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BOARD MEETING
TLBAA
JUNE 6, 2008

1 DR. MOELLER: I would like to call to order
2 the board meeting of the Texas Longhorn Breeders
3 Association for June 6, 2008. Got a pretty aggressive
4 agenda here. We're going to try and get all our public
5 business done, and then we have a short executive
6 session where we are going to discuss some personnel
7 issues and salaries, et cetera, and so we will ask
8 everybody to leave then. We'll get all this done first
9 and leave that for the very last.

10 Secretary Scott Simmons, would you do a
11 roll call for us, please.

12 MR. SIMMONS: Dr. Hyder.

13 DR. HYDER: Here.

14 MR. SIMMONS: Kaso Kety.

15 MR. KETY: Here.

16 MR. SIMMONS: Debra Lesyk.

17 MS. LESYK: Here.

18 MR. SIMMONS: Scott Simmons here.

19 Carl Brantley.

20 DR. MOELLER: Carl, if you guys haven't
21 heard, had an unfortunate accident. He got attacked by
22 one of his cows and he's got a broken vertebra and a
23 couple of broken ribs and a lacerated thigh, and
24 unfortunately he couldn't be here because of that.
25 This happened, what, two or three days ago. That's an

1 MR. SITZMANN: Here.

2 Steve is -- there he is.

3 MR. SIMMONS: Rodney Lind.

4 MR. LIND: Here.

5 MR. SIMMONS: Dr. Bob Kropp.

6 DR. KROPP: Here.

7 MR. SIMMONS: Dr. Fritz Moeller.

8 DR. MOELLER: Here.

9 MR. SIMMONS: Bob Larson. Colonel Fraser
10 West.

11 (No response.)

12 DR. MOELLER: So all board members are
13 present with the exception of the two from out on the
14 West Coast and Carl. Is that correct?

15 Next item on the agenda is approval of the
16 minutes. First up approval is the minutes from the
17 January meeting. These are available on the Internet
18 and the hard copies are available in the office. I
19 presume all of us read every detail of them. But these
20 are the minutes from the January meeting, and if
21 somebody would like to make a motion to approve them.

22 DR. DAMERON: A motion to approve.

23 DR. MOELLER: Dr. Dameron moves. Second,
24 Mr. Johnson?

25 MR. JOHNSON: Second.

1 DR. MOELLER: Second over there.
2 All in favor signify by saying aye.
3 (Collective "aye")

4 DR. MOELLER: Anybody opposed?

5 The second set of minutes we need to
6 approve is from the Executive Committee meeting we had
7 down in Mississippi and those were mailed to you
8 earlier. Everybody receive those? I believe those
9 were also posted on the Trails. Is that correct,
10 Brenda? No?

11 Are there any additions or deletions to
12 these minutes?

13 MS. TAYLOR: Stacey Taylor. I did have a
14 question on the very last page. I do not remember
15 being provided any policy that discussed the TLBAA
16 membership list nor do I remember approving it. I
17 remember there being some discussion, but I do not
18 remember approving a policy.

19 Does anybody else remember that?

20 DR. MOELLER: Yeah. And correct me if I'm
21 wrong, but Brenda and Scott took notes on there. I
22 think Dennis just reviewed that policy. That policy
23 had been established and Dennis just reviewed that
24 policy because I guess he was questioned about it a few
25 times in recent history. So he just reviewed it. I

1 didn't think there was any need for motion or any
2 action on it.

3 Are there any other additions or deletions
4 to these minutes? Scott?

5 MR. SIMMONS: Yes, there are. On the third
6 page under -- it would be the third paragraph at the
7 end of that, we changed that. Do you want me to read
8 it, the changes on that?

9 DR. MOELLER: Did you change it or add?

10 MR. SIMMONS: We have added into it.

11 DR. DAMERON: No one's read it.

12 MR. SIMMONS: What we have added -- okay,
13 what we have added on there, like I said, it's the
14 third paragraph at the end of it, it says, "Dr. Moeller
15 suggested we table this until the June board meeting,"
16 and then it went into, "Charlie Buenger and Zech had a
17 conversation," and it reads now:

18 "Charlie Buenger asked Zech Dameron the
19 following: Zech Dameron, you stated that Bill Hudson
20 told you that for them, the alliance, to return to the
21 TLBAA, certain demands had to be met and they were.
22 Fire Brenda Cantrell; merge the Trails and the journal;
23 outlaw clones; the alliance will control all sales and
24 marketing; Fritz Moeller, Ty Wehring, Maurice Ladnier,
25 Charlie Buenger to be removed from the board. Is this

1 a true statement?

2 "Zech replies, Yes.

3 "Mr. Buenger asked Brenda Cantrell, Is it
4 true the past administration sent Bill Hudson advance
5 copies of the Trails before it was submitted to the
6 printer?

7 "Ms. Cantrell said, Yes."

8 DR. DAMERON: Did you write that, Scott?

9 MR. SIMMONS: What's that?

10 DR. DAMERON: Did you write that addition?

11 MR. SIMMONS: No.

12 DR. DAMERON: Who did?

13 MR. SIMMONS: This was off what Charlie had
14 written and had asked -- had written down, and I asked
15 him for a copy of that.

16 DR. DAMERON: I thought Charles Buenger
17 added that for you.

18 MR. SIMMONS: I'm sorry?

19 DR. DAMERON: I thought Mr. Buenger added
20 that for you, added this statement here.

21 MR. SIMMONS: He did send it to me after,
22 he told me with the amendment, after we had already
23 mailed it to everybody and asked me to add this to it,
24 and I told him to send me what he had written down.

25 DR. DAMERON: Well, I'd like to have a

1 little time to review that prior to now, if you would.
2 So I'd like to defer the approval of that until next
3 week.

4 DR. MOELLER: Yes, we can do that. There
5 was more -- there was more to this, I mean that full
6 conversation that went on down there between Brenda,
7 and Scott had written all that down and I didn't think
8 it was appropriate, frankly.

9 DR. DAMERON: I don't think we should have
10 any of that in there. That's the point.

11 MR. SIMMONS: What?

12 DR. DAMERON: I don't think we should have
13 that kind of stuff in there.

14 DR. MOELLER: Well, we didn't, but it
15 was --

16 DR. DAMERON: That's what we're doing.

17 DR. MOELLER: It was a conversation that
18 went on down there, so we literally -- I shouldn't say
19 "we." What I suggested that they do was condense that
20 to eliminate as much of the controversy as possible.

21 DR. DAMERON: Some of these things were a
22 little bit combative between Charlie and myself and I'd
23 appreciate not having it in the minutes.

24 DR. MOELLER: But they did take place.

25 DR. DAMERON: That's correct. But you

1 don't -- you don't quote everything else that went on
2 at that meeting.

3 MR. BUENGER: As far as I'm concerned, you
4 could. We're taking everything down right here right
5 now, word for word. And that's what happened. That's
6 the truth. That's what was said and the members need
7 to know it. And that's why I asked it be included in
8 the minutes.

9 MS. TAYLOR: There were a lot -- Stacey
10 Taylor. There were a lot of other things that were
11 said, as well, that are not included in that. I think
12 just for point of brevity, maybe we just hit the
13 highlights, that would probably be more productive.
14 It's been a long time.

15 MR. BUENGER: If you want to put everything
16 in there, that's fine with me. This is as brief as it
17 can be, but this is exactly what was stated.

18 DR. DAMERON: Well, if you are going to
19 quote that word for word, then you need to quote the
20 whole meeting word for word. And we're not doing that.

21 MR. BUENGER: If you want to do it, feel
22 free. I have no objection to it. But this happened
23 and the members need to know it.

24 DR. MOELLER: Let me interrupt here, and my
25 apologies for not saying this originally. Because we

1 have a court recorder, if we all remember - and I'll
2 forget, myself - but introduce yourself before you say
3 anything so that he is recording that, he knows who
4 said what.

5 So we have -- apparently we got a little
6 controversy going on relative to what should be
7 included in those minutes and what shouldn't. Is there
8 anybody want to do any further discussion? Jim?

9 MR. JOHNSON: Yes. If --

10 DR. MOELLER: Introduce yourself, please.

11 MR. JOHNSON: Jim Johnson.

12 If it was -- I wasn't there so I don't know
13 what went on, but if it was discussed, just like
14 anything else, these folks think there's anything else
15 needs to be put in the minutes or if they feel that
16 should be left out of the minutes because it's a
17 private conversation, it's now recorded right there in
18 the general board meeting, so why postpone it? Carry
19 on. It was said. Accept it.

20 DR. MOELLER: Any other comments?

21 MR. BUENGER: Just for point of order for
22 Jim. It wasn't a private conversation. This was in
23 the board meeting.

24 MR. JOHNSON: That's what I meant, but
25 Mr. Dameron here mentioned a couple of minutes earlier

1 that was more of a private conversation. And I don't
2 know because I wasn't there, but at some point it had
3 to have been brought up. So if it's there, it's there.
4 It's in these minutes now as a point of discussion.
5 Carry on.

6 DR. DAMERON: There are some things that
7 are not exactly like I remember it in this edition, so
8 I would like a chance to change some of it the way I
9 remember it as well.

10 MR. BUENGER: Well, we can change that real
11 quick.

12 DR. MOELLER: How would you like that
13 changed?

14 MR. BUENGER: Is it true --

15 DR. DAMERON: I don't have a copy of it.

16 DR. MOELLER: I'll just ask you the same
17 thing I did back then. Is it true that Bill Hudson
18 took you into a room at the Legacy Sale and made
19 demands to the TLBAA?

20 DR. DAMERON: He didn't take me into the
21 room. I asked him if he wanted us to get back together
22 and he said yes. I didn't take him anywhere. He
23 didn't take me anywhere.

24 MR. BUENGER: He didn't take you anywhere.
25 Did he say that his demands were fire Brenda Cantrell,

1 merge the Trails and the journal, outlaw clones, the
2 alliance will control all sales and marketing, Fritz,
3 Ty, and Maurice and myself will be removed from the
4 board.

5 DR. DAMERON: He said do something about
6 clones. He didn't say outlaw clones.

7 MR. BUENGER: Okay. Everything else is
8 true?

9 DR. DAMERON: No. I'll have to review it.
10 And I'll tell you, I'll be glad to submit a correction
11 to it in due time. You've got to give me time to read
12 it, just like you had time to write it.

13 MR. BUENGER: I wrote it when I asked you
14 that.

15 DR. DAMERON: You never gave it to me,
16 Charlie. First time I heard of it is right now.

17 MR. BUENGER: I asked you in Mississippi
18 and you said yes. Same notes.

19 MS. TAYLOR: I'd like to call a question.

20 DR. MOELLER: Well, there's been -- I don't
21 think we have a motion on the floor. Did anybody make
22 a motion to accept these minutes?

23 MR. BUENGER: I do.

24 DR. DAMERON: Without the changes.

25 MR. BUENGER: With the additions.

1 DR. MOELLER: Charlie, your motion is that
2 we accept the minutes with the additions.

3 MR. BUENGER: Yes, sir.

4 DR. MOELLER: Is there a second to that?

5 MR. LADNIER: I did.

6 DR. MOELLER: There is a second to it.

7 Would you identify yourself, please.

8 MR. LADNIER: Maurice Ladnier.

9 DR. MOELLER: Any further discussion on
10 this?

11 Mr Richey, identify yourself.

12 MR. RICHEY: Robert Richey. I was looking
13 through the rules of order there, the parliamentary
14 rules that we go by, and it states very clearly here
15 that minutes are the actions taken at a board meeting.
16 They are not the words that are spoken that transpire
17 as we do this. And so my point in the minutes that
18 were at the executive board meeting was that the court
19 reporter takes down everything we say, all our words,
20 but minutes according to this thing are the actions
21 taken.

22 And so my point last time we met was that
23 we can have that for the record, but for the minutes
24 for the Association it seems to me like the secretary
25 should distill down all the words that were spoken to

1 the actions that were done and those then become the
2 minutes. They're not changing. They're just
3 summarizing them or distilling them down to what actual
4 minutes are.

5 DR. MOELLER: Any other discussion? Any
6 other comments from any board member?

7 Let's take a vote. Let's vote by a show of
8 hands. All in favor of the motion, signify by raising
9 your right hand.

10 (Hands raised)

11 DR. MOELLER: Scott, can you count?

12 MR. SIMMONS: Those opposed, signify by
13 raising their right hand.

14 (Hands raised)

15 MR. SIMMONS: Twelve for and six opposed.

16 DR. MOELLER: Motion carries. So we have
17 approved the minutes of the last two times that we got
18 together as a whole board and as an Executive
19 Committee.

20 By the way, I'd like to thank those
21 other -- we have -- we actually had a quorum at that
22 Executive Committee meeting because we had a good
23 number of regular board members did attend that. And
24 that was -- I appreciated that. That was pretty
25 impressive.

1 DR. KROPP: Mr. Chairman?

2 DR. MOELLER: Yes, sir.

3 DR. KROPP: Bob Kropp. Just looking back
4 over the agenda items from the April 11th meeting in
5 Gulfport. And, Stacey, I don't know whether it was
6 discussed but it was on -- I mean, I can't find it in
7 my notes where we might have discussed it, but it was
8 item number 15 and it is -- and number 7 as far as the
9 policy?

10 MS. TAYLOR: Yes.

11 DR. KROPP: So I don't know whether -- I
12 don't --

13 MS. TAYLOR: Thank you, Bob.

14 DR. MOELLER: Thank you, Dr. Kropp.

15 Treasurer's report. There will be several
16 people helping Ty with this, or interfering with Ty
17 with this, probably is a better word.

18 We do have our -- a representative from the
19 CPA firm that did our audits and our tax returns.
20 She's here. She's in the red dress. So we have -- so
21 if any of the board members have specific questions
22 that maybe I'm not capable of answering, we've got the
23 authority right there and she can -- she can explain
24 any of those line items. You guys got your packets,
25 should have got them Monday that had some of those

1 things, and today we're handing out the audit report.

2 The tax returns were done on time. They
3 were filed on time. We didn't owe them any money, of
4 course. We did have an audit by the IRS and we came
5 sailing through. We haven't heard beans from them,
6 apparently because the -- we were told this by the
7 people that came in and did the audit, they were there
8 four days, Brenda?

9 MS. CANTRELL: One was there four days and
10 one was there for a morning.

11 DR. MOELLER: And basically what
12 precipitated that was the Don and SuzAnn thing. One of
13 the IRS agents in the Fort Worth/Dallas area read that
14 article way back when about when Don and SuzAnn and us
15 were going through all that stuff, and that
16 precipitated the audit. They were looking for stuff
17 relative to Don and SuzAnn, not us, but they had to
18 check our records. So let me allay all your fears on
19 that deal. We're clean as a whistle on that.

20 I'm sorry, Brenda. I guess you were
21 supposed to say that.

22 MS. CANTRELL: Oh, no. You did great.

23 DR. MOELLER: Okay, our financials. The
24 most recent financials were mailed to the board. Did
25 we have any questions regarding that? Steve?

1 MR. ZUNKER: Steven Zunker. I do have a
2 question and I know it's done in the accounting
3 procedures that the entire award of the lawsuit was put
4 into the balance sheet. My question is, should that
5 have been broken down between the Association and the
6 Foundation? Was there any -- I think in our award it
7 said that monies were awarded to the Association and
8 monies were awarded to the Foundation, but there were
9 not specific dollar amounts. Did we ever determine if
10 there was a specific dollar amount between the two?
11 We've put everything on the Association deal.

12 DR. MOELLER: Yes, correct.

13 MR. ZUNKER: And my question is, should
14 anything be on the Foundation or not?

15 DR. MOELLER: Well, the way I asked them to
16 do that, the 43,000 and some-odd dollars that we've
17 gotten so far on that, we wanted that applied to --
18 correct me, Charlie, if I'm wrong. We wanted that
19 initial money that was -- that was paid by Don and
20 SuzAnn and we put that to the attorneys' fees. So we
21 really don't have any monies assigned to the
22 Association or the Foundation as yet.

23 MR. ZUNKER: Right. But we booked the
24 entire award onto the Association financials.

25 DR. MOELLER: And you would prefer we do it

1 what?

2 MR. ZUNKER: I'm just asking would any of
3 that money, if we ever were to collect it, which I hope
4 we do, would any of that money belong to the
5 Foundation? Should it have been divided up?

6 DR. MOELLER: Ty?

7 MR. WEHRING: The only thing that I saw,
8 looking at all those checks, the credit card charges,
9 the bills paid out of, the only money that came out of
10 the Foundation was for the semen stored in Elgin
11 Breeding Service, there was a few thousand dollars.
12 But I don't know that it would be an accounting, for a
13 way to note all that, but that's the only thing that
14 showed up to me was semen when I was looking at it.

15 DR. MOELLER: Identify yourself.

16 MS. WARDOSKY: As far as how to split up
17 the award, I know it's on the Association's books right
18 now and it's kind of like what Ty said. I think the
19 theory is that since most of the money came out of the
20 Association originally, that when the money is returned
21 or when it does come back that it would be put in the
22 Association, and what little came out of the Foundation
23 could eventually be put there to reimburse the small
24 amount that did come out of the Foundation.

25 We can split it however you like to split

1 it. I think that was the reasoning there.

2 MR. ZUNKER: I just wanted to make sure
3 that if there was dollars that belonged to the
4 Foundation they got put to the Foundation. That was my
5 question.

6 MS. WARDOSKY: Yeah, there wasn't really --
7 since we didn't get down to that level in terms of
8 recovery and the vast majority of it did come out of
9 the Association, we just put the whole amount to the
10 Association. We sort of figured that the Foundation's
11 portion was immaterial and didn't book anything on the
12 Foundation. We can change that in the coming year if
13 you want to book it differently, but for consistency we
14 should probably leave it as it is right now, keep it
15 all on the Association's books.

16 MR. ZUNKER: Thank you for your answer.

17 MS. WARDOSKY: Sure.

18 DR. MOELLER: Did that answer your
19 question, Steve?

20 Kind of pertinent to what we're talking
21 about, Mr. Buenger has been kind enough to be our
22 intermediary with the District Attorney's Office, and I
23 know he's tired of me calling, saying, "Have you talked
24 to the district attorney? Have you talked to the
25 district attorney?" But he just told me just now he

1 did talk to him yesterday, so I'd like Charlie to kind
2 of tell us what that conversation was.

3 MR. BUENGER: My conversation with David
4 Lobingier - he's the ADA that's handling the case - it
5 hasn't changed much since I reported the same thing in
6 April to the board. Dave has the file on his desk.
7 He's behind. He apologized for that. But he told me
8 that very shortly that they expect to indict or have
9 guilty pleas entered. I said, "What do you mean by
10 very shortly?" And he said, "Within the next few
11 weeks."

12 So that's pretty much where it stands.

13 DR. MOELLER: I also asked Charlie and
14 Brenda to find us a collection attorney. So while all
15 this other stuff is going on, we just need to be
16 aggressive and go get anything we can to get our money
17 out of this. We have had a little trouble finding an
18 attorney that will take this and I'd like Charlie to
19 give us an update on the attorney, one attorney that we
20 did send the files to and he's looking at them, and I
21 don't know what the update is.

22 MR. BUENGER: I contacted several, I
23 contacted several lawyers to see if I could get one to
24 handle it. We wanted to try to get them to handle it
25 on a contingent case basis so we wouldn't have to spend

1 any more money. I found one in Fort Worth. I sent him
2 the files. He's looking at them to decide if he wants
3 to handle the case or not.

4 The DA's office as part of their plea
5 agreement will require restitution but their
6 restitution will not include attorneys' fees, it will
7 only include damages. So there's still more money out
8 there to try to get.

9 I had my office go ahead and execute and
10 abstract the judgment. We have a final judgment. And
11 in Texas, for it to be enforceable and to survive for
12 the next ten years, you have to abstract it. That's
13 filed of record at the deed records. So it basically
14 places a lien on everything. And execute it, which
15 means send the sheriff out to try to get something. At
16 this stage of the game, the sheriff just does what they
17 call a null bono return. They say we can't find
18 anything and send it back. It's paperwork, and all it
19 does is preserve the judgment for ten years.

20 At this point, what we hope to have is a
21 lawyer that will send out discovery, find assets and
22 collect them. And that's what we're trying to do.

23 There's one other thing I can't remember
24 that Lobingier told me, but it will come to me and I'll
25 tell you when I remember.

1 DR. MOELLER: Well, if you don't get upset
2 at me, I'll still continue to bug you about staying on
3 both those issues.

4 MR. BUENGER: I also was going to go ahead
5 and send out the first discovery. I was going to get
6 my office to go ahead and do it while we're waiting on
7 him to do something, just to speed it up.

