discussion of the Saddlebred Record program receive an addition to the effect that the proposal for change was to have one point system for all horses, and Mr. Balch agreed. Following discussion, *the motion was renewed to approve the minutes as amended, and it carried without objection or abstention by all directors in attendance of both the Association and Registry.*

Mr. Balch described the meeting of the Executive Committee held on September 18 by teleconference, and Mr. Streepey supplemented his description. Written draft minutes were provided on Tuesday morning, October 6, and *upon motion duly made and seconded, with members of the Association Executive Committee only voting, the minutes of the September 18 meeting were approved unanimously.*

IV. Consideration of “Concerned Members” Correspondence/Invitation/Visit

Ms. Werner and Mr. Streepey led a lengthy discussion of the evolution of contacts from Stephen Houston beginning in March, continuing through correspondence

received since April from a group of “concerned Senior Members,” additional correspondence from Houston, and repeated threats of litigation against the Association. The Association’s policies for document disclosure formulated in July and since then were reviewed, as were state and federal law on the subject. Former directors contributed their understanding of the background of similar issues dating back to 2004 and earlier, when some of the members named in the correspondence were directors.

Mr. Streepey reviewed the recent exchange of electronic correspondence leading to an anticipated visit by nearly 20 interested members at 1:30 in the afternoon. The directors considered several matters of guidance for Ms. Werner, who was asked to chair the informal meeting with these members.

Upon motion of Ms. Gillenwater, seconded by Mr. Treiber, and carried unanimously, it was decided that should Mr. Balch be asked to leave the room during the afternoon discussion, the board would decline.

Upon motion of Dr. Raun, seconded by Ms. Gillenwater, and carried unanimously, it was decided that upon advice of counsel, no emails among officers and directors would be disclosed if requested, and that Ms. Werner should make clear that no recordings of the meeting were to be permitted.

Upon motion of Ms. Pardieck, seconded by Mr. Robertson, the board recessed its formal meeting for lunch and the informal meeting with invited members.

[RECESS]

After a brief meeting with nine (9) Senior Members of ASHA plus their counsel, Stephen Houston, the board formally reconvened at approximately 2:15 following the departure of these guests and certain others, to discuss the matter and a threat of litigation which had been enunciated by Mr. Houston.

Following a lengthy further discussion, *Mr. Treiber moved to file an Action for Declaratory Judgment in Fayette County, Mr. Robertson seconded, and after additional consideration, including advice of legal counsel present, the motion was carried unanimously by all Association directors present.*

Mr. Balch was directed to begin drafting a statement to be published for all members, to be considered and specifically approved Tuesday, following time for all directors to consider the entire matter fully overnight.

[TUESDAY MORNING]

The directors of the Association and Registry reconvened at 9 a.m., Tuesday, October 6, at the same location. No guests were present at the opening of the meeting except legal counsel (Mr. Streepey) and the Executive Secretary.

Ms. Werner led a discussion on the serious nature of the action taken at the end of the Monday meeting. Mr. Streepey described the preparation of the formal legal documents, and certain decisions the board needed to advise counsel on. Following thorough discussion, no dissent was expressed and the previous day's formal motion was affirmed. Mr. Balch thereupon distributed the draft statement, and lengthy additional discussion took place, line by line. [Following the luncheon recess, Mr. Balch distributed a further draft, and additional changes were adopted, prior to the release of the attached statement publicly, which was approved by all directors in attendance.]

V. Presentation/Consideration of “Judging Initiative”

At 10 a.m. Tuesday morning, October 6, the regular meeting reconvened, and guests Laurel Nelson and Bret Day arrived and were introduced.

Following a report from Ms. Nelson on American Saddlebred Museum activities including preparations for the 2010 World Equestrian Games and a successful fund-raising event at Kentucky State Fair, Director Holden and she distributed and described a formal presentation on judging, entitled, “Blue Ribbon Committee Proposal.”

A lengthy discussion followed with most directors and guests participating, sharing experiences, concerns, and ideas about improving judging and officiating in general, including how the current processes work within United States Equestrian Federation. Mr. Holden and Ms. Nelson reported on a productive meeting with staff at the Federation.

Ms. Johnson moved that a “Blue Ribbon Committee” be formed as a subcommittee of the Joint Association/Registry Standards and Rules Committee, Dr. Raun seconded, and the motion carried unanimously. Ms. Werner noted during the discussion and following the vote that cooperation between ASHA and UPHA was essential for progress, and that she would be pleased to work with both Ms. Nelson and UPHA president James Nichols on this project.

