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October 15, 2007

Via Email

Dr. Fritz Moeller
P. O. Box 747
Socorro, New Mexico 87801

Re: **Arbitration**
The Texas Longhorn Breeders Association of America and
Texas Longhorn Breeders of America Foundation, Claimants
v. Don L. King and M. SuzAnn Spindor, Respondents

Dear Dr. Moeller:

I am writing as a follow up to our phone conference Saturday morning and the email I sent you with the Final Award. I went through the Final Award and determined which parties were responsible for which amounts, calculated the interest that had accrued on the amounts, and computed the total of the Award through today's date, October 15, 2007. I included another copy of the Final Award for easy reference.

Each of the amounts shown below were awarded to both The Texas Longhorn Breeders Association of America and the Texas Longhorn Breeders of America Foundation. The responsible party, amount and accrued interest/per day interest are as follows:

	<u>Responsible Party</u>	<u>Amount</u>	<u>Interest through October 15, 2007</u>
1.	King	\$34,754.00 Damages	\$1,210.44 (\$7.86 per day thereafter)
2.	Spindor	\$8,680.00 Damages	\$301.84 (\$1.96 per day thereafter)

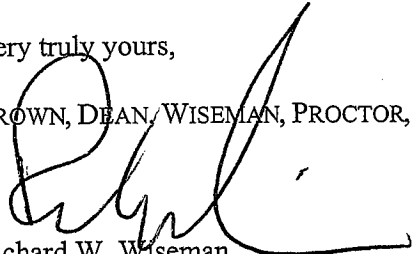
3.	King & Spindor Jointly	\$40,349.00 Damages	\$1,404.48 (\$9.12 per day thereafter)
4.	King & Spindor Jointly	\$64,116.00 Attorneys' Fees	(\$14.49 per day beginning November 12, 2007)
5.	King & Spindor Jointly	\$40,000.00 Expert Fees	(\$9.04 per day beginning November 12, 2007)
	TOTAL AWARD	\$ 187,899.00	TOTAL INTEREST \$2,916.70
	(Total Interest)	\$ <u>2,916.76</u>	
	TOTAL AWARD THROUGH OCTOBER 15, 2007	\$ 190,815.76	

The Award also provides in paragraph 4(b) through (e) for \$35,000.00 additional attorneys' fees if the Final Award has to be enforced and appealed successfully through various courts, with interest at 8.25% accruing 30 days after the successful enforcement/appeal date. The Award also denies all the counterclaims of King and Spindor in paragraph 13 on page 6.

Please call if you have any questions about this letter. Once again, congratulations to the TLBAA on this Final Award.

Very truly yours,

BROWN, DEAN, WISEMAN, PROCTOR, HART & HOWELL, L.L.P.


Richard W. Wiseman

RWW/sgm

Enclosure

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Dr. Fritz Moeller
October 15, 2007
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cc: **Via Email brenda@tlbaa.org**
Ms. Brenda Cantrell
Texas Longhorn Breeders Association of America
2315 North Main Street, Ste. 402
Fort Worth, Texas 76106
(w/enclosure)

cc: **Via Email**
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12221 Merit Drive, Suite 1400
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(w/enclosure)

IN THE ARBITRATION PROCEEDING OF

THE TEXAS LONGHORN BREEDERS ASSOCIATION OF AMERICA
and
TEXAS LONGHORN BREEDERS OF AMERICA FOUNDATION

Claimants

v.

DON L. KING and M. SUZANN SPINDOR

Respondents

FINAL AWARD

By Agreement for Arbitration dated May 2, 2007, the parties agreed to an arbitration of their disputes before this arbitrator. The Preliminary Hearing Order #1 dated June 1, 2007, stated that the final hearing would begin on August 17, 2007, and the parties estimated that the case would require one (1) day of hearing time, inclusive of arguments. The parties agreed to a reasoned award and not a standard award nor a more particular form of an award which required findings of fact and conclusions of law.

The final hearing began on August 17, 2007 and then continued on August 28, 2007, and September 1, 2007.

At the final hearing, The Texas Longhorn Breeders Association of America and Texas Longhorn Breeder of America Foundation ("Claimants") appeared by party representative and by attorney Richard W. Wiseman.

Respondent Don L. King appeared in person and by attorney Mark G. Daniel.

Respondent M. SuzAnn Spindor appeared in person and by attorney Stephen C. Maxwell.

Over the 3 days of final hearing, there appeared by sworn testimony, in person or by deposition, over a dozen witnesses. The arbitration was declared closed on September 17, 2007, which was the final briefing deadline.

After due consideration of the testimony, pleadings, briefs, arguments, exhibits, and the credibility of the witnesses who testified, the following is the award in this proceeding.