8 DR. MOELLER: Thank you.

9 Anybody have any questions about that that
10 you care to ask at this point?

11 Seeing none, hearing none, let's go on to
12 the next item which is our 2008-2009 budget. And Ty of
13 course is our treasurer. With him as a member of that
14 committee in the past, we all know that some
15 individuals we named earlier got the budget together
16 and presented it to us. And last year, unfortunately,
17 it fell on the shoulders of Buck Adams. The poor guy
18 had to take that on by himself to do the budget. So I
19 felt it was more appropriate this year if we did a
20 committee and I asked -- or Ty asked Steve Zunker and
21 Mike Crawford to serve on that committee, and I would
22 like to tell you they worked their tails off because
23 they only had, like -- did you guys have 30 days?

24 MR. ZUNKER: No.

25 DR. MOELLER: I gave you some pretty stiff

1 deadlines. I said, "It's got to get done, it's got to
2 get out in the board hands at least a week before our
3 meeting." And I apologize for that. You guys should
4 have long before that.

5 But with that said, I'd like to turn this
6 over to Ty.

7 MR. WEHRING: Well, I probably would like
8 to thank Steven and Mike and this lady sitting right
9 over here. They had to answer the questions that
10 Steven and Mike and I had of Brenda.

11 And, Steven, present what you found.

12 MR. ZUNKER: I'd like to join with Ty in
13 thanking Brenda Cantrell, Allison Chipman and Shawnda
14 Taylor for their assistance, and also thanking Mike
15 Crawford. Additionally we did have help from Paul
16 Braswell and Lewis Crista.

17 All of you know that over this past year we
18 have had three different people sitting in Shaunda's
19 chair. There was a lot of stuff that had to be
20 reworked and Shawnda came on board in February and has
21 done an incredible job, I think, of trying to get
22 things straightened out so that we knew what entries
23 were. I think that there are probably still entries
24 from this year that are entries with no explanations
25 and that was done before her time. So we tried to take

1 from what we had and build into a budget that we
2 thought was realistic.

3 During this period of time, kind of when it
4 came about for us to start working on the budget, they
5 were still trying to finish up the audit that hopefully
6 we'll get going earlier in the year this time, and the
7 IRS auditors were at the office. So there was a lot of
8 stuff going on and that's part of the reason for us not
9 being able to get everything done as quick as we would
10 like. It did take days and hours, lengthy phone calls,
11 e-mails, stress. I think at some point they thought,
12 "What question can you ask me next?"

13 But we did work together. We wanted to
14 work on all of the procedures that have been in place
15 with our Association. We did not want to make policy.
16 So we were taking into consideration everything that
17 we've done in this past year, the events, how we have
18 run the office. Any changes will need to come from
19 this board as policy changes. We did not want to
20 change any of that.

21 We did go over the numbers we had and we
22 were working on the best estimates that we could. We
23 don't have a crystal ball for what will happen this
24 next year when we have a sale. We don't know how many
25 animals are going to be in that sale. We don't know

1 what the average sales price is going to be. And so
2 part of working on these budgets, we have consignment
3 fees and we have commissions, so we have done estimates
4 and hopefully we're close, but we tried to be -- using
5 the best numbers we had, looking at what we did have,
6 to work these up.

7 We don't know how many members are going to
8 renew or how many new members we're going to have. So
9 again, these are all estimates. And we know right now
10 the cost of everything continues to be going up, fuel
11 to everything that we deal with.

12 Our budget that is presented this year is
13 presented in a little bit different manner than last
14 year's budget. It is a reduced budget from last year,
15 although when you look at it at first glance you are
16 going to say, well, it's a higher dollar amount. In
17 last year's budget, the sale of cattle number was not
18 included in the recap and we have included that in the
19 recap, so that makes a huge difference in the amount of
20 revenues and the amount of expenses. Last year what
21 they basically took was what the commissions and
22 consignment fees were and they showed that as revenue,
23 but we are trying to run this Association that
24 everything is going through the bank accounts,
25 everything is going through the bookkeeping. So when

1 we collect money on the sale of an animal we want that
2 booked, and when we pay that money out to the consigner
3 we want it booked. We want the paper trail. So we did
4 include that number in this year's budget where those
5 numbers weren't last year, so that makes a big
6 difference if you try to look at bottom lines.

7 We didn't really do any fluff work to this
8 budget, so basically one of the things that I'd like to
9 say before we kind of get into the nuts and bolts of it
10 is if this board decides it wants to spend money on
11 things that we have not budgeted for, you've got to
12 find the money to come in in order for us to do that.
13 The way that it's set up, when we went through the
14 budget with Brenda being in control of things, we broke
15 her salary down: 50 percent of it went to Trails, 12
16 and a half percent to events, 12 and a half to sales,
17 and 25 percent to G and A.

18 If we turn around and we decide we want to
19 hire a business manager, the money is not in this
20 budget to hire that business manager, so we've got to
21 find revenue if we made those additional hires. So
22 please keep that in mind. That goes with anything this
23 board decides to spend extra money on.

24 Let's see. Covered that, that at the first
25 glance you're going to notice the difference but that

1 is because we did put that dollar number in there. If
2 you take -- if you were to take and back out the sale
3 of cattle numbers and leaving in what our revenue is on
4 commission and consignment fees based on last year's
5 budget, we probably would be close to \$400,000 less in
6 revenues based on last year's budget the way they did
7 it, but we'd also be about 253,000 less on the
8 expenses. And again, if you look at last year's budget
9 and you look at the way they were showing that we would
10 have an overage, that was not going to happen. Where
11 we show our net will be is probably realistic at this
12 point if we do everything that we've done.

13 Also included in our budget, Dr. Zech
14 Dameron and Lana Hightower successfully got us grant
15 money for scholarships. Even though we are going to
16 give all that money away, we put it into the budget
17 showing it coming in, but we showed it going out. We
18 just want a paper trail on everything. So again, you
19 are going to see that the number is larger but it's
20 because it includes those numbers.

21 And I guess if anyone had a chance to
22 review it, has any questions, any comments, any
23 concerns. You know, you may not like the way we did
24 it. If you look through the budget, we did breakdown
25 sheets. Originally we started talking about numbers,

1 and basically for your sales and events we kind of did
2 numbers and I kind of looked at Allison and Brenda
3 and -- not really looked at them. On the phone and
4 e-mailed them and said, "I want to know event-by-event
5 what we take in and what we spend. I don't want it
6 grouped into one number. I think we need to look at
7 each event."

8 When you do look at those, you have to
9 consider with sales and events that they pick up part
10 of the rent and part of some of the other fixed items
11 that had previously I think all gone to G and A, and so
12 it's divided into the departments. So some things you
13 will look at and say, well, they lose money, but if you
14 would back out what we put in for salaries and to rents
15 and things, they basically don't. And if we did away
16 with that department, we would still have the same
17 overheads and rents and other items. So those are
18 things that you will notice in there.

19 And I guess if there's any questions, one
20 of us will try and answer them.

21 DR. MOELLER: Are there any questions for
22 Steve?

23 Maurice? Identify yourself, please.

24 MR. LADNIER: Maurice Ladnier. Page 14.
25 Orders of the business. Section 2, budget. "There is

1 hereby created a budget committee consisting of the
2 president and CEO and the Executive Committee. The
3 budget committee before the expiration of the fiscal
4 year."

5 This created a hell of a problem last
6 August and we've done it again. Not one soul notified
7 me and Bob Kropp about the budget, and if y'all don't
8 want us to do it, change the by-laws or either include
9 us or you're going to have me raising Cain.

10 DR. MOELLER: And to be honest with you, if
11 we'd have had this budget prepared ahead of time,
12 technically what you should do is take that budget to
13 the Executive Committee and then thereby they become a
14 part of that committee, and the Executive Committee
15 presents it to the board of directors. Is that not
16 correct?

17 MR. LADNIER: Is that right?

18 DR. MOELLER: So in order to get us back in
19 line with your objection, perhaps we should have an
20 Executive Committee meeting, withdraw this proposal
21 right now from the board, present -- have an Executive
22 Committee meeting and present this to the Executive
23 Committee as a whole. Let them doctor it around,
24 fidget it or fine-tune it or do whatever they need to
25 do or feel like they need to do, and then come back and

1 present that to the board.

2 Problem is, and we've played with this
3 because we've had to, we won't be able to bring it back
4 to the board until the November meeting unless you guys
5 want to have a special board meeting in another week or
6 ten days or 30 days. So those -- you are correct. And
7 so I think we have a couple of choices. We can
8 overlook the exact letter of the law and see if our
9 board as a whole, because this is the end of our fiscal
10 year, work on approve or disapprove the budget today,
11 or we can withdraw the budget today and have an
12 Executive Committee meeting. And we can do that in the
13 morning.

14 MR. KETY: Kaso Kety. Can we come back
15 and, like you say, a week, ten days, two weeks or
16 whatever and not have an Executive Committee conference
17 call on the one issue of the budget and settle it that
18 way?

19 DR. MOELLER: Yeah, but it still has to
20 come before the board as a whole. The board as a whole
21 has to approve the budget.

22 MR. KETY: That's what I'm saying. We can
23 have a conference call.

24 DR. MOELLER: Oh. We can have a conference
25 call for that.

1 MR. KETY: To get the full board.

2 DR. MOELLER: That's possible, sure. Sure.

3 Does anybody have any objections to that?

4 Mr. Johnson?

5 MR. JOHNSON: You've got an executive
6 meeting this afternoon of the board, executive board,
7 don't you?

8 DR. MOELLER: No, we're going -- the whole
9 board is going into executive session. We do not have
10 an Executive Committee meeting scheduled.

11 Mr. Wehring?

12 MR. WEHRING: If you look at the budget
13 that we prepared, opened the budget overview, our net
14 revenue after we bring in 3 million, we spent
15 3 million, we've got 13 million -- I mean \$13,000 left
16 that is what I call made available, and conference
17 calls cost money. I mean, we're tighter than a fat
18 lady's sock right now as far as money goes. If we're
19 going to run this as a business, we've got to watch our
20 business. Personal vendettas I think have to be
21 overlooked a little bit and we've got to get this thing
22 down to business.

23 DR. MOELLER: And your point is?

24 MR. WEHRING: My point is that if we're
25 going to vote on it, the Executive Committee needs to

1 overlook this, we need to go into executive and have an
2 executive board meeting and come back here and do it.
3 It's not going to take two weeks to look this over. We
4 spent a hell of a lot of time doing this.

5 DR. DAMERON: Cost \$7,000 for a conference
6 call.

7 MR. WEHRING: Huh?

8 DR. DAMERON: Cost \$7,000 for a conference
9 call last time we had one.

10 MR. WEHRING: So \$13,000 on our budget is
11 what we are trying to run our business with and say
12 maybe we'll have 13,000 left over after \$3 million. I
13 won't run my business on 13,000 on 3 million sales. So
14 you've got to think about how we are spending our
15 money.

16 MS. TAYLOR: I have a conference call I can
17 set up an 800 number for. Stacey Taylor. I'm happy to
18 have my business overwrite the cost of the conference
19 call to follow the rules. Since I've sat on this
20 board, all we've talked about is that past
21 administrations have not followed the rules. And our
22 goal as a board is to follow the rules. I am happy to
23 pay for a conference call that I feel sure is not going
24 to cost \$7,000 so that we can do as Maurice has
25 suggested and follow the rules that have been outlined

1 for us.

2 DR. MOELLER: Dr. Kropp, would you like to
3 make any comments?

4 DR. KROPP: Fine.

5 DR. MOELLER: Kaso, you're the other member
6 of the Executive Committee. Have you got any comments?

7 MR. KETY: Right now it's a question of how
8 much the conference call is going to cost us. We've
9 got -- everyone is here. So if we can, you know,
10 finish up business early enough, maybe there's a chance
11 the Executive Committee can look at it today, and if --
12 maybe we can poll the board and see who is going to be
13 around in the morning and maybe get together in the
14 morning. If the conference calls are reasonable and
15 doable, I certainly think that's an option, and if we
16 have -- run into some problems or some questions that
17 can't be resolved quickly, then maybe we should look at
18 that.

19 DR. MOELLER: Let me ask the board right
20 now. Are there any things on this proposed budget
21 that's disturbing the board right now? Is there
22 anything right now, even though we are not in the
23 proper sequence? Dr. Kropp?

24 DR. KROPP: Well, there's several things.
25 I mean, I don't know whether we need to discuss them

1 now or go into executive session and discuss them, but
2 yeah, I've got some concerns.

3 DR. MOELLER: Okay.

4 MR. LADNIER: So have I. A bunch of them.

5 DR. MOELLER: So we need to have an
6 Executive Committee meeting, sounds like.

7 MR. LADNIER: I've got a bunch of
8 questions.

9 DR. MOELLER: Okay. And the other
10 opportunity I'd like for you guys to realize, gentlemen
11 and ladies, is that we have our CPA here and I can't
12 ask her to sit here all afternoon, I don't want to ask
13 her to do that, and if we've got questions on the
14 budget she should be able to help us with that.

15 So I'm open for the wishes of the board,
16 and I do have a suggestion. Mr. Johnson?

17 MR. JOHNSON: I don't know if it's right or
18 not, but I make a motion that we take a temporary
19 adjournment of the board meeting and you have an
20 executive meeting now so to settle it. The CPA is
21 here. Come on back and finish our business today.

22 MR. WEHRING: I second that motion.

23 DR. MOELLER: There's a motion been made
24 and seconded. All in favor of said motion, signify by
25 saying aye.

1 (Collective "aye")

2 DR. MOELLER: Is there anybody opposed?

3 Hearing none, motion passes. We're going
4 into a recess of the general board meeting now, and I
5 would ask our Executive Committee to come on up here
6 and let's beat this thing out. Thank you.

7 (Break from 1:49 p.m. until 2:39 p.m.)

8 DR. MOELLER: Can everybody take their
9 seat, please? Okay gentlemen.

10 MS. LESYK: And ladies.

11 DR. MOELLER: The June 6, 2008 -- and
12 ladies. I'm sorry.

13 MS. LESYK: Thank you.

14 DR. MOELLER: Deb, I'm deeply sorry.
15 Gentlemen and gentle ladies.

16 MS. LESYK: That's right.

17 DR. MOELLER: Shame on me.

18 MS. LESYK: That's right.

19 DR. MOELLER: I apologize.

20 MR. JOHNSON: Shame on you.

21 DR. MOELLER: They can shame me, Jim.
22 Don't you. All right.

23 We're back in general session and the
24 executive committee, we are back in compliance with our
25 bylaws, and I think Dr. Kropp would like to make a

1 motion?

2 DR. KROPP: Mr. Chairman, I would move that
3 we approve the budget as presented in principle. We
4 are going to rework a little bit of the tables and so
5 forth to clarify some numbers but in principle I move
6 that we accept the budget.

7 DR. MOELLER: Okay. The motion has been
8 made. Is there a second to that?

9 MR. WEHRING: Second.

10 DR. MOELLER: Ty Wehring seconded. Is
11 there any further discussion? Now, the general board
12 members, did you guys have any, and ladies, have any
13 questions regarding those figures? Is there anything
14 we need to clarify for the general board before this
15 budget is approved?

16 MS. STACY TAYLOR: I do have a question,
17 Stephen, and because we didn't really have a working
18 budget last year, this is going to be more of a
19 principle type question, I notice there are not funds
20 available and with the \$13,000 variance at the end of
21 the year, that's very tight, okay, and that I know
22 makes a lot of assumptions on, you know, sales
23 progressing a certain way or whatever and I do
24 understand that. But my question is we have not
25 budgeted any money for a business manager. Is that

1 correct?

2 MR. ZUNKER: That is correct.

3 MS. STACY TAYLOR: Do we anticipate trying
4 to fund that position at some point or are we in a
5 business-as-usual type thing where Brenda will be
6 filling both the leader or I guess the business manager
7 side as well as the oversight of the Trails? Are we
8 going to roll that into one head count?

9 MR. ZUNKER: That's a board question.

10 DR. MOELLER: If I can interject there.
11 When Dennis was terminated April 21st several of us had
12 been asking Brenda since August if she would consider
13 staying on in the position that she had back in August.
14 She finally consented and agreed to manage the office.
15 She was given that position as a permanent position as
16 an office manager position. She agreed to share her
17 time as editor of the Trails and as office manager.
18 What I asked her to do, as chairman of the board, I
19 said Brenda, can you assure me that the quality of our
20 Trails will not change? Because if the quality of the
21 Trails and how well we are doing with the Trails
22 falters, then we may have to reconsider your position
23 as business manager and she agreed to that. So we do
24 not at this time anticipate a search for another
25 executive position. Okay? Any other questions

1 regarding the budget? Mr. Richey?

2 MR. RICHEY: On the Houston show, we show
3 no income for that. Can somebody explain? That seems
4 to be the only one we show zero income for.

5 DR. MOELLER: Ty, do you want to answer
6 that or Steve, do you want to answer that?

7 MR. ZUNKER: I think Allison probably can
8 give us a better explanation.

9 MR. WEHRING: I can tell you that the Gulf
10 Coast just sent a check up here for their entrance,
11 that \$5 deal.

12 MS. CHIPMAN: I haven't seen that receipt
13 from those funds yet. That is an affiliate sponsored
14 show and we may have, as an association, the need to
15 take that show back under our wing and nurse it back to
16 health if you will. There was some issues between the
17 Houston livestock show and some of the affiliate
18 personnel that were there, the members that were there
19 and I'm in the process of working with Houston right
20 now so we have had expense there in the past, and
21 sponsorship. We do not see big income from that show
22 because it's not a TLBAA managed show at this point. I
23 do anticipate that that show this year will shoulder a
24 minimal cost to us in the form of the office staff time
25 to help facilitate that event working as a liaison

1 between the participants and the stock show management
2 because of issues that we had this year at that event.
3 Does that answer your question?

4 DR. MOELLER: That answered Bob's question.

5 MR. RICHEY: Yes.

6 DR. MOELLER: Stephen?

7 MR. ZUNKER: May I address what Ty made a
8 statement on? What you were referring to was the \$5
9 per head qualifying fee. All affiliate shows send that
10 in. That gets applied. We put that into the World
11 Show budget. Is that correct, Allison?

12 MS. CHIPMAN: Yes.

13 MR. ZUNKER: So it doesn't matter what show
14 it is. That's going towards the World Show because
15 that's qualifying -- keeping the records and everything
16 for THE qualifying show at World. So every affiliate
17 show sends that in.

18 DR. MOELLER: If there's no other questions
19 relative to the budget? The motion has been made and
20 seconded. Mr. Wehring?

21 MR. WEHRING: I would like to have a
22 comment. All of we sitting at this table or sitting at
23 the table, the representatives of our total breed
24 nationwide, I would personally like to see Brenda have
25 all these people put some little ad in our herd sire

1 edition coming up.

2 DR. MOELLER: I think we'll discuss that
3 during the Trails report.

4 MR. WEHRING: Okay.

5 DR. MOELLER: Could I call for the
6 question? All in favor of the motion to accept a
7 budget with some mild modifications, the figures, we're
8 not changing any figures those are true figures, all in
9 favor signify by saying aye. Anybody opposed? None.
10 Motion carries. Thank you very much.

11 Okay, Brenda, it's your turn.

12 CPA: Mr. Chairman?

13 DR. MOELLER: Yes.

14 CPA: I'd like to make a correction of my
15 previous statement. I was asked earlier about the
16 funds and where the settlement funds have gone on the
17 balance sheet. They are originally in the association
18 is where they were paid into. I had forgotten to
19 mention that during the course of the audit I was asked
20 to take some funds from the association and move that
21 to the foundation books. It was in an interest bearing
22 account that was more of a brokerage account. So those
23 funds are now on the foundation books and so that's
24 where they will reside. Incoming funds can go to
25 either one as time goes on but they are on the

1 foundation books right now. I wanted to clarify that.
2 Did anybody have any questions regarding that?

3 MS. STACY TAYLOR: What was the total that
4 was transferred? Do you recall?

5 CPA: I want to say it was about \$63,000.

6 DR. MOELLER: Thank you. Brenda? Stacy,
7 thanks for asking that question before because I was
8 going to relate that before Brenda spoke. Now I don't
9 have to.

10 CPA: It's in the audit report as an audit
11 correction.

12 MS. CANTRELL: Okay. We are going to move
13 along. I was asked to give some updates on the
14 business that has been taking place in the office. One
15 of them is our oil and gas lease. I spoke with Geno
16 Taylor the landman for Dale Property Services that our
17 lease is with. He had asked us to extend the lease to
18 allow the minerals beneath our property to be used for
19 exploration and development of the Barnett Shale. He
20 explained that we no longer have to extend the lease
21 because they spudded the well which means that they
22 were able to connect without having to do additional
23 drilling as they had thought they were going to have to
24 do and the good news is that that well is active and we
25 should start receiving royalty checks at the end of

1 this year. He also reported to me that there are five
2 other wells that they are planning on putting on the
3 north side of Fort Worth and which our land will be
4 directly involved with so we may start, if they hit,
5 then we will receive more royalty checks. So that was
6 good news. He told me that because they were able to
7 spud, the lease is locked up and we will never have to
8 renew that lease. We are locked in that lease now.