VI. Treasurer’s Reports

Mr. Ruwoldt, with assistance from Mr. Robertson and Mr. Balch, reviewed the financial performance of the Association and Registry in detail. He noted that the Finance Committee had met almost on a monthly basis this year, and was pleased that Mr. Ruxer had joined the committee once again. It is a joint committee of the Association and Registry. He pointed out that while we are performing unfavorably to 2008 through the same period, that was anticipated because of general economic conditions, and that we are performing favorably to budget and more favorably to budget each month so far. He noted that revenues from the Internet video streaming web casts had continued to grow, which was

an important source of cash flow. While we had significant (and budgeted) decreases in revenues from registrations and transfers in the Registry, the Association's revenues increased due to improved revenues from the fundraising auction activities, which partially offset declines in membership. He complimented staff for managing expenses favorably to budget. The markets have continued to improve somewhat from their low point, so that makes the investment picture better.

The investment policy historically in place for revenues generated from Futurity and prize programs was discussed at length. *A consensus emerged that that the Finance Committee thoroughly review past practices and return to the board with a formal recommendation or proposal.*

Mr. Balch reported on current insurance coverage for the Association and Registry as to Directors and Officers Liability and Errors and Omissions. Several directors suggested that we get quotes on alternative limits and coverage.

Ms. Cronan moved that a final decision on this insurance coverage be delegated to the presidents of the Association and Registry, following advice from Mr. Streepey, Ms. Pardieck seconded the motion, and it carried unanimously.

VII. Association Nominating Committee

a. Schedule of Future Meetings

Dr. McNeese, chair of the Nominating Committee, reported that the committee is planning a series of meetings between now and the end of October to finalize its work. She noted that because the present meeting was re-scheduled at a late date for early this month, the additional time was needed.

b. Establishment of Date for Association Annual Meeting

i. Convention

Mr. Balch noted that the convention is scheduled to be held February 18-20, 2010, at the Marriott Griffin Gate Hotel and Resort in Lexington. A Federation Judging Clinic is to be held Wednesday, February 17.

ii. Deadline for Receipt of Marked Ballots

Mr. Balch reported that the comparable date with previous years for the receipt of marked ballots to elect new directors would be Friday, February 5, 2010, and that date would enable ballot counting should the Nominating Committee decide on a contested slate of candidates. *Ms. Molland moved that the date of February 5, 2010, be adopted, Dr. McNeese seconded, and the motion carried unanimously.*

VIII. United States Equestrian Federation

a. Consider Policy/Election of Affiliate Representation Director

Mr. Balch referred to correspondence with the Federation as to its representation of that Board of Directors. Ms. Cronan excused herself from the meeting, as the current director of the Federation representing the Association. Mr. Balch noted that Ms. Cronan was eligible to serve one additional term, and that the Federation requested the Association put forward a nominee and an alternate. *Mr. Robertson moved that Ms. Cronan be nominated for another term as ASHA representative, Mr. Ruwoldt seconded, and the motion carried unanimously. A motion was duly made, seconded, and carried that Ms. Gillenwater be named the alternate.*

b. Youth Sportsman's Award

Discussion of this award was deferred until the next meeting.

[LUNCHEON RECESS]

When the meeting reconvened following the luncheon recess, at 1:05 p.m., guests were excused to enable the directors to confer privately.

Mr. Streepey provided an update on the preparation of legal papers, and indicated the filing would be made soon according to the Association board's instructions. Mr. Balch stated the board should consider the public statement to be released very carefully, as it was now nearing a final draft. It was reviewed again line-by-line, a few final suggestions for improvement were made, and Mr. Balch was directed to release it by email to publications and members at the close of the meeting. *Mr. Robertson moved to send the statement by email, regular mail, and any other method as soon as possible, the motion was duly seconded, and carried without objection or abstention.*

IX. American Saddlebred Registry

a. Registrar's Report

Mr. Balch advised on continual progress in the Registry's management, including finalizing transitions to the UC Davis laboratory, prize programs, and converting the Saddlebred Record program to the new format per the board's newly adopted policy on Pleasure.

b. Equitation Horses

Mr. Matton reiterated the importance of adding equitation mounts to the Saddlebred Record program, and noted the difficulties in tracking them, which may involve rule changes at the Federation level, as well as in the Registry's tracking. He noted that the Federation and UPHA equitation committees are meeting at the American Royal and he will take these matters up with them.

c. Parentage Confirmation Pending

Ms. Duncan reported on significant progress made in difficult cases of longstanding, working with Registry staff. Dr. Raun suggested that an appropriate place on the Application for Registration is needed for recording a microchip number, if any.

d. Registry Committee Pending

Mr. Balch itemized a lengthy list of items pending review and possible action by the Registry Committee, which need attention.

e. Other

The method of selecting finalists from elimination sections in the Futurity program at the Kentucky State Fair was discussed at length, particularly as to the method in which judges confer, when they confer, how balanced their selections for the Finals can be, and whether it's feasible for judges to be required to mark cards independently in elimination sections, and then confer following the last elimination. It was emphasized that any elimination section must be conducted fully as to gaits required in each direction. Staff suggested that these ideas must be shared with Kentucky State Fair, and a proposal developed formally for consideration by the Futurity Committee to be further reviewed for final action by the Registry board, before being forwarded to the Kentucky State Fair.