It is ordered that:

1. Don L. King shall pay to The Texas Longhorn Breeders Association of America and Texas Longhorn Breeders of America Foundation the sum of \$34,754.00, with interest thereon at the rate of 8.25% per year, beginning April 15, 2007 until paid.¹

2. M. SuzAnn Spindor shall pay to The Texas Longhorn Breeders Association of America and Texas Longhorn Breeders of America Foundation the sum of \$8,680.00, with interest thereon at the rate of 8.25% per year, beginning April 15, 2007 until paid.²

3. Additionally, Don L. King and M. SuzAnn Spindor are jointly and severally liable to pay and shall pay The Texas Longhorn Breeders Association of America and Texas

¹ For all matters related to claims and defenses pertaining solely to Don L. King.

² For all matters related to claims and defenses pertaining solely to M. SuzAnn Spindor.

Longhorn Breeders of America Foundation the sum of \$40,349.00, with interest thereon at the rate of 8.25% per year, beginning April 15, 2007 until paid.³

4. Additionally, Don L. King and M. SuzAnn Spindor are jointly and severally liable to pay and shall pay The Texas Longhorn Breeders Association of America and Texas Longhorn Breeders of America Foundation:

a) The sum of \$64,116 as attorneys fees and expenses of Claimants related to this arbitration phase of the proceeding, with interest thereon at the rate of 8.25% per year, beginning 30 days after the date of this Award until paid.

b) If this Award must be filed in the district court to enforce confirmation and collection of the Award, then an additional \$5,000 is awarded for a successful confirmation of the Award to Claimants.

c) If the district court's confirmation of the Award is appealed to the Court of Appeals, then an additional \$17,500 is awarded for a successful affirmation of the Award to Claimants.

d) If Claimants must respond to a Petition for Review filed in the Texas Supreme Court, then an additional \$5,000 is awarded for a successful affirmation of the Award to Claimants.

e) If the Texas Supreme Court grants a petition for review of the Award, and

³ For all matters related to claims and defenses pertaining to Don L. King and M. SuzAnn Spindor as partners.

Claimants are successful in upholding the Award before the Texas Supreme Court then an additional \$7,500 is awarded to Claimants.

f) The conditional grants in paragraph 4(b)-(c) shall bear interest thereon at the applicable legal rate, beginning 30 days after the condition has occurred.

5. Additionally, Don L. King and M. SuzAnn Spindor are jointly and severally liable to pay and shall pay The Texas Longhorn Breeders Association of America and Texas Longhorn Breeders of America Foundation the sum of \$40,000 as damages related to Claimants' expert witness costs, with interest thereon at the rate of 8.25% per year, beginning 30 days after the date of this Award until paid.

The reasons for this Award are as follows:

1. The Texas Longhorn Breeders Association of America ("Association") was formed as a nonprofit corporation. The Texas Longhorn Breeders Association of America Foundation ("Foundation") was organized as a nonprofit corporation for the exclusive purpose of benefitting and supporting The Texas Longhorn Breeders Association of America.⁴

2. Both the Association and Foundation improved over time due to the efforts of Don L. King and M. SuzAnn Spindor.

3. Don L. King had a written employment agreement.

4. M. SuzAnn Spindor did not have a written employment agreement.

⁴ See Claimants' Original Petition p. 3.

5. Claimants have the right to rely on their employees to be truthful and loyal to the organization in their words and actions.

6. On the other hand, the Board of Directors of Claimants are responsible for the organization's decision making and policies. Furthermore, the Board of Directors of Claimants are responsible to see that their policies and procedures are being followed.

7. It is more likely than not that M. SuzAnn Spindor was authorized to receive commissions or that Claimants agreed to allow commissions related to advertising, sales, and sponsorships. However, there was conflicting evidence whether commissions were payable upon sales, receipts, or some other condition.

8. It is more likely than not that Claimants (or their membership) received some benefit related to the storage of materials or use of pastures for longhorns, from time to time, at Don L. King's ranch.

9. The record keeping and follow up about expenses and reimbursements was sloppy for the time periods at issue in this arbitration proceeding. Some record keeping about expenses and reimbursements by Respondents was not true. The record keeping generally did not comply with statements that reimbursements be supported by voucher indicating the amount and business purpose. However, Respondents did prove that some of the expenses and reimbursements at issue were reasonably related to business purposes.

10. Because of obligations to their members, Claimants would have had to investigate some of the issues in this proceeding, regardless of whether it made claims against Respondents.


11. Because of the actions of Respondents as employees of Claimants, Claimants found it reasonably necessary to investigate and bring this proceeding against Respondents.

12. For purposes of this hearing only, Claimants and Respondents made little distinction between the corporate status of The Texas Longhorn Breeders Association of America and Texas Longhorn Breeders of America Foundation. This Award does not change their corporate distinctions, but is consistent with the manner in which the parties referred to Claimants throughout this arbitration proceeding.

13. Any claims, counterclaims, defenses, and counter defenses not specifically granted in this Award are hereby denied.

14. This Award will be signed and sent to each attorney of record for the parties today.

SIGNED this 12th day of October, 2007.



Roland K. Johnson, Arbitrator

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