9 The parking lot lease. I had a meeting --

10 MR. ZUNKER: Question, before you go on
11 that. What is our percentage of the royalty? Did he
12 discuss what we had negotiated?

13 MS. CANTRELL: No.

14 MR. ZUNKER: Did we get a copy? Because I
15 don't think that was in the lease.

16 DR. MOELLER: No, and I think they have to
17 know what their production is going to be.

18 MR. ZUNKER: I don't believe so. I think
19 all the current leases that they are negotiating right
20 now on Barnett Shale which I think the downtown group
21 just signed a couple of weeks ago, I think they are
22 getting 25.5 percent in royalty. And that was in --

23 MS. CANTRELL: It's 25 percent --

24 MR. ZUNKER: Okay. All right.

25 MR. BUENGER: Probably been unitized.

1 DR. MOELLER: But we don't know what 25
2 percent of.

3 MR. ZUNKER: Right. Right. But we know
4 it's going to be of the production and the first year
5 should be, on a gas well, greater than the years after.

6 MS. CANTRELL: The parking lot lease.
7 Anybody else have questions about the gas lease? I had
8 a meeting with George Westke, the owner of Quick Park
9 which has been managing our parking lot for quite some
10 time. He discussed the new contract that he had
11 proposed to Dennis Wright. I told him that Mr. Wright
12 had presented his contract to the executive committee
13 in April and that they were not willing to sign the
14 contracts based upon a 60/40 split, that we would
15 prefer to go back to the original contract which is a
16 monthly payment of \$3700. He explained, as he had done
17 with Mr. Wright, that he was losing money on the old
18 contract because the parking levels had decreased
19 dramatically due to the lack of nightclubs across the
20 street. I explained that Mr. Wright had been told a
21 different story from another source in the Stockyards.
22 I told him that we were going to search for another
23 company to work with. He told me about his history in
24 the Stockyards and that he was not trying to take
25 advantage of us. After our meeting, I spoke with the

1 owner of our building and he said he was willing to
2 negotiate with us on leasing the parking lot. He is
3 going to monitor the activity this weekend and let me
4 know his thoughts. He would like to pay us a lump fee
5 upfront for the whole year. He believes that this will
6 decrease the amount of paperwork for him and the TLBAA
7 and that we could earn interest on that amount instead
8 of a smaller amount each month. After he gives me this
9 figure, if it's agreeable to the board of directors, he
10 asked me to present the same deal that he would be
11 presenting to us back to Mr. Westke and if he turns it
12 down, then he will lease our parking lot. Any
13 questions on that?

14 DR. MOELLER: Let me interrupt a second.
15 If the board wants to make an issue of this right now
16 I'd like them to because in my opinion there's
17 absolutely no reason for us to take less than what we
18 were getting before. This guy last month sent us a
19 check for \$600 versus \$3700 that we've been getting.
20 He took it on his own to change -- to change the
21 contract. He told us back in January that he wanted to
22 change this and he was told that we had to -- that it
23 was up to the board and we weren't going to have
24 another meeting until now so he was to continue. He
25 said, okay, I'll continue on that same contract. But

1 he has not done that. We have had discussions with
2 Billy Bob, the Billy Bob people - and, Zech, you can
3 tell me what their names are; I call them Billy Bob -
4 and they have indicated that they -- you know, we have
5 several people that want that lease, so we don't have
6 to take what this guy gives us. So likely is we are
7 going to renegotiate -- he already owes us money
8 because he hasn't been adhering to that old contract.
9 So we're going to see some action on this but we are --
10 I've recommended to Brenda that we take nothing less
11 than at least what we were getting, the 3700.

12 MR. LADNIER: I've got a question. Did I
13 understand you to say that they want a contract on that
14 in a lump sum for a certain period of time?

15 MS. CANTRELL: That's what he was
16 suggesting. He manages four or five other parking lots
17 in downtown Fort Worth and he just pays \$50,000 and
18 then we don't have to collect from him every month. Or
19 whatever the fee is going to be. And his suggestion
20 was that would be -- y'all could take that money and do
21 whatever you wanted with it instead of every month I'm
22 having to do a little record and I'm having to do a
23 little invoicing. So that was just a suggestion.

24 MR. LADNIER: There's been so much
25 discussion on selling this, we tie it up for a year,

1 have we got a problem with that?

2 DR. MOELLER: Do you want to answer that
3 question, Charlie?

4 MR. BUENGER: If we were able to work a
5 deal out with this guy, we'd have to --

6 MR. JOHNSON: We're not sure what Mr.
7 Ladnier was asking, let alone what you're answering.

8 MR. BUENGER: Maurice was worried about
9 what happens if we sign a year lease with this guy and
10 then we end up wanting to sell the land to build a
11 building or facility or something. And the answer is
12 in that document we would put a provision that would
13 undo the lease should we sell the property.

14 MR. LADNIER: All right. Thank you.

15 MS. CANTRELL: I believe that we are going
16 to table the per diem discussion until the executive
17 session? So I have the staff update. And since our
18 last board meeting in January, we have three new people
19 that have joined the staff and you have already met
20 Shawnda Taylor, our financial service manager. Stand
21 up Shawnda.

22 DR. MOELLER: We didn't meet her.

23 MS. CANTRELL: Well, the group over here
24 met her. She comes to her position with 15 years of
25 accounting administrative experience and more than ten

1 years of managerial supervisory experience. She has
2 been a dream for me. I can't even begin to tell you
3 how wonderful it is to have her on the staff. She
4 watches every penny. And she's been very patient with
5 Allison and I in explaining things so that we can
6 understand them. So she has been remarkable and I am
7 so glad that she is part of our team.

8 Another new staff person is Grace Taylor.
9 Most of you are aware that Cole Dowden has decided to
10 attend law school and he was accepted to the University
11 of The District of Columbia and he's going to be
12 starting his studies this fall. So, anyway, I'm going
13 to miss him so much and I know all of y'all are going
14 to miss him too. Only a few more weeks with Cole.
15 It's going to be hard on me.

16 DR. MOELLER: Cole, stand up.

17 MS. CANTRELL: You've been wonderful.

18 Grace is wonderful too. When he got her résumé, he
19 came into my office and he said, "You're going to want
20 to hire her before you even meet her." I was like,
21 "Really?" Well, she got her degree from my alma mater,
22 Texas Tech, in Agricultural Communications. Her very
23 first job was at the Sweetwater Reporter, which is my
24 home town, and she comes from West Texas which is my
25 area too, so I knew I was going to like her and we hit

1 it off perfectly. She's been working with Cole for
2 three weeks now. And the second week into it, he came
3 in and he said she's a week ahead of her training,
4 she's just really doing a very good job and we are so
5 happy to have you, Grace.

6 And then we have a new editorial assistant
7 his name is Jordan . And Jordan is a journalism
8 graduate from the University of Houston and he
9 graduated in December. And when I interview editorial
10 assistants, I make them take a proofreading test
11 because that's what they do most of the time. And he's
12 the only person that's ever taken this test for me and
13 made a hundred on it. So I knew I had a smart one on
14 my hands. He's already just jumped in full force.

15 I was telling Dr. Moeller that he took
16 the -- we're working on the AI issue and that's usually
17 a burden for the Trails staff because you can imagine
18 how much information is in that and I don't think it's
19 ever been proofed completely from front to back
20 probably. He went through and looked at every
21 registration paper and compared it to what was in all
22 of the AI issues. He found some things that we needed
23 to fix. And he's looking in to making that a
24 historical document for us, which would be a really
25 neat thing for us to be able to do. He's remarkable

1 and everybody is jealous, they all want him to work
2 with them. They're always coming and getting him
3 asking him to help them out. He's got a lot of energy
4 and we are happy to have him.

5 Have y'all gotten your membership renewal
6 letters? They went out last Wednesday. We've already
7 started getting renewals into the office. If you
8 haven't gotten yours yet, let me know because we need
9 to get you one. But I want to talk to y'all a little
10 bit about our membership drive this year. I have
11 noticed that in the two years that I have been here we
12 just here hurry up and send out these letters and just
13 hope all the money is going to come in. We just sit
14 back and think all this money is just going to pour in
15 and everybody is going to renew their membership and
16 the only people that talk to these people pretty much
17 on a daily basis is staff. So I'm going to ask the
18 board of directors that when we receive the second
19 notice -- we're going to be getting a list of all the
20 people who have renewed with the first notice. When we
21 get that second one, we are going to divide it up by
22 region. And I would like to be able to send y'all that
23 list with phone numbers and I would like it if you
24 would call every one of those people that have not
25 renewed, or get a group of people of volunteers in your

1 region to call them and invite them back, tell them
2 what the great organization the TLBAA is, find out why
3 they are not re-joining because - you know what? - we
4 might learn something. That would be a good thing for
5 us to learn. So would y'all be interested in doing
6 that?

7 MS. STACY TAYLOR: I think that is an
8 excellent idea.

9 DR. MOELLER: Thank you.

10 MS. CANTRELL: Enthusiastically yes. Are
11 y'all enthusiastic? Okay. There you go.

12 The Amnesty Program. After the executive
13 committee meeting in April, we decided to offer the
14 members an amnesty program for registering their cattle
15 at a reduced rate. I had a conversation with Kaso, we
16 talked about it, and Lana Hightower - called her - and
17 then Dr. Moeller and Deandra Berger and I sat down over
18 speakers and discussed how this was going to work. And
19 so it has been produced in the E-Trails as of May in
20 the May issue or starting the June issue. If y'all
21 haven't seen it, I have some copies for you. We are
22 doing it for 45 days this first time because we felt
23 that if we did it 90 days as a whole, that would really
24 lock up the registrations. It could lock them up
25 because they may be getting such an influx. We are

1 hoping that we get such an influx of participation. So
2 we are going to do 45 days from July 1st through August
3 the 14th and then we are going to do another 45 days
4 six months later. So I'm hoping that you will of you
5 who have be putting off registering cattle will take
6 advantage of this program. The affinity program. We
7 have an affinity program with Bank of America. When
8 you join the TLBAA, in your membership packet you are
9 going to receive an application to get a Bank of
10 America card. And we were thinking that we weren't
11 getting very much from that so I was asked to research
12 it. Come to find out, we get a lot from that. And we
13 can even make more money now that I know what we're
14 supposed to be doing. The first thing is is that every
15 time someone fills out an application for a TLBAA card,
16 we get one dollar. If that person renews at an annual
17 rate, the next time we get \$3. For every dollar that
18 is spent on retail, we get 15 cents. But the best news
19 is she told me about this web site that we can go to
20 and we can create our own application that we create
21 and we mail out or we put in the magazine or we put on
22 the E-Trails or we whatever we want to do, but we print
23 it out ourselves and every time that applications is
24 turned in we make \$15. So that's pretty good news that
25 we can make a little extra money on that program that

1 we didn't know before and I guarantee you we are going
2 to have those applications in E-Trails, in the
3 magazines, at the sales as much as we can to see if
4 people would like to join and we can make \$15 off of
5 each of those. I asked Jordan to look into other
6 affinity programs to see if we were getting a good
7 deal, if there were other programs out there that were
8 better for us and we concluded at the end of it that no
9 one manages it as well as Bank of America. They have a
10 whole team that works with me. And now that I know
11 that, we are in communication with one another, and the
12 World Points is the most popular card out there. So I
13 think that we are doing a good job on that. We are
14 looking at we have been researching to see if gas card
15 companies to this kind of thing. We haven't found one
16 yet, but we are determined to find one. Hertz rental
17 cars, I think that there is going to be a better
18 program out there for us than Hertz so hopefully we'll
19 be updating all those affinity programs over the next
20 six months.

21 DR. KROPP: Brenda, you said for every
22 dollar in retail sales we get 15 cents?

23 MS. CANTRELL: If you have a TLBAA credit
24 card, for every retail dollar that you spend, we get 15
25 cents.

1 DR. KROPP: I'd like to see that in
2 writing.

3 MS. CANTRELL: That's what she told me.

4 DR. KROPP: That's 15 percent return.

5 MS. CANTRELL: Well, retail does not
6 mean -- when they talk about retail, it's clothing.
7 It's not gasoline. It's not food. It's furniture,
8 clothing. So it's not the bulk of the products that
9 you are probably using. It's not buying airline
10 tickets. It's not renting cars. It's a wearable
11 product. That's what they call retail. Okay. Shawnda
12 asked that I add priority mailing to the agenda so I am
13 going to ask her to come up and talk to you about that
14 because she has some concerns and I want her to be able
15 to get up here and talk to you.

16 MS. SHAWNDA TAYLOR: In my dollar-watching,
17 we are spending an extraordinary amount of money
18 Fed-Exing membership packages, catalogs, transmittal
19 forms, things of that nature, to members who ask us to
20 overnight those which is one of the reasons why in our
21 budget numbers the mailing, the postage is so high.
22 What I asked Brenda to do was put it forth that we mail
23 everything first class mail or the cheapest way
24 possible, but if that member requests that we overnight
25 it through Fed Ex or UPS, that those charges be billed

1 to that member in order to cut down expenses that we
2 are having to pay.

3 MS. CANTRELL: You know, postage keeps
4 going up every six months it seems and we do try to
5 mail everything first class, but if we can mail some
6 stuff flat rate, we can save some money. We mail a lot
7 of stuff. And so that would be a way for us to save
8 money. So if someone comes in and, you know, they say
9 I want all of my stuff to be mailed priority mail or
10 first class or whatever, we're going to start -- we
11 would like to be able to bill for that because we are a
12 non-profit organization and we really need to look at
13 how we mail our things. Yes?

14 MR. BUENGER: So moved.

15 DR. KROPP: I second it.

16 MS. CANTRELL: Any more discussion?

17 MR. LADNIER: Yes. Proposed budget
18 2008-2009 says priority postage is an income of 3,000.

19 MS. CANTRELL: I didn't know he was looking
20 at the Trails budget. At the beginning of the year we
21 send out a letter to people who have in the past
22 indicated that they want the Trails magazine to be
23 mailed to them in a priority way. Remember we talked
24 about this back in January? Yes, sir. That's what
25 that is.

1 MR. LADNIER: Thank you.

2 MS. CANTRELL: Thank you.

3 MS. LESYK: My question on the mailing of
4 the membership packets and our minutes and whatever,
5 why can't these be e-mailed? Why are we sending these
6 out? We've got them on the computer. Hit the button.

7 DR. MOELLER: The thinking on that is, and
8 when I took over as chairman I had a request that
9 e-mails, the Internet was eliminated. That request was
10 not honored. That has precipitated -- any time we send
11 anything by e-mail it precipitates such a crescendo of
12 responses, some of them appropriate, most of them
13 inappropriate, so we don't like to send anything out
14 that's official by e-mail.

15 MS. LESYK: These are minutes.

16 MS. CANTRELL: We have some board members
17 that don't have e-mail. Maurice. Gene. Someone else
18 that we always have to fax things to. These two
19 gentlemen over here. So there are some board members
20 that - I know it's hard to believe - that don't have
21 e-mail.

22 DR. MOELLER: And some things are somewhat
23 confidential. If you send something by e-mail, it's
24 not confidential anymore. So I'm not saying we can't
25 send some things that way, but I have asked the staff

1 to be a little careful with that. I think you got your
2 agenda that way, didn't you?

3 DR. KROPP: You've got a motion on the
4 floor.

5 DR. MOELLER: The motion on the floor is
6 that we accept the proposal on priority mail. Any
7 other discussion regarding that subject? Seeing none,
8 all in favor signify by saying aye. Anybody opposed?
9 Seeing none, motion carries.

10 MS. CANTRELL: Okay. I'm just going to
11 continue talking. Yes?

12 MS. STACY TAYLOR: Are you going into your
13 Trails? Before you do that, let me ask. I know that
14 when Dennis was our business manager he received
15 monthly financial reports. Where are we on that? I
16 know we haven't seen those.

17 MS. CANTRELL: You will be getting those
18 every single month.

19 MS. STACY TAYLOR: Starting in July or
20 June?

21 MS. CANTRELL: Starting in June. The March
22 financials got pushed to the side. My financials will
23 be complete about the 15th of the following month and
24 out the door.

25 DR. MOELLER: Why can't the April be sent

1 out?

2 MS. CANTRELL: They are in the book.

3 MS. SHAWNDA TAYLOR: We put them in the
4 book.

5 DR. MOELLER: And while we are on the
6 various subject of those, Allison, you have been
7 sending me the results of like the West Sale profits
8 and losses. I thought the whole board was getting
9 that. When you send something to me regarding
10 financials like that, would you send that to the whole
11 board also.

12 MS. CHIPMAN: Yes.

13 DR. MOELLER: Thank you.

14 MS. CANTRELL: We are just going to keep
15 going and talk about the Trails, one of my favorite
16 subjects.

17 MR. RICHEY: Brenda, just one quick follow
18 up. Can we also get a weekly update of what is going
19 on in the office. Any plans for that?

20 MS. CANTRELL: Yes.

21 DR. MOELLER: That was really a nice
22 service. I'd like to see that continue. That was
23 probably one of the few things that Dennis accomplished
24 every week. That's one of the reasons he's not with
25 us. I would communicate with him two and three times a

1 day and ask him about things that were supposed to be
2 done. Well, that's being taken care of, that's being
3 taken care of. It wasn't taken care of. So yeah it's
4 a nice thing. I haven't asked Brenda to continue that,
5 but I agree that was a nice thing. But are you going
6 to get them again? I'm not going to promise you that.
7 Now, Brenda might promise you.

8 MS. CANTRELL: I don't mind doing that. I
9 really don't because I do like to write. But one of
10 the things that was really difficult when he would send
11 those things out to you is that he would write about
12 the Trails and he would write about sales, and a lot of
13 the things that y'all received were not really what was
14 going on in our department. So if I do decide to do
15 that I'm going to have to ask for help from all the
16 other departments to make sure that I'm giving out the
17 information that they want to give out. I think it's a
18 great idea but and I don't see any reason why I
19 couldn't do that. Jordan. Do you see any reason why
20 we couldn't do that? I'm not promising. I'm going to
21 see.

22 MR. RICHEY: But something like what was
23 going on that week. I felt more connected than I do
24 now.

25 DR. MOELLER: It's what was supposed to

1 have happened.

2 MS. STACY TAYLOR: Well a compromise on
3 that, Brenda, might be if you don't do a weekly, even a
4 bi-weekly.

5 MS. CANTRELL: I was going to suggest. I
6 think I could get something out to you every other
7 week. That wouldn't be a problem at all. And for you
8 that don't e-mail, I'll just fax that. Is that what he
9 would do, just fax it to you? Okay, now, is there
10 anything else before I head into the Trails? Yes?

11 MR. BOLAND: Brent Boland, Arizona. We
12 notice our magazine gets there about two weeks after
13 Texas gets theirs.

14 MS. CANTRELL: Don't know the reason why.
15 They mail out all at the same time.

16 DR. MOELLER: Brent that question has come
17 up over and over again, and our good lady from Canada,
18 thank you very much for making that big long trip down
19 here, has that same problem.

20 MS. LESYK: We fixed it.

21 DR. MOELLER: You fixed it.

22 We have researched that in the past and
23 historically that's always been a problem. Where we
24 have traced the problem is the -- excuse me, I don't
25 know the proper term for it, but it's their -- the mail

1 goes to certain centers across the United States and
2 then they mail it out from there. And apparently
3 Arizona gets theirs down in El Paso. And is -- is that
4 true? But that mail-out center whatever that term is
5 in El Paso has been a perennial problem. Everybody in
6 New Mexico calls me constantly, "Have you got your
7 Trails? Have you got your Trails?" We get ours
8 delayed also. It's not the publisher's fault. The
9 Trails are not mailed out by TLBAA. They are mailed
10 out by the publisher and they all go out at the same
11 time. I mean the printer. And they are all sent out
12 at the same time. So those distribution centers -
13 that's the right word - is where the hang-up is.
14 Mr. Johnson can tell you how many times he's been down
15 there. He's tried everything short of shooting the
16 superintendent. Please don't do that, Mr. Johnson.
17 And he still gets his delayed.

18 MR. BOLAND: Can I get mine prior to
19 publication?

20 MS. CANTRELL: No.

21 MR. JOHNSON: Brent, on that token, what we
22 were talking a little earlier about the priority mail,
23 that's what brought that up last January and those that
24 want it earlier can make arrangements to have it mailed
25 out priority mail but that individual member must pay

1 for the priority mailing of it and that's the only way
2 we knew to settle it without running our postage up out
3 of sight.