Mr. Balch reported on the need to clarify the rules for removing names from formal Signature Authority forms on file with the Registry. Mr. Streepey will review the matter with staff.

Staff suggested the Standards and Rules Committee be tasked with addressing the current rule regarding showing a horse with a new owner, even though a Transfer is not complete. Federation rules presently require "steps to have been taken" to accomplish the transfer.

X. Grant Proposals

a. U.S. Saddle Seat Equitation World Cup

The importance and worthwhile nature of this event, particularly in 2010, and its proposal, were discussed. Action was deferred until additional information can be obtained about budgets and other sponsors, as well as determining the Association's financial capacity for such support in the current economic environment, and with other proposals pending.

b. Equine Welfare Committee

Mr. Balch noted these requests are different from many others, in that dedicated, reserved funds are available, although limited in size. Following discussion, the board reiterated that only existing bona fide public charities with demonstrated status from the Internal Revenue Service, including determination letters, can be considered for grants.

c. St. Louis Charity: Dressage

Ms. Werner recused herself from considering this matter, owing to her longstanding official position with the event. Mr. Balch noted that a grant of \$1,000 had been approved for 2008, and it would be in order again, given St. Louis' charity status as a 501 (c) (3) organization. *Upon motion duly made and seconded, a \$1,000 grant was approved unanimously.*

XI. Kentucky State Fair Report

Ms. Johnson reported that we had over 350 items in this year's auction, which returned to a renovated Crowne Plaza (Executive West) Hotel. Youth Clubs donated baskets, and the United States Equestrian Federation sent representatives and provided an important sponsorship. Youth was more involved this year with a scavenger hunt added, which enable them to meet famous horsemen and be more involved with the horse show than in the past, as well. She noted that we needed to consider other types of fundraisers in the future, as the fundraising climate and competition is always changing.

Mr. Balch noted the availability of new data from the competition/results database, not just for the Kentucky State Fair but all competitions, largely enabled from Kentucky State Fair qualifying for Park and Pleasure events. The objective data needs to be provided to the directors, interpreted, and decisions made on the basis of that objective rather than anecdotal data about the way the breed is developing for purposes of competition. In the months ahead, he said, this will be more available than ever before, but time doesn't permit a demonstration of it today.

XII. Annual Awards/Schedule

The Executive Secretary briefly touched on the schedule for the nomination and selection of the ASHA's annual awards, and encouraged directors to submit award nominations by the end of October.

XIII. World Equestrian Games (WEG) Planning

Mr. Robertson, as committee chair for this effort, reported that the Planning Committee for the Games' Saddlebred representation had met with Kathy Hopkins, who is chair of the Equine Village for WEG. Daily breed exhibitions will be held at the Village, and we have an opportunity to showcase the breed. The committee is addressing details of the demonstrations/exhibitions. The committee is also addressing the issue of having and staffing a booth in the Village, for which ASHA submitted a \$2,500 deposit fee when the opportunity was first disclosed three years ago.

A discussion ensued about combining efforts with other compatible breeds and organizations, including the Museum, UPHA, and the Hackney Horse Society. Total cost for the booth in the Equine Village is now at \$10,000.

Mr. Robertson also announced that Saddlebred involvement in opening and closing ceremonies is a possibility.

XIV. Regional Championships/Planning/2010 Competitions

This matter was deferred until the next meeting of the Association directors.

XV. Executive Secretary's Report

Mr. Balch gave an abbreviated report due to the length of the meeting. He noted that the statistical materials were in the board materials, provided in advance.

He asked Ms. Molland to describe the progress with the Charter Club Council, and she advised that despite a late organizational start this year, a schedule is now in place for meetings and progress and she believes that many accomplishments will be reported by the convention.

XVI. Other Business

Ms. Boone suggested the possibility of having a Riding Instructors' Certification program or testing at the convention or on the day before. She offered to assist with the convention, and Mr. Balch indicated he and Ms. Boone would be in touch to coordinate the activities.

Mr. Matton raised the difficulty and even hardship encountered by horsemen and owners with the current qualifying schedule for the Kentucky State Fair ending before July 1 each year, when the competition doesn't begin until late August. Mr. Balch and Mr. Herbert responded as to the evolution of and reasons for the existing situation, and also indicated ways that the qualifying period might be adjusted or extended, were technological advances made. All agreed a meeting was in order with Mr. Sarver on this subject, and other major competition managements, to see if progress could be made.

XVII. Adjournment

Due to the lateness of the hour, and with no further business to come before the board(s), Mr. Herbert moved to adjourn, Ms Pardieck seconded the motion which carried unanimously, and the meeting was adjourned at 4:30 p.m.

Submitted by: _____

Alan F. Balch
Executive Secretary