4 MS. CANTRELL: Any other questions? That
5 was a Trails question, though. That was good. We're
6 getting there.

7 Since the board of directors meeting in
8 January, the Trails has been very busy. In March of
9 this year, 2008, we launched the online version of the
10 magazine. As a result of this expansion, the Trails
11 has reached more people in the last four months than it
12 has reached in the last ten years. We compare the
13 online magazine reaches more readers daily than the
14 printed magazine reaches in a month. In an average of
15 the last four months, the online magazine yielded over
16 5,000 hits or visits a day. 5,000 hits a day. That
17 means every day our advertisers and organization is
18 being exposed to an audience the size of the TLBAA
19 membership. In a month, the online magazine averages
20 around 78,000 views, which means they go and look at a
21 particular page. I'm learning all these terms. Our
22 April and May issues both received over 100,000 hits
23 and we just feel that the June issue will probably do
24 the same. So I'm hoping that y'all are enjoying the
25 fact that we are online and if you are not getting the

1 magazine in the mail you can go online and see it
2 quickly and we mailed -- this month we mailed our June
3 issues on May 23rd and we are -- that's the earliest we
4 have ever mailed since I've been here so we are very
5 thrilled about that. We have also introduced a new
6 marketing option program that benefits other areas of
7 the TLBAA and also gives a cost break to the membership
8 that had been featured in the Trails magazine and we
9 have extra cars available tomorrow to hand out if you
10 have not received one of those rate cards. In April
11 with the great effort of Carl Brantley we secured the
12 ability to place the Trails on the newsstands at the
13 Tractor Supply stores. Have y'all gone in to see them?
14 Isn't it exciting? That's increased our distribution
15 by 3500 a month a lot of people were asking me could
16 they get a calculation. They said we're only putting
17 four or five at each Tractor Supply store. Well,
18 that's what we're doing for the first three months
19 because we are testing to see which stores are pulling
20 the best for us. I don't want to waste our money. I
21 want to see which ones are going to pull the best and
22 that's where we are going to put them. So I've heard
23 some people say that, you know, they're down to one on
24 the newsstand by the time they get there, which means
25 four have been sold. So I will be getting a report on

1 that before the 15th of this month of how our May issue
2 did. June will go on the newsstand on the 15th of this
3 month through the 15th of July. We are currently
4 working on our AI issue. We produce this issue every
5 other year so it has a two-year life, shelf life, and I
6 decided -- the newsstands does not want the AI issue on
7 there. Not too many are going to be interested in
8 that. So we produced enough magazines in June to last
9 until August and that's how we took care of that.
10 Speaking of that, I had to share this with you because
11 I just got the number today. I had set a goal that we
12 would sell \$60,000 worth of advertising in our July AI
13 issue. We have a rough, a little bit of a year selling
14 advertising and we are -- as of today we are at 50,000
15 and we know that we're probably going to get at least
16 nine more, nine more pages in. More than that? It's
17 gone up? And that's going to put us over 60. So thank
18 you for all the advertisers. Thank you for the cover.
19 And so that's about all the good news from the Trails.
20 Any questions? Oh. If you are on the board of
21 directors and you have not purchased an ad in the AI
22 issue, it would be great for you to do that. I want to
23 commend Robert Richey. Robert Richey has sold eleven
24 pages?

25

MR. RICHEY: Ten.

1 MS. CANTRELL: Ten pages of advertising
2 into the AI issue and he is going to get a special
3 Robert Richey Award at the end of the year. Anything
4 else that you need to know about the Trails? Thank
5 you.

6 DR. MOELLER: You should be informed that
7 some of those new ads that came in were from some of
8 the people that had originally left us and they are now
9 running ads with us. So it's working, guys.

10 MR. SITZMANN: Mike Sitzmann. I've got a
11 question. I'd like to question Brenda a little bit on
12 the Trails magazine that you mail out to all the board
13 of directors, I mean, we all get one anyhow.

14 MS. CANTRELL: I'm going to stop that.

15 MR. SITZMANN: We get a double whammy and
16 you're talking about postage.

17 MS. CANTRELL: It's not in our budget this
18 year so you're not going to get it.

19 MR. SITZMANN: It's unnecessary.

20 MS. CANTRELL: Right.

21 MR. SITZMANN: Thank you.

22 DR. MOELLER: Okay, Allison. It's your
23 turn. Allison is going to give us a special events
24 report. She's going to get a little help.

25 MS. CHIPMAN: I always like help. That's

1 always a good thing. I am going to be very brief
2 because there's a lot on the agenda. But I want to
3 start by thanking all of the staff in the office and
4 all of the committee members that work with me almost
5 on a daily basis for all of the support and help they
6 give on these big events throughout the year, World
7 Show and Horn Showcase. We couldn't do it as an
8 association without everybody that contributes. So I
9 just want to thank you all personally right now for
10 everything that you do. I couldn't do it without you
11 guys.

12 To start, World Show, we're 30 days away
13 now. The 8th we'll be 30 days away. So we're all very
14 excited in the office. Entries are coming in. Leslie,
15 my assistant with the shows, is not here today because
16 she is back home at the office categorizing, shorting
17 and classing all of our entries. So our numbers are
18 down a little bit from previous World Shows but they
19 are not so low that it's scaring anybody, so that's
20 good news. Right now we're operating in the black on
21 World Show. We have some expenses that are going to be
22 coming in our last installment on the facilities, the
23 shaving, all those little things are about to hit us.
24 So it's tight this year. We've trimmed a lot out of
25 the budget and we've also been able to add a wonderful

1 scholarship opportunity for the youth that we'll be
2 talking about in a little bit. But I'd like to thank
3 Zech Dameron and Lana Hightower for their efforts to
4 secure that opportunity to augment and enrich our World
5 Show this year for the youth. We'll be giving away a
6 substantial scholarship grant and I'll let them talk
7 about it or Lana talk about it, but we owe a lot of
8 thanks to them for all of their efforts. I am going to
9 move on to Horn Showcase if there's not any question
10 about World Show at this point. Anybody? Okay. Lana,
11 did you have anything you wanted to add on World Show?
12 Okay. Horn Showcase, we have the oldest longest
13 running horn measuring competition in the world. We
14 are very proud of that at the TLBAA. It is the
15 greatest. I might be a little bit biased with all of
16 our membership here, but we are really excited to kick
17 off our sponsorship campaign, our entry campaign and
18 our sales. We have had a lot of interest in this year
19 Horn Showcase sale and we are excited about it. We're
20 going to have some great cattle. It's not going to
21 same old Horn Showcase event that everybody has seen in
22 the years past. We have done a few things to kind of
23 change it up and freshen it up a little bit for
24 everybody participating. Tomorrow if you are going to
25 be at the sale, which I hope everybody is coming, you

1 will see our sponsorship, entry and consignment forms
2 available. So everybody needs to participate in this
3 year's event. There's something for everybody at this
4 year's Horn Showcase and we welcome all of our members
5 to participate. So stop by the booth, look around, see
6 what we've got to offer you this year. I think you're
7 going to be really excited about what our Horn Showcase
8 can do for you this year.

9 STACY TAYLOR: When are you going to start
10 an internet/vaccine push with all that information?

11 MS. CHIPMAN: We have already started our
12 push for the horn measuring competition. That was in
13 your June magazine. You will start -- and it's on
14 E-Trails. So you will start to see that now surfacing
15 on the Internet and in the magazine. Our consignments
16 for the Horn Showcase sale are going to be August the
17 1st. We're going to be doing big mail out to past
18 consigners and individuals that have participated in
19 the horn measuring competition. We have had a lot of
20 new people contact the offices wishing to participate
21 in both the sale and competition so that's really
22 exciting they are seeing that and they are wanting to
23 get involved with the association in that direction.
24 So we've got a lot of positive force moving forward and
25 I'm so happy with all of the membership that has been

1 so supportive of this event in the past and in the
2 future so we have a lot to look forward to for this
3 year's Horn Showcase. Brent Bolin is our Horn Showcase
4 chairman and he is here today. Brent, did you have
5 anything you wanted to add? The one thing that I
6 failed to mention is tomorrow morning at 10 o'clock in
7 the Coburn Room our World Show committee is going to be
8 assembling and anybody interested in getting a little
9 bit of additional information we welcome you to come.
10 We are going to have lots of satellite measurings this
11 year. Did I say World Show? I'm sorry. I meant Horn
12 Showcase. Our Horn Showcase committee will be meeting
13 in the morning. We are going to have lots of satellite
14 measurements this year. I didn't mention that. We are
15 trying to push the regions to assemble because fuel
16 prices are so high right now, it's going to be
17 difficult for everybody to come to Fort Worth to
18 measure their animals so we will be discussing that a
19 little bit tomorrow. Right now I think we have five on
20 the book. So check E-Trails, check the magazine, see
21 where those opportunities are. If you want one in your
22 region or your area of the country, please contact
23 myself or Brent Bolin and we will help you get that set
24 up so that you are following competition rules and that
25 we are all in sync on how this is going to work. But

1 really exciting stuff on Horn Showcase and World Show
2 this year, our big event for you as members to get
3 involved and participate and interact with each other.

4 The next thing on the agenda is our May
5 West Sale recap. We almost had an \$8,000 profit. We
6 were \$5 short. So it was a successful sale. As with
7 all of the West sales, we are working to trim our costs
8 associated with the sales. The existing contract we
9 have, I am working on renegotiating those so that we
10 can start to whittle even more some of the costs down.
11 It was a great sale and we are looking forward to a
12 really sound and positive participation for the August
13 sale. If you want to consign cattle to the August West
14 sale, the deadline for your pre cataloged animal is
15 Monday so you need to have all that information to us.
16 We always get a lot of really great feedback on our
17 sales and if you give me feedback I really do take it
18 to see how we can work with it within the budget that
19 we have to operate for future events. So I appreciate
20 all the help that we get from members and participation
21 at the west sale. Any questions before I keep going?
22 The select heifer sale. Our historical select heifer
23 sale that we do at the Fort Worth Stock Show during the
24 longhorn weekend which is the opening weekend of the
25 stock show, this year we tweaked the name to call it

1 the premier sale because we have had a trend toward
2 older animals -- not old, but more mature animals in
3 the sale instead of all heifers and one of the biggest
4 complaints that we had was that consigners and people
5 coming wanted to see more heifers if you were going to
6 call it a heifer sale versus something else, so we are
7 trying to broaden that event and cut down on any kind
8 of confusion that we get from people wishing to come
9 and purchase and people wishing to consign. So we are
10 just going to call it the premier sale because we are
11 working to bring in our premier longhorn animals to
12 bring to public auction that weekend. That's a great
13 weekend. We always attract people that are passing by
14 that see the longhorns in the sale ring and decide that
15 they want longhorns at home so it's a great opportunity
16 for our association to shine and show off what we have
17 to offer the public. So this year we are working with
18 Fort Worth Stock Show as we seek to set that event up.
19 And stay tuned for consignment information for that in
20 the future. It's going to be January the 17th at 4
21 p.m. in the afternoon I tried to get that sale moved up
22 to noon. That was one of the complaints that we had
23 last year was that some folks wanted it to be earlier
24 in the day. We are booked at 4 p.m. because the way
25 the Fort Worth Stock Show worked is that people that

1 have had events and sales at a certain time get first
2 preference of choice of time and the remuda sale,
3 quarter horse sale is going to maintain their noon time
4 frame and the logistics of moving cattle and horses
5 bumps us to 4:00. That's the same time that we have
6 had it in the past. That hasn't changed. I did try to
7 bring it earlier, but at this point they are telling me
8 it's going to be 4 p.m. because the remuda people would
9 like to keep their sale at noon. Other questions?

10 UNIDENTIFIED SPEAKER: Has that sale moved
11 up in the day from what it has been in the past? My
12 recollection was that it had been an evening sale.

13 MS. CHIPMAN: I don't think. We may be an
14 hour earlier but I think we are pretty close to the
15 same time frame that we have been in the past. We
16 might be an hour sooner. My goal was to try to get us
17 at noon because we like noon sales. Unfortunately, we
18 got a 4 o'clock sale. So, closer to noon. Not quite
19 noon. Maybe the remuda folks will vacant their sale
20 date eventually. I don't know. Any other questions
21 that I can help answer regarding sales and shows at
22 this point? Okay. Lana, do you want to come up and
23 Lana and Dr. Dameron have worked very hard to ensure
24 that our youth have the opportunity to acquire
25 scholarship monies when they participate in the World

1 Show and I want Lana to take a few minutes to talk to
2 y'all about that. The membership, the staff and the
3 entire association, we are very grateful for everything
4 that they have done to make this a reality. Lana. One
5 thing before Lana starts, if you have not sponsored the
6 World Show yet, I am ready and waiting for you to come.
7 We are going to have sponsorship information on the
8 table tomorrow. We need to hurry and get all the
9 sponsorship in because if you want to be included in
10 the show program, we've got to get that information to
11 our folks in the office so we can make that possible.

12 DR. MOELLER: Just as a point of
13 information for most of us old men on the board - I
14 won't address this to our young female board members -
15 as soon as Lana is through with her report, we are
16 going to take a five-minute break.

17 MS. HIGHTOWER: I'm going to be very brief.
18 We've got a lot to cover this afternoon. I just want
19 to tell you what a privilege it was to meet this
20 foundation that we presented our credentials to, we
21 told them what our World Show was like, we told them
22 about the youth, and they happen to be dear friends of
23 Zech's and just a delightful family who want to remain
24 anonymous so I am not going to announce who the
25 foundation is and after I walked out I thought what a

1 concept. Isn't that great? So we won't have to
2 advertise anything. These are just very gracious
3 people that entrusting us with \$50,000 for our youth.
4 And we want to be very sure that we are stewards of
5 this money. And hopefully if we are the stewards, we
6 can go back and talk to them again and then I would
7 like to encourage everyone else that there are other
8 foundations out there. We just honestly haven't tapped
9 them, you know, I know I have worked with several in
10 the past. I think it's something that we need to be
11 exploring, you know, everybody, not just in Texas, in
12 our area, but this foundation, particular foundation
13 would like the money given away in Texas, it has to be
14 given away within a year we are going to set the
15 scholarship fund up. I think you have a brochure, the
16 maroon brochure we are working with Lincoln Financial
17 and Jackie Davies who has been working with the Mosser
18 Foundation, I have worked with Ty, I have talked with
19 Ty on this, I don't totally understand where these
20 funds are going to be invested - I'm a cattle woman,
21 I'm not an investor - but I'm very, very confident in
22 the information that she's pulled together for me, I
23 have asked dozens of questions. You may have questions
24 and she said she would be happy to come before the
25 board and explain how this money is invested. But

1 these kids will not see this money until they designate
2 a school of their choice, higher learning, either
3 college, a business school, but it will be cumulative.
4 We cannot -- this money has got to be put in a
5 foundation that is specific for this payout. We cannot
6 commingle these funds in any way with any TLBAA money.
7 We have set it up so if grandma and grandpa want to
8 contribute to their fund, they can do that. It's ideal
9 if we have a thousand dollars in each of these kids'
10 accounts. You win two or three classes, I think
11 there's a payout in most of them. Was there a payout
12 in most of them? You can see if they win two classes
13 they are at a thousand dollars. If we can continue to
14 do this year after year, it's not going to take long
15 and then it goes into a special account where there are
16 less fees. But this money will be invested. If you
17 have any questions give me a call and I'll try to sort
18 them out for you. Are there any questions on the
19 foundation that I can possibly answer? No? Okay.

20 DR. DAMERON: One other announcement. The
21 Mosser Foundation has awarded 32,000, eight \$4,000
22 scholarships for this year.

23 MS. HIGHTOWER: And Paul Braswell is also
24 working with a youth foundation and there will be a
25 heifer that will be donated tomorrow. Is that correct

1 Paul? That will go into a separate foundation. It
2 will not go in with this one. But it's a separate
3 opportunity for these kids. I am also working on the
4 changing the judges list. It's taken us years to get
5 where we are and our judges list is very outdated some
6 are no longer living. Some are beef judges who judge
7 Brahmens and then come in and judge our cattle. So we
8 are going to go at this slowly but what we have
9 implemented is a judge's biographic information.
10 Before a judge can walk into our show ring and evaluate
11 our cattle, he must have read our breed guidelines and
12 he must sign off on it and this will be sent to each of
13 the affiliates and each judge will have to be on file
14 in the TLBAA office and he will have had to have read
15 this: "The Texas Longhorn Breed is an historic breed
16 of beef cattle with a uniqueness and added market value
17 in their horns development. I have read and understand
18 the Texas Longhorn Breed guidelines that have been
19 approved and set forth by the Texas Longhorn Breeders
20 of America and I fully understand my responsibility as
21 a judge to evaluate the cattle based upon these
22 guidelines." Now, this is a start. We also want to
23 implement a judge critique that will go out to each of
24 the shows. I'm jumping around a little bit because
25 we've been working on several, we have a work book that

1 we've put together that will go out to each affiliate
2 and in this work book it tells you how to organize a
3 show, where you go, what do you have to have, you have
4 to have ring procedures, everything that is needed to
5 put on a successful show. This will get all of our
6 shows all over the country to be the same, as close to
7 being the same as we can. When it is printed it will
8 have a little packet in the back that will have
9 copyable forms that will come back to the office that
10 judge's sheet will be in there which will come back to
11 the office, all of our point system will come back to
12 the office and I think this will go a long way in
13 helping our affiliates put on these shows. I think we
14 had 37 shows last year, something like 37 shows, all
15 different. This is going to help.

16 MR. RICHEY: What will that be available?

17 MS. CANTRELL: It's not going to take long
18 at all. We are only going to make 50 copies. We are
19 going to be able to bind them in the office so it's not
20 going to cost us much to do it. It's just a work book.
21 So it's wonderful that she has done this because it's I
22 great to have it come out that way.

23 We have had several issues that have come
24 forward, I'm getting phone calls all over the place
25 about our World Show world book is not completely -- I

1 don't know how to say it. It doesn't spell out exactly
2 what these kids can do as far as their grooming. So
3 we're going to have to spell it out and it's going to
4 take a change and it's going to take a vote of the
5 board to change these rules. Tab number 3, and you can
6 follow along with me. The proposed change, a judge or
7 judges will be selected by the sponsor of the
8 qualifying show. The change will be in red all judges
9 must have a signed judge packet on file with the TLBAA
10 upon receipt of the show results. In other words,
11 unless that judge has signed off that he has read our
12 guidelines and understands these guidelines and has
13 judged accordingly, the show does not count. So it has
14 to be in the file. And we are building a file on each
15 one of these judges. Okay. Down to the proposed bull
16 classes, in red, all bulls over 12 months must use neck
17 ties or neck straps when secured in a stall. And this
18 just makes sense. You've got a big 1500 pound bull, he
19 needs something besides a little chain and a halter.
20 He needs a necktie to be safe at our stock shows.
21 Division to show bulls classes 27 and 29, all youth
22 division teen and younger may show classes 26 and
23 under. We have had incidents where smaller youth
24 members have come into our open shows and then the big
25 bull gets out of control. This is just a safety

1 measure. Anybody have any questions on that? I know
2 some of the stock shows won't even allow these younger
3 children in, and we had a little bitty one with a great
4 big bull this year that got loose. So this is a safety
5 measure. On down, on grooming of the animals, we have
6 had a situation this year, I think they think they are
7 showing Angus or Hereford because the kids have been
8 blocking the hair. They're blocking it up and using
9 aerosol cans and sticky goo and our breed guidelines
10 show that we show our animals as natural as they can
11 be. So we're adding this. The hair must be brushed
12 down and smooth without the use of adhesive, aerosol
13 sprays or agents that deter from the animal's natural
14 appearance. We have also had bobbed tails. The tail
15 switch is to be long and full without trimming or
16 docking. No balling, teasing, backcombing of the tail
17 switch is allowed. We have had a lot of problems with
18 that this year. We have also had the use of huge neck
19 sweats. This is other breeds that use neck sweats.
20 Longhorns do not need neck sweats, especially at the
21 shows. And we have had added Show Sheen administered
22 from a pump spray bottle is also permitted. It's been
23 done for years. To say you can't use it actually was
24 teaching our kids to cheat and we to need to do that,
25 so let's just allow Show Sheen not in an aerosol but in

1 a pump spray. These seem like trivia to a lot of you
2 that don't show, but it's very, serious stuff out
3 there. We have had a problem with steroids. We have
4 had a problem with implants, growth implants, and so we
5 have had -- it states right in front of it nothing
6 under the skin. So we had to detail it out. No
7 steroids, growth implants of any kind. We came on down
8 and clarified offspring and it just made it read a lot
9 better. And then in the youth section, we were
10 adding -- refer back to page 46 for additional rules
11 and information so we don't have to reprint this whole
12 book. Refer back. One was written as rules. One was
13 written as suggestions. So that's where we were
14 getting the trouble trying to enforce these rules in
15 the show circuit. So now it refers it back. These are
16 the rules. Yes, these are suggestions. So do I need a
17 motion on these changes? Any discussion? Question?

18 MR. WEHRING: On the proposed changes down
19 here where you've got steroids or growth implants of
20 any kind --

21 MS. HIGHTOWER: No implants of any kind.
22 We've got to create a level playing field.

23 DR. MOELLER: A few months ago, maybe a few
24 weeks ago Dr. Aldrich had some questions about the
25 issue with grooming came up about what to do with

1 horns. Is that incorporated in this?

2 MS. HIGHTOWER: No oiling. If you can rub
3 it off with a towel, you have oiled it.

4 MS. CHIPMAN: If you rub a towel on the
5 horn and there's a residue, that would be oiling
6 because. To show the cattle in their natural state,
7 that would go against what is going out there as far as
8 natural state.

9 MR. JOHNSON: The last one there Show Sheen
10 administered from a pump spray bottle is permitted? I
11 think that ought to be scratched. If you're going au
12 naturel, go au naturel. If you're going to put oil and
13 all the other garbage on them --

14 MS. HIGHTOWER: Show Seen is a really
15 light --

16 MR. JOHNSON: It's not natural. Simple.

17 MS. HIGHTOWER: The adults have been doing
18 it for years.

19 MR. JOHNSON: If they've been doing it,
20 outlaw it specifically.

21 MS. CHIPMAN: What they've been doing, they
22 are taking -- there's a line in your rule book that
23 says that fly sprays or insecticides are allowed as
24 formula sold and formulated as an insecticidal spray
25 and what people sometimes do is they'll put some show

1 sheen in that bottle and cut it with Show Seen, so it
2 looks like they are spraying fly spray but they're
3 really spraying their animals with sheen.

4 MR. JOHNSON: If they're cheating, they're
5 cheating. Outlaw it. Simple fact.

6 DR. MOELLER: Paul, you had your hand up.

7 MR. BRASWELL: One of the things you've got
8 to realize here is we're blessed in Fort Worth to be
9 able to show our cattle where we can generally stay out
10 of freezing weather. A lot of these cattle are not
11 shown in such favorable environments and the truth of
12 the matter is a light dressing of Show Sheen that can
13 be made legal with this helps those kids have to keep
14 from washing them calves two or three times during the
15 show so they can actually get some of their work done
16 and get that show calf prepared properly, clean and in
17 the ring. If we want to go all natural, we can outlaw
18 bathing.

19 MR. JOHNSON: Well, it's natural to get
20 rained on and get your cattle clean. That's natural.

21 MR. BRASWELL: But anyway, that's one of
22 the pros on the Show Sheen. Helps get them prepared.

23 DR. MOELLER: Mr. Taylor?

24 MR. TAYLOR: I like to make a motion that
25 we accept these changes as read.

1 DR. KROPP: I second.

2 DR. MOELLER: Motion has been made by
3 Donnie Taylor and seconded by Bob Kropp.

4 MR. KETY: I had a comment.

5 DR. MOELLER: I will take comments.

6 MR. KETY: It was actually more of a
7 question for Lana to enlighten me on it. When I
8 started out in this breed and did some showing, that
9 was the standard rule, it was all natural. We weren't
10 supposed to manipulate the animal whatsoever. One
11 thing that I have noticed judging several shows and
12 futurities and things over the last few years,
13 something that's got to be real common is shaving their
14 heads to make the horns look bigger. And I think that
15 drastically alters an animal's natural appearance. But
16 I just judged a show a couple of weeks ago and just
17 about everything there was shaved.

18 DR. MOELLER: The books say you can do that
19 as long as you do that at home. You can't do that at
20 the show. That's what this --

21 MS. CHIPMAN: The existing rules state that
22 you can trim excess hair on your animal. You just
23 can't do it at the show.

24 MS. HIGHTOWER: This trim has gone to where
25 you are talking about -- I've seen them totally body

1 clipped in Fort Worth in February. Totally body
2 clipped.

3 MR. KETY: The hair plays an important
4 part.

5 MS. HIGHTOWER: But it's very difficult to
6 say where do you stop. It was just trimming of the
7 hair. Now it's shaving of the head. That's where we
8 are.

9 MS. LESYK: The premise of the show
10 location, a lot of people interpret that that you can
11 do everything at home. So you can sand at home, you
12 can polish at home, you can oil at home, as long as you
13 don't come into the show and we don't see you. And
14 we've run into that situation where these cattle come
15 off the truck and they are absolutely immaculate and
16 you know doggone well they've done all of it at home
17 but didn't do it at the show. So this is the other
18 line because it's says on the premises of show
19 location. So am I to say at home I can do whatever I
20 want?

21 MS. HIGHTOWER: All of that grooming is to
22 be -- I think that's addressing no clippers, anything
23 like that, no trim chutes or anything at the show. You
24 can trim them at home and bring them, that's fine. But
25 no sanding of horns.

1 MS. LESYK: Polish at home?

2 MS. HIGHTOWER: No polishing.

3 DR. MOELLER: The issue that came up - and
4 somebody correct me if I'm wrong - with Dr. Aldrich was
5 putting like dressings on the horns because sometimes
6 they get real dry and cracked and was it illegal to put
7 dressing on them and I think it was okay to do that, if
8 I remember.

9 MS. CHIPMAN: Basically what was discussed
10 and interpreted was that if there's not a residue on
11 the horn at the show -- you can't have a horn residue
12 at the show. If you are conditioning them at home,
13 then you are conditioning them at home and, you know,
14 the World Show committee can't go to everybody's ranch
15 and patrol what's going on in your show string barn.

16 DR. MOELLER: When I have judged a show
17 before and I saw an animal that looked like he had an
18 exceptionally shiny, greasy horn, I've actually grabbed
19 it and gone like that. And one time I did, it my hand
20 come out pretty greasy.

21 MS. LESYK: I understand that. But it's
22 okay to do it at home as long as I've shined it off
23 good enough that you are not going to get any residue
24 at the show?

25 DR. MOELLER: That's the way it stands

1 right now.

2 MS. HIGHTOWER: That's the way it stands
3 right now. But when you shampoo those heifers' horns,
4 they get chalky and I have put lanolin back into them
5 like a week before, I have done that, and they look a
6 whole lot better and it also helps condition. Because
7 you scrub those horns and they get chalky. So just as
8 long as you're not doing it at the show.

9 DR. MOELLER: Motion has been made and
10 seconded. Any other comments regarding that motion?
11 Let me clarify one thing. If we vote yes on these
12 motions, it doesn't meet we're going to run out and
13 reprint this right away because there are some other
14 changes that we need to do with this book and it's just
15 too costly to do that. So if we make those changes,
16 Allison has those changes established and if there's a
17 question she has it on record and then the next time we
18 reprint these they'll be put into this. We're not
19 going to run out and reprint these today. One other
20 comment?

21 MR. JOHNSON: I hate coming back to kick a
22 dead dog but if you're going to allow them to use the
23 pump, why not use the aerosol? What's the difference?
24 You get the same thing.

25 MS. CHIPMAN: You can't put an adhesive in

1 a pump bottle. It has to be in an aerosol can, and
2 that's where that aerosol is coming from. They don't
3 make a -- they don't make like a conditioner like Show
4 Sheen that comes in an aerosol that I'm aware of - I
5 could be missing something because I've been off the
6 Angus string for a while - but I believe that a true
7 statement to that is that they are not -- Mr. Oliver,
8 am I saying that right? That the adhesives come in an
9 aerosol can and that the conditioner comes in a pump
10 spray bottle.

11 MR. OLIVER: There are some conditioners
12 that come in aerosol, but there is no adhesive that
13 comes in in a pump.

14 DR. KROPP: Mr. Chairman, most all stock
15 shows today have outlawed all aerosol cans, period.
16 And so most of the rule books today say that you can't
17 use any aerosol cans, for environmental issues.

18 DR. MOELLER: And that's what we're saying.
19 I'll entertain one more question and then we are going
20 to call for the question. Mr. Bolin?

21 MR. BOLIN: What happens if a judge is in
22 the show ring and he finds an animal that's got all
23 this stuff on it? Is he going to say "walk out"?

24 DR. MOELLER: He has that privilege. It's
25 judge's discretion. It can be the best animal in the

1 class, but it's going to get the gate if I'm the
2 judging. One more question was allowed. We are
3 through taking questions. I'd like for somebody to
4 call for the question so we can move on.

5 MR. TAYLOR: Call for the question.

6 DR. MOELLER: Question has been called.
7 All in favor of the changes, signify by saying aye.
8 Anybody opposed?

9 MR. JOHNSON: Yes.

10 DR. MOELLER: One opposed. Mr. Johnson
11 opposes. Motion carries. Okay. Lana's got one more
12 thing, then we are going to have a quick five-minute
13 break and it's going to be just five minutes.

14 MS. HIGHTOWER: I mentioned earlier about
15 the judges list. If you have someone, know someone
16 that is an excellent judge, have them, like right out
17 here, this would be good, get in touch with me or get
18 in touch with the office and have them send you the
19 form, it's a biographical information and breed
20 guidelines and get them to me. We are building the
21 list and we need good judges. Thank you.

22 MS. CHIPMAN: Real quickly before you get
23 to take your break. I want to say that the work that
24 the World Show Committee is doing is striving to make
25 the judging and show ring environment as level and fair

1 as possible. This is a work in progress and it's not
2 going to happen overnight. We are we are trying to
3 bring things back to the center. So if you have
4 questions, I just want you to know that that's why this
5 work is being done.

6 DR. MOELLER: Five-minute break.

7 (Break from 4:01 p.m. I until 4:19 p.m.)

8 DR. MOELLER: Can we get started again
9 please. The next item of to be addressed is the
10 by-laws committee and Maurice has been heading that up.
11 We just had a conversation and actually we have already
12 acted on a proposed by-law changes and where we -- we
13 have to publish those two months before the annual
14 meeting and we haven't got them published yet so we
15 will see that that is done before the annual meeting in
16 January so that the members at the annual meeting can
17 vote on the bylaw changes. We will probably publish
18 those in the Trails, but we really don't need to act on
19 anything. I thought he had some new bylaw changes he
20 wanted to work on. And frankly you've got about, what,
21 three or four months before we have to publish them.
22 So if somebody feels really strongly about a bylaw
23 change, they need to call Maurice and then we'll have
24 to revote as a board. Steve?

25 MR. ZUNKER: I have a question. I think

1 when we read the transcripts, there was some question
2 and I wasn't quite sure and I believe it's under
3 section 2, number C, and it was talking about each
4 director shall be elected for a three-year term and
5 shall serve until their successor is elected and has
6 qualified, and the discussion that I was reading in the
7 transcripts is where I wasn't clear. The copy I have
8 says no director may succeed himself in the same region
9 after three terms and I think that was being discussed
10 back and forth.

11 DR. MOELLER: Whether it was two terms or
12 three terms?

13 MR. ZUNKER: No, I think the three was
14 agreed upon but I think the wording of the same region
15 is what there had been --

16 DR. MOELLER: Do you have that, Maurice?

17 MR. LADNIER: I'm looking.

18 DR. MOELLER: Richey has it, but he stepped
19 out. Or are you digging in his briefcase? Tell him
20 again where that is, Stephen.

21 DR. KROPP: Page 8. Maurice, page 8.

22 DR. MOELLER: You'd like to know what the
23 ultimate decision was?

24 MR. ZUNKER: In the transcripts, on page
25 123 of the transcripts of that meeting, which that was

1 the Thursday night meeting. Is that correct?

2 DR. MOELLER: I think so, yes.

3 MR. ZUNKER: On page 123, it begins on line
4 4 and you had called for discussion and Robert Richey
5 said on page 1 at the bottom paragraph C it talks about
6 a term limit is how I read it. In past versions of the
7 official handbook the phrase, in quotation marks, the
8 same region was never used and I'm wondering if we
9 couldn't strike that, those three words. In other
10 words, no director may succeed himself after three
11 terms, the point being is that people move around a lot
12 more than they did in the past and not that people
13 would move around to stay on the board but it happens
14 all the time.

15 And Robert I think you may have been out of
16 the room when I started on this. I was asking for a
17 clarification of what happened at that meeting because
18 I was confused reading the transcripts.

19 DR. MOELLER: So can Maurice or Bob clarify
20 that?

21 MR. LADNIER: We discussed that and we did
22 not make any changes in it. We had a heck of a
23 discussion on this and this was -- and we used
24 examples, and I don't want to do that again, but it is
25 you can serve nine years in your area. Am I not right,

1 Bob? Then you can come and run for a director at large
2 and go another nine years and be in the same place and
3 nobody -- we never voted on that to change that. We
4 discussed it.

5 DR. MOELLER: Okay. So to answer your
6 question, the vote was not to change it.

7 MR. LADNIER: We never made any changes on
8 that.

9 DR. MOELLER: Okay. Thank you.

10 MR. ZUNKER: Thank you.

11 DR. MOELLER: Any other comments regarding
12 the bylaws? We will get those published in the Trails,
13 Brenda. It's got to be -- what does it say? Two
14 months or 60 days? Two months prior to the annual
15 meeting. And Maurice is going to send you a clean
16 copy. Maurice is going to send you a clean copy of
17 what the proposed bylaw changes are. Correct?

18 MS. HIGHTOWER: Does that include what we
19 just went over, what we approved until January in the
20 rule changes?

21 DR. MOELLER: No, we voted and accepted
22 that change. In our handbook says the bylaw changes.
23 Those aren't bylaw changes. Okay. Millennium
24 futurity. Charlie gave a report, he had a discussion
25 with the millennium futurity people, he and Bob and

1 those two people from the board that talked to them and
2 he gave a report at Mississippi. Now, those people
3 that were questioning about the contents of the bylaws,
4 was there a sufficient discussion in those bylaws to
5 satisfy everybody, or does Charlie need to come
6 reiterate some of that stuff? I mean, the minutes.
7 Because everybody did get those. Was there a
8 sufficient discussion of that, Mr. Secretary?

9 MR. SIMMONS: A whole paragraph.

10 DR. MOELLER: Whole paragraph? Okay.

11 Anybody want any other explanation of the board members
12 that weren't there? Hearing no questions.

13 Very quickly, the new world headquarters
14 update. We're still working on it. The civil engineer
15 was supposed to meet with us this morning and she never
16 showed up. So I guess we'll have to find another
17 engineering outfit. We did receive -- I asked for an
18 official appraisal of that property because we had
19 Realtors giving us one figure, we had different figures
20 given to us about what that two acres was worth. The
21 reason why we want to evaluate those two acres in the
22 best case scenario we can sell those two acres and
23 build what we want for a world headquarters. Best case
24 scenario, we don't have any money changing over if we
25 make enough money off that land to buy some other land

1 and build what we need or at least most of what we
2 need. And as a good suggestion which I didn't want to
3 do until I had a good idea of what that land was valued
4 at, the suggestion was that we go ahead and put it up
5 for sale, we didn't have to sell it, but let the market
6 determine what the thing was worth. And that's fine,
7 we but we needed to know our best offer, is that way
8 offer what it's really worth or way under? That's why
9 I asked for an official appraisal. That came in last
10 week and it came in pretty close to those figures that
11 we were given. Let me read that to you. It came in in
12 the range of \$15 to \$19 a square foot which equates out
13 to \$1,450,000 to \$1,800,000. And when Zech and I were
14 knocking this around, we probably were going to ask
15 around \$3 million for that piece of land. The statue
16 that sits on that land also has value and of course
17 that didn't come into play on this thing. If we move
18 our headquarters, when we move our headquarters, you
19 know, we will probably get a real healthy offer from
20 Billy Bob people to leave that statue there, then we
21 will have another decision to make do we leave it there
22 and take their money or do we haul it off to our new
23 headquarters. But right now our latest up to date
24 appraisal is one and a half million to 1.8 million in
25 round figures. I'd like to take a little straw poll

1 here. We've got a Realtor that we have hired that is
2 actively looking for existing facilities that might
3 work for us that we can either add on to or work with.
4 He's also looking for bare land for us. The piece of
5 property in the Cowtown area is -- the first right of
6 refusal on that it expires in August and so we haven't
7 given up on that. The feeling is right now it's 4.5
8 acres but that may not be enough for us and we might be
9 dependent on Billy Bob's people for parking for
10 instance. And if you've been over there in the last
11 day or two, you can see that where we might be able to
12 utilize parking, it's full of grand stands and X games
13 stuff that they are going to televise and, you know,
14 God forbid they decide to put on something like that
15 right when we need the parking lot for the Horn
16 Showcase or for the World Show. We might be back in
17 the same spot. If we're going to get away and do our
18 own thing, we need to do our own thing. So I don't
19 have anything positive to relate to you as far as doing
20 a vote for me, but I would like to take a straw poll
21 from the members and the issues are do we want to
22 really continue to struggle there and see if we can buy
23 something that's sufficient for us in the historical
24 district, number one, do we want to move out in a
25 little more peripheral area and we are looking right

1 now also at a 17-acre piece that's right on 820 and
2 Jacksboro Highway. It's not on the highway. It's up
3 in Saginaw. It's right next to the Official North
4 Texas High School Roping Facility. It's got nice
5 exposure. Problem is part of it is in a floodplain.
6 But anyway the Realtor is getting all the details on
7 that for us right now. So do we want to try and
8 struggle to stay in the stockyard area, do we want to
9 look at something close by in the Fort Worth area or do
10 we want to just go out in another community? And I'm
11 just going to throw this name out and say Weatherford
12 and the benefits would be obvious, land would be
13 cheaper. Let me just see if the board -- what does the
14 board think? Who wants us to really try and stay in
15 stockyards area? Just raise your right hand? One,
16 two, three, four five six seven. Seven. Who would
17 like to see us establish our new world headquarters
18 stay in the Fort Worth area, for instance that piece
19 there in Saginaw that's at 820 and Main Street I guess
20 it is? Who would be interested in something like that?

21 MR. TAYLOR: Is that within a 20 mile area?
22 I don't know the area you are talking about.

23 DR. MOELLER: I think it is, yes.

24 MR. TAYLOR: Okay.

25 DR. MOELLER: Nobody's voting twice are

1 they? One, two, three, four five six seven eight nine.
2 Okay. And who would, if we have to, just dessert the
3 Fort Worth area, stay within a reasonable mile radius
4 but look for something -- I used Weatherford as an
5 example. Say Weatherford. Anyway that's where we are
6 with the world headquarters. We will have a new world
7 headquarters with office space with or without a
8 museum, sale facility and show facility, pens, parking,
9 just what we -- just what we want and what we need.

10 DR. KROPP: Mr. Chairman?

11 DR. MOELLER: Dr. Kropp.

12 DR. KROPP: Has anybody given thought as to
13 the total -- and I'm sure Zech has probably looked at
14 it. The total number of acres that you will need to do
15 what we want to do?

16 DR. MOELLER: Yes. Zech, if you can answer
17 that?

18 DR. DAMERON: 4.5 acres is by a wonderful
19 facility located in the stockyards and it's surrounded
20 by parking back toward that bank building right up
21 front where things are going on right now it's all
22 about 90 acres of parking right there. Some of it is
23 used I guess occasionally but even if you go back
24 further from where they are using it right now, there's
25 50 acres of it I feel sure that's all parking back

1 there toward that next that goes over to the
2 interstate. There's plenty of parking. Some of it is
3 Billy Bob's. Some of it down in the ditch is owned by
4 the City of Fort Worth but it will never be developed
5 because it's in the ditch.

6 DR. MOELLER: Let me I think I can answer
7 the question. When we look at the -- not the colosseum
8 but the building that we use there at Will Rogers
9 including the sale facility, the show facility, a few
10 cow pens, we never confuse those horse pens on the
11 north end there, but all under one roof, that building
12 is about five acres. And if we had that whole building
13 we could put our facility in that, headquarters, sale
14 barn, show barn, stalls and all that for about five
15 acres. Now, if you use just one deck of that parking
16 facility to the -- I think it's to the east of that
17 building where we all park our trailers and stuff, one
18 floor is two acres. So just based on that you are
19 looking at 7 acres to really give you what you need,
20 and then that's probably the minimum. Did that answer
21 your question?

22 DR. KROPP: I didn't know whether are we
23 talking about 10 acres, 20 acres.

24 DR. MOELLER: Four and a half is going to
25 squeeze us. Seven would probably be optimum. Ten

1 would be nice if we could afford it. Charlie?

2 MR. BUENGER: I think we ought to continue
3 to explore both. One thing that Billy Minick told us
4 when we met with the Billy Bob's group was that they
5 sell annually \$1.6 million worth of T-shirts and caps
6 out of Billy Bob's. A tremendous tourist attraction.
7 And my thought was our headquarters building should
8 have a tourist facility, museum type thing.

9 DR. MOELLER: Store, yes.

10 MR. BUENGER: Store, if we could afford it
11 also, and to me it's a real win-win deal.

12 DR. MOELLER: And the other thought of that
13 is a sale facility, sale barn if you will, and a show
14 facility, we're not the only ones getting squeezed out
15 of Will Rogers out there. We can solicit all those
16 other people and I bet you we could keep our facility
17 rented out frequently, and that's an income producer.

18 MR. RICHEY: I'm really bothered with the
19 idea of if this thing keeps building the world
20 headquarters, do you think we could repeat this straw
21 poll, maybe I'm way off base here, and is the
22 membership interested in the whole package, is
23 everyone -- is that where we're at?

24 DR. MOELLER: Well, the point is with the
25 whole package, what is really driving this is the fact

1 that in a year or two we're not going to have Will
2 Rogers available to us.

3 MR. RICHEY: I understand.

4 DR. MOELLER: So we've got to have some
5 other facility to have if we're going to have sales.
6 And don't forget, we can bring in -- we can abandon
7 West and have sales at our facility. So if we are
8 going to do something, we might as well do a facility
9 that we need. We don't need a new office for Brenda
10 Cantrell. We don't need 3,000 square feet to house
11 people. We've got that. That's not what is driving
12 us. What is driving us is we need somewhere to go
13 for our members. We're not going to have Will Rogers
14 available to us.

15 MR. RICHEY: But there are other sale
16 facilities.

17 DR. MOELLER: And we are looking at other
18 facilities too. We did look at a facility in Alvarado.
19 It's a gorgeous facility. It doesn't have the exposure
20 a lot of us don't like, I don't like the exposure, Zech
21 doesn't like the exposure, but it's a great facility,
22 it's got plenty of land, it's gone -- it's been in
23 financial trouble two or three times and has been sold
24 and re-bought. A Realtor is keeping an eye on that
25 facility too and we wouldn't have to do anything with

1 that. That's got everything we need right now, and
2 it's about five year old construction. Zech?

3 DR. DA: Well, the four and a half acres at
4 the stockyards, that is a very historical place,
5 there's one brand-new hotel I think called Hyatt Place,
6 people stay there for 107 a night, Chesapeake has
7 bought the property that would be to the east and
8 north, they're going to build a hotel there and those
9 boys have unlimited money so you will have a nice
10 facility there. You've got all that entertainment,
11 you've got shops, food, restaurants, ambiance like you
12 wouldn't believe about longhorn cattle because that's
13 most of what came there at first. If we could just get
14 ahold of that, maybe if we could sell this other
15 property we'd have money or we could make a contingency
16 fee I guess if we have to sell it. Now, this other one
17 may come up for sale because they have about another
18 month.

19 DR. MOELLER: August. I don't know what
20 date in August.

21 DR. DAMERON: They have five more months to
22 close it. Somewhere in there they may drop it so we
23 would have an opportunity to buy that property. I'll
24 promise you, I could raise the money if we could get
25 along with our friends to build the difference between

1 what we could sell this for and build this facility.

2 DR. MOELLER: Right now that piece, that
3 four and a half acres, they are asking \$800,000 for?
4 It's a very reasonable offer. Or offering. But we are
5 not in first place. We can't find out who those people
6 are that are ahead of us.

7 DR. DAMERON: We could rent that out. If
8 we have a nice facility, people would want to come
9 there because that is a historic tourist place right
10 there and it is growing. They're going to remodel all
11 of that floodplain down in there, they've got
12 \$40 million for flood control down there that Kay
13 Bailey Hutchison has already arranged for, one of these
14 little quick deals on the back side of a bill. So it's
15 going to happen.

16 DR. MOELLER: Thank you, Zech. If anybody
17 doesn't have any more questions, we'll go on to new
18 business.

19 DR. DAMERON: Have we put it up for sale?

20 DR. MOELLER: No, we have not put it up for
21 sale. I just got the appraisal Tuesday. Wednesday.
22 Yesterday.

23 DR. DAMERON: Can I make a motion we do put
24 it up for sale?

25 DR. MOELLER: If you don't mind, I'd rather

1 you sit on your hands for just a little bit longer.

2 MR. ZUNKER: I just wanted to ask a
3 question on the appraisal that we got in, did they take
4 into consideration whether we would retain the mineral
5 rights on that two acres and did they take into
6 consideration will we be able to in any way maintain
7 the income from the billboard?

8 DR. MOELLER: Do you want to read it? I
9 haven't read it in detail. I just looked at the --
10 what the square footage appraisal was. So I don't
11 know. But you can see how heavy and thick this is.
12 I'm sure they address all those things because they are
13 aware of all that stuff. Okay. George. Are you still
14 here? Do you still have time to make your
15 presentation? Do you have time? We're going to change
16 the agenda. Item number D under new business, I'm
17 going to let him go ahead and go first because he's got
18 another affair to go to in Kansas. Wichita, Kansas.
19 So let's try and get him on his way. Go ahead.

20 GEORGE: I want to thank the board of
21 directors and the chairman of the board for giving me
22 the opportunity to speak to y'all today. I come with a
23 big hat on. The hat kind of fits I think what I'm
24 about to speak about. It's a grand idea and the grand
25 idea fits under this hat. The grand idea is a Texas

1 longhorn cooperative. Texas longhorn cooperative got
2 its license with the Department of Texas Agriculture on
3 Friday the 13th, April 13th of 2007. With that license
4 we have then proceeded to make things grow. Prior to
5 that time, five families got together on a regular
6 basis and we discussed a better way to get rid of our
7 bottom end cattle. Taking them to the sale barn was no
8 option. Tired of getting the same price. About 60
9 years ago or so the beef industry had deemed our cattle
10 that we all love so much as packer cattle or cutter
11 counter. Well, you're going to get cutter counter
12 prices if you go to the sale barn. It's going to be
13 from 29 to 46 cents kind of on average. If you see
14 that 60 cents, that's great. But it doesn't happen
15 that often. Our idea is to take your processed animal
16 straight from your pasture straight to the store shelf
17 or straight from your feedlot straight from the store
18 shelf bypassing all the meat producers. About 140
19 years ago our cattle raisers got put back on the back
20 shelf for not making any money I feel like is the way
21 I've always felt about it and as I got into this
22 program I realize where we've always been, we've
23 been -- you're not going to make money with cattle if
24 you keep doing what you're doing. And this is where
25 the co-op comes into play. Like I said, 140 years ago

1 it all started when these longhorns left Fort Worth to
2 go to Chicago, Illinois. When they got to Chicago
3 after a long trail ride, a man in a black derby hat
4 with a black suit counted cattle coming through the
5 gait, the trail boss trotted up and said, well, what
6 are you going to give me for them? He goes, hmm,
7 they're worth six dollars, but I'll give you two. And
8 he took it. And we've been doing that ever since. The
9 cooperative doesn't do that. We're going to take
10 whatever we can make from you for your total animal
11 from hide to horn all the way through the meat process.
12 At our last board meeting we had representatives from
13 Central Market come to our meeting and we gave them an
14 open ended program with them to be exclusive grass fed
15 program. The grass fed program is just one of three
16 programs that we are going to have. We have the grass
17 fed, which USDA last November the 15th changed the
18 program as grass fed. It used to allow 20 percent
19 grain overall for the lifetime of the animal. Not any
20 more. It's a hundred percent grass and grass by
21 products and/or hay or alfalfa as basic protein food.
22 Any grains that are given now are going to go into our
23 other program that people want to use grains and tubs
24 and stuff like that are still welcome to do that.
25 We're going to go into another program which we've

1 already got a label for, these labels have been passed
2 by the USDA already. We're working on the third label.
3 The second label is free roaming. That's going to let
4 you go have your grass fed, going to let you have some
5 grains along with it, and I've got members from a
6 northern state say I have to feed a little bit in the
7 wintertime, it's just not enough. I said, well, then
8 we've got this program for that. And then I have other
9 members that want to feed roping steers out to a 30
10 month limit and they like to grain feed them and so
11 we're going to have a grain fed program. All these
12 have a downturn. Right now grass fed is the premium
13 mean on the meat shelf. Central Market is an H.E.B.
14 affiliate and Central Market wants to see longhorn meat
15 on the store shelves. In the five families that came
16 together for that month prior to us becoming an a
17 cooperative, we all come up with one conclusion and
18 found one thing in common with everybody that's put
19 longhorn meat out. They all run out of product. When
20 you have product on the store shelf and you run out,
21 you don't come back. Well that's our idea. Our idea
22 is to bring all of us together. We don't hold
23 allegiance to any one association, just the longhorn
24 breeder. The idea is to gather us all up and if you
25 have two head or 50 head or hundred head that can go

1 into the program, that will keep it on the store
2 shelves. We, to go to Central Market, are going to
3 have a full line of meats. You're going to have sliced
4 meats. Our ground beefs, our ground meat is going to
5 be a 98 lean ground beef. So when we get into doing
6 these carcasses out, we trim back and what trim back we
7 left out goes into a sausage program. So we will have
8 slice meat, ground meat, stew meat, chili meat, and
9 then a sausage program which right now we are including
10 with a brat, a smoke sausage, a hot link and an
11 Italian, believe it or not. It's really good. We feel
12 like that as a co-op we can help you to grow you're
13 bottom end cattle, and it's just like the horse market
14 has gone to, when they took slaughter out of the horse
15 market, the horse market plummeted. I don't know if
16 anybody has got horses, but once they pulled that out
17 of this country, our prices for horses has gone to
18 really nothing. We feel like that the longhorns have
19 been thin enough for a long time do something. If we
20 can raise our price levels up, if anybody has got the
21 brochure that I've handed out or tried to, let's get
22 into the business part. We got rid of the hat. Now
23 we're going to go to the business part of it. Back to
24 normal. The business part of it, if you will flip the
25 page three, you can look and see kind of what the price

1 line is of these animals that we're talking about.
2 Huge difference between sale barn price and wholesale
3 price believe me when I tell you that \$641 for this
4 animal is what he brought at the sale barn, he wouldn't
5 have brought that at the West sale, he would have been
6 lucky to get 425. That's how rough he was. His horns
7 are going to sell for \$450 and she didn't want them so
8 she's not taking that process. TLC is picking that up
9 to bring some income in to TLC. He had a really great
10 set of horns on him. The actual bottom line of this
11 when you add the \$460 just for the wholesale price is
12 going to be a little over 1500 for the whole bull.
13 We're going to take all kinds of animals, but our
14 premium cut, premium cut animals right now on the grass
15 fed program, we're looking to 18 to 22 months is kind
16 of what we're looking for. We feel like we can make
17 those tender enough where the people will come back to
18 buy it. It gives us a whole lot better idea. Now, if
19 you bring cattle up off the bottom that are steers and
20 stuff that you are bringing from the bottom, what's
21 going to happen when you go to your West sale? Your
22 West sale is going to kind of start going through the
23 roof. Myself personally, I think in five years you
24 won't be able to buy a roper anymore. You may ring him
25 for a little while but you're not going to get to own

1 it because all of us as breeders are going to hang onto
2 them and put them into this program. The whole idea of
3 this program is to raise the bottom line up and get us
4 into a stronger program. And I've had people say,
5 well, I don't do grass fed. Well, we may need two
6 other places to go to make your cattle work. That's a
7 long way to go down to Rice to drop our cattle off.
8 Not any further than going to West and a lot of people
9 go there on a regular basis. And yet we're also
10 setting up programs to where we can outreach to each
11 other, we have a central location in Oklahoma right now
12 to bring cattle in, they'll take them to there, drop
13 them off and in a day or so they'll come on to the Rice
14 facility to be ear tagged and take them to process.
15 We're to pool this. It's a about a cooperative.
16 You've got to remember this is member-owned,
17 member-operated and not for profit. You have the
18 control as to how you want it to go. We have 19 more
19 members right now. We're looking for like 23 is what
20 we will end up with. The State of Texas said we had to
21 have 19. In this process, I don't feel that anything
22 else that you can become winners by bringing your
23 bottom line cattle up, but it takes all of us together
24 to make this work and that's kind of what I'm here
25 about here today. Anybody got any questions?

1 DR. MOELLER: A few years ago the
2 cattlemen's association did lots of work on this. Have
3 you had any communications with them as far as seeing
4 what their problems were?

5 GEORGE: Well, I haven't had any
6 communications with them per se. And you're talking
7 about the old cattlemen's association registry. Right?
8 Okay. Their supply was there. The problem, what they
9 did is they let IVP and Tyson take their product.
10 Well, they only got a third more than what it was
11 worth. When you only get a third more than what it's
12 worth and you spend a lot of money, they put them in a
13 feedlot where you let them sit. You spend all this
14 money putting them in the feedlot and you got \$150 more
15 than what you started with. We're not doing that.
16 We're not taking that. We're taking it right from your
17 pasture and we're going to control. If you think about
18 what's happened over those years, that 140 years I
19 talked about, it's amazing to me that these meat
20 packing companies make millions every year and us
21 ranchers can barely make ends meet with what they're
22 giving us. Where if you sit down and look at the
23 prices, this is actual meat prices. This is what
24 you're going to get back. Well, that's why they make
25 so much money, because they're taking your money from

1 you. We are planning on a dog food program, a bone
2 program. Horns. Hide. All this stuff has just been
3 leaving you on a regular basis. I'll just take them
4 down to West and drop them off. I'll take them over
5 here. I'll take them to the packing house, they'll buy
6 them for this. All those items are all saleable items.
7 Dog food. I had a member research dog food. How about
8 dog bones are \$9.95? Smoked dog bones. Good gosh,
9 there's four of them on each leg. And, I mean, there's
10 more money right there just in dog bones than what
11 would you end up in sales commissions on taking them to
12 a sale barn. I mean, it's worth it to get into the
13 program.

14 MR. BUENGER: What do I do? Where's the
15 money go, where does the animal go?

16 GEORGE: Well, right now how the process
17 works is you have -- if we need your availability for
18 your process to come to us, what you will do is bring
19 the animal to TLC, we'll ear tag it. You decide then
20 whether you want to keep the hide or the horns. And
21 we're working at right now trying to cheapen this by --
22 we think we've got a hide company out of Spring, Texas,
23 which is down by Houston that will be interested in
24 doing this in a volume program, you'll decide then
25 whether you want to keep them or not. Okay. That ear

1 tag and your member number is what the lot number will
2 be on all the packaging, including all the hides and
3 horns, the package that goes to Central Market, they'll
4 all be on those packages. So that way we can also keep
5 track of if we have a problem of any kind, we'll know
6 exactly where it come from. That then is in turn and
7 the payments are made back to you under that lot
8 number. In other words, we processed some -- I
9 processed one that my number is 2 and it was 211 is
10 what the number was and we process that way and just to
11 give you an idea, this one right here is -- I mean two
12 three is what that number was. You will see up here at
13 the very top of your third page, this is 1611. Her
14 member number is -- this is Sandy Martin. Her member
15 number is 16 and that bull's number was 11. She'll
16 take that all the way through the whole process. Don't
17 get me wrong. Right now this process is a little --
18 payback is a little slow. It's not the sale barn.
19 You're not going to get your instant cash. We've got
20 stuff right now still six months out on returning cash
21 but it's on a cash flow coming in, and the only reason
22 we're like that is due to the fact that we're on the
23 E-commerce so as we get E-commerce sales, we settle
24 that out. We go to Central Market and which we hope to
25 be there really soon, once we get to Central Market,

1 we're looking at 30 to 60 day turn around on your
2 money. I don't know about you, but I can stand to wait
3 for 30 or 60 days if I'm going to triple my money.

4 MR. LADNIER: What weight class are you
5 talking about?

6 GEORGE: We don't have a weight class. The
7 thing we're going to or we plan on to work with these
8 grass fed animals is 18 to 22 months. Don't really
9 care what size it is. It's the cut of meat we need to
10 get off of it. We're trying to see -- we think the
11 cattle will stay between 650 and 800. That's kind of
12 where it should end up at that particular age group.
13 Our free roaming, we haven't decided yet. 30 months or
14 under is where the kill line has to be on things that
15 are going to end up making sliced meat, in other words,
16 you're steak has to come out of everything that's USDA
17 approval, has to be 30 months or under. These old cows
18 and old bulls that have problems that need to come in,
19 they'll all through the grind-up, they'll end up being
20 hamburger, stew meat, chili meat and then sausage.
21 That's where all that product will end up going. Any
22 other questions? Yes, sir?

23 MR. JOHNSON: Your example that you have
24 out here of the live weight, that's a bull, right?
25 1510 pounds. You're not worrying about how it's going

1 to grade, choice or anything?

2 GEORGE: Not when you're doing a grind-up.

3 MR. JOHNSON: When you're doing the what?

4 GEORGE: Grind-up. What we call grind-up.

5 If we're going to grind them all into hamburger, it
6 doesn't make any difference what he's going to do
7 because what we're going to do is we're going to make
8 him 98 lean.

9 MR. JOHNSON: 98 lean?

10 GEORGE: Yes, sir.

11 MR. JOHNSON: Wouldn't it do better at 92
12 lean?

13 GEORGE: No, you've got to remember --

14 MR. JOHNSON: 98 lean is going to fall
15 apart in the skillet.

16 GEORGE: No it won't. I figured out a new
17 way to do this, or I figured out several ways to do
18 this. What I've understood -- I have not been a
19 longhorn breeder that long. I've raised all kinds of
20 other cattle, we've raised show hogs, I actually
21 started out with Herefords - I hate to say that - but I
22 got into longhorns accidentally. The thing you do have
23 as a longhorn breeder is you have a meat product that
24 is a health food. It is one-third less calories fat
25 and cholesterol for white chicken. Why don't we sell

1 it at that? Well, that's what the co-op is doing.
2 We're selling it as a health food. So when we go to 98
3 lean, we are making it even healthier.

4 MR. JOHNSON: As I understand this, you're
5 going to have to market it at the retail end?

6 GEORGE: Yes.

7 MR. JOHNSON: And that your 98 lean -- you
8 will -- I'm having a hard time reading all these
9 numbers here. Your bone out at 580, you've got 98
10 lean, you've got 396 pound.

11 GEORGE: That was just going to be
12 hamburger, sausage and stew meat.

13 MR. JOHNSON: This animal is over 30
14 months.

15 GEORGE: Yes.

16 MR. JOHNSON: So the have you put any
17 pencil to what it costs to bring this animal to \$1500
18 pounds keeping it for 30 months as opposed to selling
19 it as a long calf or short yearling and getting it off
20 your pasture bill and your feed bill.

21 GEORGE: Well, this particular woman
22 was using this for a service bull.

23 MR. JOHNSON: Pardon?

24 GEORGE: This was a service bull. She was
25 using it for breeding.

1 MR. JOHNSON: Okay. This one.

2 GEORGE: Yes, sir. Yes, sir.

3 MR. JOHNSON: But as a run of the mill,
4 yeah, you're going to have some dry cows, you're going
5 to have some barren cows, all these cows will fit into
6 this area of over 30.

7 GEORGE: Over 30, they'll all be ground up.
8 That's all they'll be.

9 MR. JOHNSON: Under 30 what is the price
10 differential?

11 GEORGE: Your steak cut.

12 MR. JOHNSON: Does it bring in a better
13 return --

14 GEORGE: Yes, sir.

15 MR. JOHNSON: -- so you don't have as
16 much -- in other words, I'm hoping I don't have that
17 many culls out of my cow herd. To build this --

18 GEORGE: We hope you don't either. What we
19 need is more members. We've got 35 now. And we also
20 have a small glitch problem that we're trying to solve
21 out now. At the last meeting, we had about five
22 different ideas to approach -- we need \$30,000 to
23 actually buy the process machine that packages it like
24 Central Market wants. The packaging that is done right
25 now is not adequate for them. They want a vacuum

1 packed fresh material when it comes to them. Right now
2 we have a frozen product. I'm not saying that our
3 frozen product can't go somewhere else. We have other
4 people looking in Chicago that are really interested in
5 our product there. But we are looking at Central
6 Market to do this and it's a vacuum tray is what it
7 amounts to. And all their stuff at Central Market
8 stands up to you like this so when you are looking at
9 it as you walk by, you can see it directly in front of
10 you. That machine is about \$20,000. And then with the
11 service materials to buy the service materials to put
12 it together also have some test products they want us
13 to test for 30 days and see where the deterioration is,
14 and those items come to about 30 grand. That's kind of
15 where we're at right now and we need members to make
16 this all work.

17 DR. MOELLER: And your membership is a
18 hundred dollars a person?

19 GEORGE: It's a hundred dollars per year
20 per person. Actually per family is what it amounts to.

21 DR. MOELLER: Well, let me ask you a
22 question. We need to move along. But you ran an
23 article in one of the other journals. Did you get any
24 replies out of that, did you get any membership out of
25 that?

1 GEORGE: Yes, we did, a couple.

2 DR. MOELLER: Did you?

3 GEORGE: Yes.

4 DR. MOELLER: So with our larger --

5 GEORGE: We get a -- this is what I get a
6 lot of. Well, you get it up and running, give me a
7 call. I'm sorry. I will not call you. I'll call my
8 members. This is kind of where I've had to go to. I
9 have had to make that stand. If George Washington had
10 been still standing on the side of the river, we would
11 not be here. We'd be with England. That's kind of
12 where it's at. We really need your membership to make
13 it work. The volume of cattle has to come from all of
14 us in order to keep us on the store shelves and the
15 prices we are talking about, that 525 has already been
16 mentioned by Central Market by their -- we have to work
17 with a meat marketeer and he's already pre mentioned
18 the 525 and we already had a 425 price line as our
19 wholesale. I have no idea where this is going to go
20 with gas prices. And if you checked your feedlot and
21 stuff to know what the price of cattle are going down
22 because Tyson and all their prices are going up for
23 everything, they're going to take it out of you.
24 They're not going to take it out of themselves. Meat
25 prices keep going up. Your prices keep going down.

1 That's kind of where it's falling right now. And we
2 are the meat company. You are the meat company. You
3 just have to raise them and process them. That's kind
4 of what it's amounting to. Why give all those profits
5 to Tyson and IVP? That's exactly what that other
6 outfit has done. Yes, sir?

7 UNIDENTIFIED SPEAKER: What kind of volume
8 are you talking about? I'm just wondering how much you
9 are thinking you are going to end up processing.

10 GEORGE: Right now we're looking at about
11 nine head a week just through Central Market to start
12 their start program.

13 UNIDENTIFIED SPEAKER: And as you progress
14 what are you looking at?

15 GEORGE: As we progress -- what we are not
16 going to do -- and this is another thing that that
17 other co-op has done -- or the other meat company has
18 done. They let themselves grow out too fast. They
19 were trying to take every order they could pull in
20 instead of growing to fit it. That's what our idea is,
21 to grow to fit. Once we get one satisfied and we can
22 keep them, we know kind of where we're going to be with
23 them, we move to the next one. We have people in
24 Chicago that are interested, a health food chain in
25 Chicago and another health food chain in New Jersey

1 that's interested in us. The other thing I haven't
2 told you about is kosher. Kosher is big bucks and it's
3 only the front half of the animal. We plan diligently
4 to try to be in the kosher market. Our meat fits the
5 kosher line of food really well and that 525 you are
6 talking about, we talk about in here is our base line
7 for wholesale, it will be about 795 wholesale in
8 kosher. So the very front 150 pounds off of an animal
9 is going to bring you a lot of money really quick.

10 DR. MOELLER: All right, George, thank you
11 very much for your presentation. You'll be glad you
12 made this presentation to the board and maybe you need
13 to talk to Brenda and we can see if we get you a little
14 more exposure in the Trails.

15 DR. KROPP: Mr. Chairman, before he leaves
16 I want to ask him a couple of questions.

17 DR. MOELLER: Sure, go ahead.

18 DR. KROPP: You say you want 650 to 800
19 pound cattle and you anticipate selling your middle
20 meats, your steaks, at Central Market?

21 GEORGE: Everything right now.

22 DR. KROPP: You anticipate what the size of
23 your rib eyes and your strip loins and et cetera like
24 that is going to be out of 650-pound longhorn steer?

25 GEORGE: It's not going to be your typical

1 run-of-the-mill on grass fed. It's going to be a
2 little small. But what we're going to do is inch and
3 inch and a half cuts is kind of what we have in mind.

4 DR. KROPP: Well, call me. We can visit.

5 DR. MOELLER: Okay, George, thank you very
6 much. All right. Let's go, Bob. Can you take over?
7 Bob wants to start a new affiliate over in west Texas
8 and has got an application to us to approve an
9 affiliate over there. And Bob, do you want to make
10 your presentation real quick?

11 MR. RICHEY: I really have nothing other
12 than just to reiterate what he said. We would like the
13 board to approve our application as the West Texas
14 Longhorn Association. It's located in San Angelo,
15 Texas. We currently have directors, members, and four
16 officers, and we have prerequisite funds and we have a
17 copy of the West Texas bylaws and I'm assured that's
18 everything we need.

19 DR. MOELLER: Okay. So he's met all the
20 requirements.

21 MR. RICHEY: Do I need to make a motion?

22 DR. MOELLER: I'd be glad to accept a
23 motion for accepting the new affiliate.

24 MR. BUENGER: I'll make the motion.

25 DR. MOELLER: Charlie made a motion. Is

1 there a second?

2 MR. ZUNKER: Second.

3 DR. MOELLER: Steve Zunker seconds it. Is
4 there any other discussion regarding this? All in
5 favor signify by saying aye? Anybody opposed? Hearing
6 none, motion passes. We have a new affiliate in west
7 Texas.

8 Okay. The next agenda item is the Gulf
9 Coast Texas Longhorn Breeders Association issues. And
10 some of the board members may or may not be aware of
11 some of those issues that have been going on and I
12 really don't know who wants to take the lead on this.
13 I've got Ty listed and I've got Donny listed and I've
14 got Charlie listed and they probably all want to say
15 something. Do you want to start over here? Donny, you
16 want to just take off?

17 MR. TAYLOR: Well, for those of you who
18 don't know, the Gulf Coast has been working real close
19 with the market alliance. They've put on a sale in
20 conjunction with them in February of last year and with
21 our rules and regulations, the TLBAA, we are a
22 non-profit organization. The alliance group is a
23 for-profit organization and through the Gulf Coast
24 being working with them to put on their sales and such,
25 we may be getting ourselves in a bind legally with

1 the -- with working with them. I'm not sure what steps
2 to make or what we need to do other than talk to them
3 and let them know that this is not what I think the
4 board wants to do is let them continue to work with the
5 alliance to put on their sales and be a part of their
6 show.

7 DR. MOELLER: Charlie, do you want me to
8 say something or do you want to take it next? Let me
9 see if I can't summarize some of the issues that have
10 been explained to me about this. As you know, we've
11 got a little problem with the splinter group that has
12 tried to destroy us and continues to try and destroy
13 us. And in our affiliate handbook, it addresses what
14 the affiliates should and should not do to stay in good
15 standing. I hope that we don't decide to - personal
16 opinion - I hope that we don't decide to yank the
17 charter of the Gulf Coast affiliation. I don't want to
18 see us do that. And maybe what we need to do is
19 nothing. Probably somewhere in between, some kind of a
20 sanction or probation might be in order. It's not
21 unreasonable and it's not -- historically this board,
22 not this particular board but the board of directors in
23 the past has severely threatened an affiliate regarding
24 yanking their sanction and they straightened out.
25 Donny can speak to that. He knows the in's and out's

1 of that. But it's a longstanding TLBAA policy that the
2 TLBAA affiliates do not engage in activities with
3 competitive organizations. This includes but is not
4 limited to the following: Joint sales events, any
5 events sanctioned by the competitive organization,
6 signing any documents with competitive organizations
7 not previously approved, allowing competitors to
8 advertise in their publications, advertise in the
9 affiliate -- in competitive publications, providing a
10 venue for competitive organizations to address the
11 affiliates. The official affiliate handbook requires
12 all our affiliates to avoid undermining the efforts of
13 the TLBAA and to try and steer clear of these
14 activities. Charlie went to the annual affiliate
15 president's meeting in January, as is part of his
16 duties, and addressed all of the affiliate presidents
17 and reiterated all of this stuff that's in the handbook
18 to all of them. That affiliate continued to breach all
19 these things. And so basically what we need to decide
20 I guess is what do we want to do about it? Boot them
21 out? Which I personally don't want us to do. Do
22 nothing? Or maybe somewhere in between. Based on
23 that, Charlie, do you want to say something and then
24 maybe I'll let Ty say something, and then anybody else
25 can say something.

1 MR. BUENGER: I don't have a whole lot else
2 to say other than I made it real clear to them what
3 they weren't supposed to do and since then they have
4 continued to thumb their nose at us. I got something
5 in the mail just the other day. I may have it here.
6 I'm not going to dig through there and find it. It was
7 a flyer and y'all probably got it about their meeting
8 next week where they've invited Johnny Robinson to
9 speak as an official of the alliance. It's a
10 violation. I told them that back in January. And the
11 problem is is that the leadership of that affiliation
12 is also shareholders in the alliance, two of them at
13 least. And the members of the Gulf Coast association
14 have called me, a lot of them have, some charter
15 members that are unhappy about it because they thought
16 that they might lose their charter. I've had some
17 people call me and say, you know, our affiliation years
18 ago was threatened with that and something needs to
19 happen to them. I've had some of them call and say
20 that the charter ought to be forfeited and I've had
21 some say that nothing ought to happen. But I don't
22 think that the members of the Gulf Coast realize that
23 realize that their leadership is putting them in
24 jeopardy by violating the affiliation rules. And I
25 felt like -- I suggested to Fritz what we ought to do

1 is have a letter sent to the membership of that Gulf
2 Coast association and tell them, you know, hey, your
3 leadership is doing this and it's in violation, we've
4 tried to get them to stop it and they won't and give
5 the membership an opportunity to do something about it
6 before we have to.

7 MR. TAYLOR: Has that letter been sent out?

8 DR. MOELLER: If you remember, we discussed
9 this issue and that was a suggestion down in
10 Mississippi and I interjected a little executive
11 privilege and advised and recommended that we wait and
12 discuss this in front of the whole board. I didn't
13 think that was a decision we needed to make, so the one
14 decision that's on the table is that we send a letter
15 explaining why we're upset with that affiliate to each
16 of their members and hopefully that will take care of
17 the problem.

18 MR. SITZMANN: Mike Sitzmann. I was in
19 that affiliate meeting that Charlie spoke at in January
20 and I was very happy that he brought that up because
21 per the conversations that you and I had had versus
22 Prairie Longhorn Expo that we had I was worried that
23 our association was also going to be in violation or
24 our show that we were having and, you know,
25 consequently what he did is he reaffirmed to me of what

1 the handbook and the bylaws state in there of how we
2 have to be as an affiliate, and that was another thing
3 that we got there that I never had was the affiliate
4 handbook which came in pretty handy because then we
5 came back and, you know, I had a meeting the our
6 association and we did resolve our issues because
7 they -- I should say the members did not want to have
8 an opportunity for the directors to come down and say
9 you're going to lose your charter membership so the
10 idea of sending a letter out without the board doing
11 something that they might regret or we might regret, a
12 letter to the members would be very appropriate I
13 think.

14 DR. MOELLER: Ty, do you want to say
15 anything?

16 MR. WEHRING: Yeah.

17 DR. MOELLER: The reason I keep asking Ty
18 is he's on the board of directors of the Gulf Coast
19 association and they had a board meeting this past week
20 Tuesday night I believe and attacked Ty very severely.

21 MR. WEHRING: Oh, I've still got wounds.
22 Now, I'm not as tactful as Reverend Fritz here. I had
23 this little meeting Monday night with other directors
24 of the Gulf Coast. We went through our meeting. We
25 replaced -- I'll tell you something that's going on

1 down there. We have a couple of shows that the Gulf
2 Coast is responsible for. Brenham show is one.
3 Houston show is one. And at the Brenham show they
4 weren't really happy with and they relieved Ms. DuBose
5 of her running that show, and things are just happening
6 down there. Benny has sold half interest in his bull
7 to one of the alliance wheels, gave him some money to
8 advertise. This is just fun stuff I'm telling you.
9 Okay? And got some money to advertise this bull and I
10 said are you going to advertise in our AI or something?
11 Well, I don't know, I hadn't gotten my papers for it.
12 I said you hadn't? Said no. I said, well, if I can
13 get them for you by Wednesday, will you ad? I want a
14 commitment. I'm going to hold his feet to the fire.
15 But they are alliance members. In our Cattle Baron
16 Sale, our little affiliate lost nearly nine grand on
17 that sale, joint sale deal. They were very unhappy of
18 the consigners that came for the Friday night sale and
19 people from the Houston area that put cattle in there
20 just doesn't bring anything. Big boys, as I call them,
21 big boys like Charlie, you know, they didn't bring any
22 money. So and then the next day it was just the cattle
23 that were consigned, they weren't supported. As was
24 said, the alliance did not support. And I keep hating
25 to say the other guys. Well, they had a sale up here

1 in Glen Rose this past weekend and Larry -- I call Ear
2 Bob because he wears an ear thing in his hear, call it
3 to his face, I'm not talking behind his back, I said,
4 all right, let me hear about the deal. He brings a
5 catalog to the meeting Monday night and he says here,
6 and I was probably one of the first ones there and he
7 and Glen were the second ones and he just said look at
8 this. I went wow, not too good. I said, you share
9 this with the West sale? And it wasn't a real good
10 sale. And he was telling me about some of the guys
11 that were called to come pick their cattle up, they
12 were PO'd and they didn't know it, they had a meeting
13 that Friday evening that said your cow has to bring
14 \$900 or we're going to give Bruce McCarty these cards
15 and they're going to buy your cattle if they're not
16 over 900, so it doesn't look bad. Well, Mr. Johnson
17 out of Oklahoma got a phone call, he was a little late
18 getting there, he didn't go to the meeting, no one come
19 up and talked to him. He said how about my consignment
20 fee? I'm like, nope, you can't have that either. So
21 there were very upset people at the sale. And as far
22 as sanctioning this Gulf Coast thing, I don't know, I
23 don't want to make that decision, I don't want to say
24 yes, I don't want to say no, because it looks likes the
25 snowball is really gaining momentum to hit the bottom.

1 I may be wrong. Each of all of them are going to do
2 what they want to do. And if we lose them, we lose
3 money, it's like our advertising deal in the Trails, we
4 need that money. And thank God we've got one of the
5 guys that's going to come back and ad with us. But my
6 opinion on the Gulf Coast is I really don't have an
7 opinion. I wish they didn't do it. And I talked to
8 them very -- I've given them the handbook, showed them
9 the rules, the regulations about the association,
10 everything, and I got drilled pretty hard about, well,
11 what about this, well, there's affiliates that are
12 showing, having joint shows with the ITLA and I looked
13 at them and I said I don't know about that. I mean,
14 does anybody in here know that we've had a joint show
15 with the ITLA? I don't know where they're getting
16 their information. I don't know of it. But there's
17 just excuses to do a lot of stuff and gosh folks I
18 don't know what to do about it. They're just -- I
19 don't know. I don't know. But I think that they are
20 seeing the light that it's just not working. I mean,
21 their cattle are not bringing any more money. Maybe
22 it's because of the economy or the flood. And they
23 say, well, they're just another organization. And I
24 said no, I said all you guys in here know how much the
25 March showcase means to the TLBAA. It's a revenue

1 stream. A good one. And I said when you stack one on
2 top of us, that's competition. That's a shot right at
3 our heart. The magazine, Brenda works hard. We've got
4 a beautiful magazine. And they come out on top of us
5 with that, that's competition. And I said how can
6 y'all sit here and say that they're not trying to shoot
7 us between the eyes. And some of them kind of looked
8 at me a little and I think that our president may be
9 getting a little upset with it, but Benny and George, I
10 don't know. I don't know. And -- I just don't know.
11 That's where the Gulf Coast is right now. And Mary Ann
12 is going to get back on the board.

13 DR. MOELLER: So, I'm open to suggestions.
14 The executive committee in Mississippi thought a letter
15 to their general membership was appropriate. Maybe
16 that still is. And what do you want to say in a
17 letter?

18 MR. TAYLOR: I would like to make a motion
19 that we get a letter sent to all their members
20 explaining to them, to each member what our rules say
21 that they're supposed to do and let them know where
22 they stand, and give them, you know, six months to kind
23 of get it in line, or just let them know and if we need
24 to take action on them further on down the line, we can
25 take action on it.

1 DR. MOELLER: Is there a second to that?

2 MR. WEHRING: Fritz? These people sitting
3 out here in the audience and watching them as I was
4 saying what I had to say, why don't we get something
5 from the audience?

6 DR. MOELLER: I need a second to that
7 motion before we discuss it.

8 MR. SIMMONS: Second.

9 DR. MOELLER: Scott Simmons seconded the
10 motion. Now I will open it up to the discussion. Does
11 somebody in the audience wish to say something? I
12 don't know what your name is.

13 MS. TEKELL: Mary Tekell. I am with the
14 North Texas Longhorn Group. I attended the same
15 president affiliate meeting and I would expect nothing
16 less than if my affiliate acted like that, that we
17 would not receive a letter from you. I would expect
18 it.

19 DR. MOELLER: Thank you.

20 MR. KETY: I'm not trying to make trouble
21 for anybody but I did notice that Northwest Texas
22 Longhorn Association, they are putting on a sale up in
23 Washington or Oregon up there and had a real nice
24 catalog and real proud they finally got a sale and
25 they've really been wanting one for years and years up

1 there and trying to promote longhorns and all of that,
2 but they are selling ITLA cows in that sale and I don't
3 think they are dual registry cows.

4 MR. WEHRING: Yes they are. They can't
5 sell without TLBAA papers. I called Larson and got
6 right in the middle of it and asked him what he was
7 doing, wait a minute, they have to have their papers,
8 they were pending, and they weren't there because they
9 didn't get their papers back.

10 MR. KETY: Okay. That's per Bob Larson.
11 Some of them in the catalog just had --

12 MR. WEHRING: They didn't get their papers
13 back in time.

14 MR. KETY: Some of them had them down as
15 ITLA pending. Not TLBAA or dual registered pending.
16 Just ITLA.

17 MR. WEHRING: But they've got to have TLBAA
18 papers to sell in that sale. Per Larson.

19 DR. MOELLER: There was one other hand in
20 the audience and then Stacy. Paul?

21 MR. BRASWELL: If I remember correctly,
22 it's like y'all said y'all discussed this in
23 Mississippi. There is some consideration here between
24 a for profit corporation doing some business with a NOT
25 for profit and that could get messy with our friends

1 down at the infernal revenue service and cause us all
2 real problems. Six months is a long time to be sitting
3 on our hands and not asking these folks to do
4 something. I think 60 days ought to be plenty of time
5 for these folks to read a letter and -- get a letter
6 written and out to these folks and let them read a
7 letter and decide if they want to be a part of the
8 TLBAA or not.

9 DR. MOELLER: Stacy?

10 STACY TAYLOR: Okay. We keep talking about
11 the TLMA as a - and I've written notes - as a splinter
12 group. Many of the people who are shareholders I guess
13 in the TLMA still choose to register their cattle with
14 us, their memberships are still current, so in many
15 ways those are still members of our organization who
16 deserve respect and they are still utilizing our
17 services. Okay? In my opinion, in looking at our
18 budget, we have a 13,000 purse, I guess and that's it,
19 that's what we are anticipating for next year. And
20 running a business, my concern is that we are not in a
21 financial position to be making it. That's my first
22 concern. I oversee a non-profit much like the TLBAA, a
23 501(c)(3) and I deal with for profit companies every
24 day and I do not understand nor does my accountant whom
25 I called, and each of these meetings I keep hearing the

1 a non-profit cannot do business with a for profit
2 company. I need something documented for me that tells
3 me that that's a fact. Can somebody provide that?

4 DR. DAMERON: It's not a fact. I've
5 investigated that too. You can deal with whoever you
6 want to.

7 STACY TAYLOR: Okay. I called my CPA and
8 asked because I deal with drug companies every day, I
9 deal with suppliers of different products, and then we
10 have LLC's, so I guess I'm a little curious, I keep
11 hearing that thrown out and that has not been
12 substantiated for me.

13 UNIDENTIFIED SPEAKER: Stacy, you're buying
14 products from those people. You are not partnering
15 with them to sell another product. Not-for-profits can
16 do business with anybody. But if you are contracting
17 with them to join together to put on something you are
18 endangering your not-for-profit status.

19 STACY TAYLOR: Well, my CPA has not
20 verified that for me. So I guess I just would like to
21 see something in writing. Maybe Mari-Kathryn, if you
22 could provide that to the board so we'd have that in
23 writing. That was my other concern I guess but in
24 thinking about why these -- the affiliate maybe wants
25 to work with the TLMA, I think that the goal is that

1 they are wanting high prices for the cattle. I mean,
2 that is the goal and that should be all of our goals.
3 And in a competitive market, I think that we need to
4 make decisions that effectively support higher prices
5 for our cattle. To be quite frank, they haven't found
6 that. The budgets are down for everybody. Fuel costs
7 are up and those sorts of things. So I guess my
8 suggestion would be that we let these things play out.
9 I think that time tells us that, you know, different
10 marketing things don't work or whatever, but I think we
11 shoot ourselves in the foot and I think we make a lot
12 of supporters of our organization very frustrated if
13 you continue to draw lines in the sand when financially
14 it has been made clear to us that we really aren't in a
15 position to draw this line.

16 DR. MOELLER: Mr. Johnson?

17 MR. JOHNSON: I hate to disagree, ma'am,
18 but we are in a position to draw that line. Now, if
19 you want to be a non-profit organization -- check with
20 your CPA, ma'am, if you want to be a non-profit
21 organization and you want to make money, that's fine in
22 the non-profit deal. But if you bring a drug company
23 or whatever it is, whoever you do business with - don't
24 know what your business is, don't care - but if you are
25 working as a non-profit and you bring someone in to

1 coexist with you to make a profit through a sale then
2 that person is jeopardizing your non-profit position
3 ma'am.

4 DR. DAMERON: Well, I'll promise you that's
5 not the case. American Angus has a for profit division
6 as well as a not for profit division and they are --

7 MR. JOHNSON: Separate divisions.

8 DR. DAMERON: That's right, but they work
9 together.

10 DR. MOELLER: So the issue at hand is
11 basically not who is for profit and not for profit; the
12 issue at hand is is this organization prepared to send
13 a letter to the affiliate. The motion made was that we
14 did send a letter. You didn't put a time frame on that
15 did you?

16 MR. LADNIER: He did. I think he said six
17 months.

18 MR. TAYLOR: I said six months. If it
19 needs to be shorter.

20 MR. LADNIER: Let's don't put any time
21 limit on it.

22 DR. MOELLER: What do people think about
23 this. If we are going to send a letter saying that we
24 did discuss this as a board, and I don't know what the
25 proper term to put on there, probation or we're not

1 happy with you or whatever the terminology is going to
2 be and we're not yanking your charter but we will look
3 at this again at the November board meeting and we
4 would expect some compliance with the affiliate.

5 MR. LADNIER: Is that okay with you, Donny?

6 DR. MOELLER: Ty?

7 MR. WEHRING: They're having their -- we.
8 Excuse me. We are having our affiliate general meeting
9 a week from tomorrow.

10 MR. BUENGER: Tomorrow.

11 MR. WEHRING: Am I right? Okay. George
12 and Benny had asked, you know, who else is
13 representing? I think Charlie has declined. He's got
14 a conflict of interest.

15 MR. BUENGER: I haven't declined.

16 MR. WEHRING: Well, I'm just saying what
17 was said. And they said we want a member of the
18 executive board there and I kind of scrooched down and
19 I said I don't count? No, you're a member. But I'd
20 like to have a little help at that meeting.

21 MR. BUENGER: I didn't decline.

22 MR. WEHRING: Are you coming?

23 MR. BUENGER: I said I didn't decline.

24 MR. WEHRING: I need the help. I'm asking
25 for Ty, nobody else.

1 MR. BUENGER: I'll help you.

2 MR. WEHRING: All right. Good deal.

3 DR. MOELLER: We can get a letter out
4 Monday. Did you change your motion?

5 MR. TAYLOR: I changed it to where we will
6 look at their status again at our November board
7 meeting.

8 DR. MOELLER: Is that appropriate
9 parliamentary procedure to let him?

10 MR. RICHEY: I have a problem with we'll
11 get a letter out and we don't know what we're going to
12 say and yet -- especially since we have had comments
13 concerning the not for profit versus profit.

14 DR. MOELLER: Who would like to -- Zech, go
15 ahead.

16 DR. DAMERON: I'd like to make one other
17 comment. This Gulf Coast affiliate is our largest and
18 most affluent affiliate with some of our best
19 supporters and I don't think we should do anything that
20 would alienate those people.

21 MR. BUENGER: Can I respond?

22 DR. MOELLER: Yes, sir.

23 MR. BUENGER: Then we should throw the
24 rules out.

25 DR. DAMERON: Then we should change them.

1 MR. BUENGER: Well, it doesn't matter to
2 you what they do as long as they've got money you're
3 willing to dance to their tune. That's the bottom
4 line.

5 DR. DAMERON: I want to sell cattle at a
6 good price, yes.

7 MR. BUENGER: That's the bottom line of it.
8 They are members. They are not supporters. There's a
9 big difference. There's a huge difference. They are
10 not supporters. Now, they have to play by the Rules
11 like everybody else. That's the reason they left is
12 because they got used to not having to play by the
13 rules. They've got an affiliate. Like these other
14 affiliate presidents, they follow the rules, why
15 shouldn't these?

16 DR. DAMERON: If we keep --

17 MR. BUENGER: All we're doing --

18 DR. DAMERON: -- penalizing our best
19 supporters, Charlie --

20 MR. BUENGER: You're interrupting me.

21 DR. DAMERON: -- this is going to bankrupt
22 this thing.

23 MR. BUENGER: All they need to do is follow
24 the rules like everybody else.

25 DR. DAMERON: And maybe we have rules that

1 are not appropriate.

2 DR. MOELLER: Well, at the time being, we
3 do have rules and we are going to adhere to them.

4 MR. BUENGER: And it's our responsibility
5 to see that they do.

6 DR. MOELLER: Yes, our responsibility is to
7 the membership. Donny, do you want to verbalize
8 what's in that letter, or would you -- you have made a
9 motion and seconded that we send a letter and I agree
10 with Robert, we better verbalize what's in that letter
11 before anybody justifiably votes on it.

12 MR. TAYLOR: The letter needs to state --
13 it needs to show our rules, what our guidelines are for
14 an affiliate and it needs to show where they are
15 violating the guidelines that we have set. You don't
16 need to say anything about a non-profit, for profit,
17 any of that. It just needs to say these are the
18 guidelines that were set before our time got here and
19 these are the guidelines that we need to follow.
20 Here's where your membership, your president, your
21 board of directors are violating. We need to get them
22 back in line and as to you, a member, it's your
23 responsibility to try to see that this is done. And
24 you can strike that last sentence if you need to.
25 Just -- they just need to be informed.

1 DR. MOELLER: Is that sufficient for you,
2 Robert, or do you want a little more?

3 MR. RICHEY: I'm deferring to Maurice.

4 MR. LADNIER: Can I read you what this says
5 in the bylaws? Not the bylaws. The affiliate
6 contribution here. It's in Article 5A, leadership, it
7 goes and talks about the leadership, then it goes down
8 to loyalty, B, channels the energies of the affiliate
9 into achieving the collective goals of the affiliate
10 and the TLBAA. Well we can put this back in the letter
11 because they're not doing that. Avoid undermining the
12 efforts of both organizations by steering clear of
13 joint ventures with competing breed registries or
14 organizations that may conflict with the TLBAA rules
15 and regulations. That would cover it right there,
16 would it not?

17 DR. MOELLER: Would it not?

18 MR. TAYLOR: Sounds like to me it covers
19 it.

20 MR. LADNIER: That's there. That's been
21 there, Zech.

22 DR. DAMERON: Say that again?

23 MR. LADNIER: That is nothing new.

24 DR DAMERON: I know. Any member -- these
25 are all lifetime members of this organization.

1 MR. LADNIER: This shouldn't alienate them.
2 It's been here in the rules forever.

3 MR. TAYLOR: After they get in compliance
4 with it, then we can change the rules. But as it
5 states today, that's the rule today.

6 MR. LADNIER: We're going to send that to
7 all the members, aren't we?

8 DR. DAMERON: I think we should try to
9 attract people to this organization, not fragment it
10 more than it already is. If you want to have sales of
11 good cattle, fragmentation is going to destroy these
12 prices.

13 MR. LADNIER: I don't want to argue with
14 you, Zech, but we've got rules that have been into
15 effect since 1964. You're a member. You've been
16 following these darn things. And I have throwed me a
17 fit the last four years because ain't nobody followed
18 the darn things and here we are saying let them go
19 again. I have a problem with that.

20 DR. DAMERON: But are these maintaining
21 good relations with our members or not?

22 MR. LADNIER: That should be if they are a
23 member and a loyal member.

24 DR. MOELLER: The member in good
25 standing --

1 DR. DAMERON: They're not anti the TLBAA.
2 They just want to --

3 UNIDENTIFIED MEMBER OF THE AUDIENCE: Yes
4 they are.

5 DR. MOELLER: Let's have a little order
6 here. Scott Simmons let me recognize you.

7 MR. SIMMONS: Donny Taylor tried to
8 mention, you know, letting the members take care of the
9 problem before we do. This letter is not putting any
10 disciplinary action or anything involved. It's just
11 letting the members be aware that there is a problem.

12 DR. MOELLER: Now, unless we want to
13 develop this letter right now and pass on every exact
14 word, I think there's going to have to be a little
15 trust on the board and I'll take that responsibility of
16 helping Brenda with the minutes that we've got here,
17 compose this letter, and we will be extremely -- I
18 assure you we will extremely careful to not be abrasive
19 but to adhere to what is the letter of what our intent
20 is that I'm perceiving here.

21 STACY TAYLOR: First of all we need to vote
22 to see if that's what everybody wants to do.

23 DR. MOELLER: That's true.

24 STACY TAYLOR: But if it does pass, I would
25 like to suggest that Robert Richey edit that letter. I

1 trust Robert to be -- I mean, he's kind of a midpoint
2 and I'd like to have him have oversight on that.

3 DR. MOELLER: I don't have any problem with
4 anybody editing this, but if we do need to get --
5 they've got a board meeting Saturday?

6 MR. WEHRING: This coming Saturday.

7 DR. MOELLER: It's not a board meeting,
8 it's a membership meeting.

9 MR. WEHRING: It's a membership meeting,
10 right, Charlie?

11 MR. TAYLOR: Yes, general membership next
12 Saturday in Navasota.

13 DR. MOELLER: So I will write this letter.
14 Yes, Bob?

15 DR. KROPP: If you've got two members of
16 our executive committee that's going to be there a week
17 from tomorrow --

18 MR. BUENGER: They need it in writing.

19 DR. MOELLER: Well the letter is not --

20 MR. WEHRING: I didn't hear what you said.

21 DR. MOELLER: The letter is going to be
22 sent to every single member. Now, every single member
23 may not attend that meeting. So I think unfortunately
24 time is of essence here if we are going to do this.
25 And I -- if somebody.

1 MR. HYDER: Call the question.

2 DR. MOELLER: You call for the question.

3 All right. All the board members in favor, signify by
4 saying aye.

5 (Ayes)

6 DR. MOELLER: Those opposed, signify by
7 saying nay?

8 (Nays.)

9 DR. MOELLER: Okay. Let's do it by hand.
10 All those in favor of the motion, raise your right
11 hand. Scott, are you counting? Thank you. Those
12 opposed, signify by raising their right hand. Three
13 opposed? Is that how you got it? Motion passes. One
14 abstains.

15 Next item on the agenda is a policy for
16 pedigree information.

17 MS. CANTRELL: This just involves the fact
18 that -- the policy can be found under tab number 4 and
19 this came about because the registration department
20 gets requests a lot of times from not just individuals
21 but organizations that are putting on a sale or a show
22 and they want pedigree information and the owner hasn't
23 contacted us that they want that information. And I
24 just wanted to make it very clear that if the owner of
25 the animal wants us to share that information, then

1 they need to let us know in writing that we have their
2 permission to do that and then that we have the ability
3 to charge that sale or show or whatever the
4 organization is that is asking for this information the
5 same rate that we charge our members, which is \$35 an
6 hour for searching through for pedigree and progeny
7 reports. And we didn't have anything like that and
8 that department asked me if we could put something
9 together. So that is what the policy is for. So I
10 need someone to make a motion, or to discuss this.

11 DR. MOELLER: So you are asking you just
12 want us to pass on the policy that has been in
13 existence? You are requesting that we just newly
14 establish --

15 MS. CANTRELL: It's a very vague -- there's
16 not a policy.

17 DR. MOELLER: Okay. So we want to
18 establish a policy on what happens when somebody calls
19 the office and asks a staff member for pedigree
20 information requested by somebody that doesn't own that
21 animal. Correct? Okay.

22 MR. ZUNKER: I have a question.

23 DR. MOELLER: Let me have a motion to
24 establish this policy.

25 MR. JURANKA: I make the motion.

1 DR. MOELLER: Mr. Juranka has made the
2 motion. Is there a second to that?

3 MR. TAYLOR: Second.

4 DR. MOELLER: Donny Taylor seconds it.
5 Okay, now have discussion.

6 MR. ZUNKER: Okay. Say you purchase an
7 animal at Best At West and you get a copy of the
8 transfer and it says that it's bred to this bull and
9 you try to make contact with that person that owns the
10 bull and you never get any information but you want to
11 know who that bull is out of. Are you going to be
12 charged for getting --

13 MS. CANTRELL: This policy does not say
14 individuals. It is nor organizations. It's for
15 organizations, not individuals. Our members call us
16 and ask us questions like that when they have purchased
17 a bull and that's -- but an organization -- like I
18 have, for example, the Wyoming Business Association has
19 contacted me and they have a livestock publication and
20 they want all this information and I don't think it's
21 appropriate for me to share that information with
22 organizations like that unless I have something in
23 writing from the member. So it's not for individuals.
24 It's for organizations.

25 DR. MOELLER: Zech?

1 DR. DAMERON: If an animal has been put up
2 for sale wherever, we have a series of sales and
3 somebody wants to know the production record --

4 MS. CANTRELL: That's not a problem with
5 that.

6 DR. MOELLER: That's an individual asking.

7 MS. CANTRELL: The Wyoming Business
8 Association had called and they are doing a livestock
9 business publication and they just said can't you send
10 us information about animals in Wyoming? And, you
11 know, I didn't really know how to answer them. I know
12 I'm not going to send them membership information and
13 there's nothing in -- we have no policy on that. And I
14 started thinking, you know, anybody could call and say
15 we want information on these animals, I could call
16 every member in Wyoming and say do you care if we share
17 this information? But it can also be for a show or a
18 sale. And the registration department spends a lot of
19 time taking those calls and I also wanted to make sure
20 that the organizations that are asking for that
21 information, if we do give it to them, we are going to
22 be charging them 35 dollars an hour.

23 DR. MOELLER: Okay. Point's well taken.
24 Robert?

25 MR. RICHEY: If the organization is a TLBAA

1 organization, isn't it true that the records, including
2 financial statements and database information, those
3 are available for examination by TLBAA people.

4 MS. CANTRELL: Does that cover animals in
5 our registry?

6 MR. RICHEY: Well, it says all records.

7 MS. CANTRELL: But is that a TLBAA member?

8 MR. RICHEY: That's my question back to
9 you. If I'm a TLBAA organization or I'm putting on a
10 sale and I call you and I say I need information on
11 these animals, I don't have a problem paying you for
12 your time, but the burden of trying to track down the
13 and have the owner agree to that flies in this that.

14 MS. CANTRELL: Well, if you are putting on
15 a show or sale, I would hope that you would know the
16 owner.

17 MR. RICHEY: Well, I know. But these
18 important facts, those records are supposed to I don't
19 want to limit what we have already agreed to, which our
20 records are open to our members.

21 DR. MOELLER: Is there a privacy issue like
22 if this YO organization calls and asks her to provide
23 some pedigree information on your cattle, would that
24 offend you or does that make any difference?

25 MR. RICHEY: It doesn't make any difference

1 to me personally.

2 MS. CANTRELL: It needs to be a member. If
3 it's a member organization, I don't have a problem
4 sharing that. If you are going to put on a show in
5 west Texas and you need information because you are an
6 affiliate with TLBAA, I don't have a problem sharing
7 that information.

8 MR. RICHEY: If I'm Dow Chemical and I call
9 you.

10 MS. CANTRELL: You can't have that.

11 DR. MOELLER: That's what she's saying.

12 MS. CANTRELL: Do I need to rewrite it
13 better?

14 MR. RICHEY: The way I read this is you say
15 you want the owner's permission, and what I'm saying
16 is, as a TLBAA member, information should be available
17 to me without the owner's permission.

18 MS. CANTRELL: So you are having a problem
19 with the verbiage.

20 MR. LADNIER: TLBAA members where you've
21 got owners.

22 MR. RICHEY: I'm saying non TLBAA
23 organization needs --

24 MS. CANTRELL: Okay. I understand what you
25 are saying. Very good point. That makes a lot of

1 sense, Robert. The non --

2 MR. KETY: My concern would be how to
3 police this. Who knows what lurks in the hearts and
4 minds of men, but if you had a TLBAA member call and
5 ask for information and he would be within his right as
6 we discussed to receive that, but then use that
7 information for maybe like if this Wyoming group or
8 whatever it is, if there happened to be a TLBAA member
9 working for them, he calls he receives the information
10 and passes it along right along to the organization to
11 circumvent, you know, avoid the cost.

12 DR. MOELLER: Honesty does not percolate
13 through the whole population.

14 We need to get on with our program.

15 MS. CHIPMAN: Just so you know, when our
16 TLBAA affiliates put on a show, they will request a
17 copy usually of the registration certificate to be
18 mailed in with the entry information for purposes of
19 putting together a show program, so they are going to
20 have the information they need already in place, those
21 affiliate organizations. So just so you know, that is
22 available to them from the owners themselves when those
23 shows take place.

24 DR. MOELLER: There's not any ulterior
25 motives behind this request of hers. It's just

1 clarification on her part because she got that request
2 and thought there was a privacy issue there. Okay. So
3 who made that motion?

4 MS. CANTRELL: Well, we need to restate the
5 motion.

6 DR. MOELLER: Who made the motion?

7 MR. BUENGER: Gene.

8 DR. MOELLER: Okay. Is it appropriate
9 according to Roberts Rules of Order, is it appropriate
10 for you to withdraw your motion and restate it and
11 would you do that?

12 MR. JURANKA: Yes.

13 DR. MOELLER: And somebody on this side
14 seconded it. Donny seconded. Would you still second
15 it?

16 MR. TAYLOR: I'll still second it.

17 DR. MOELLER: Now, hopefully there's not
18 any further necessary discussion, but is there? Seeing
19 none, somebody call for the question.

20 MR. TAYLOR: Call for the question.

21 DR. MOELLER: All in favor of the new
22 motion, signify by saying aye. Anybody opposed?
23 Motion carries.

24 Criteria for year-end awards. We're
25 winding up here. Debra, do you want to come up to the

1 front?

2 MS. LESYK: I think everyone can hear me.
3 My reason for asking about the year-end awards is that
4 as a director I was unable to speak to the criteria or
5 to be informed as to who votes, who nominates and how
6 the final decisions are made. I don't I'm alone in
7 this. I did ask the office earlier this year and I
8 received a very brief page regarding the awards with a
9 very brief description about each award. As we are
10 supposedly a changing association, I just want to ask
11 the board of directors is it time to review these
12 awards, maybe clarify some criteria, make some changes,
13 possibly delete some of the awards, maybe add some new
14 ones, or is the board okay with how it is and what's
15 being offered. That's my question.

16 DR. MOELLER: Any other comments?

17 MR. BUENGER: I think it's a really good
18 question. I do. A lot of people don't know that back
19 when Don King was running things, he created a lot of
20 awards just to kowtow to certain people. It's a great
21 question.

22 MS. LESYK: Thank you, Charlie.

23 DR. MOELLER: What happened this year is
24 the board was sent -- was it your complaint that I got?
25 Somebody complained to me about the Affiliate President

1 's Award. Let me give you an example. Is that you?

2 MS. LESYK: That's the one I asked you
3 about.

4 DR. MOELLER: Yeah. We sent a letter out
5 to all the affiliate presidents and said nominate
6 somebody for this award. We had three responses. Two
7 of those three had the same individual's name, so what
8 was our choice? That individual won it with two votes.
9 Now, that's not our fault. That's not the board's
10 fault. That's the affiliate president's fault. They
11 don't care enough about the affiliate president's
12 award, maybe that's an award we ought to look at and
13 say, well, what do they need it for? They don't care.

14 MS. LESYK: That's my question to the
15 board. Is it time to maybe review this and see what's
16 out there, or is there maybe something new that we need
17 to add to this and then are there some that maybe we
18 need to say farewell to. That's all.

19 DR. MOELLER: And there very well may need
20 to be. We eliminated one that was my choice because it
21 was like three of those awards looked like we read the
22 definition and re-read the definition and it sounded
23 like the same thing. It's one of those things where
24 Don King bestowed favor on somebody and created an
25 award that we eliminated. I caught some flak from one

1 person over that, but tough. We eliminated one. And
2 so how do you propose we address this?

3 MS. LESYK: Maybe a committee. I have no
4 idea. I just want to hear some comments from some of
5 the other directors. Is it something that we should
6 look at? If we supposedly are changing, let's change.

7 MR. SITZMANN: Mike Sitzmann. I was one of
8 the affiliate presidents that did respond. Mine
9 nomination didn't get it, of course, because there was
10 two others. I was disappointed. Someone's got to win
11 and someone's got to lose. But the idea of the
12 criteria for the Affiliate President's Award, when I
13 talked to -- I personally talked to Dennis Wright about
14 when it we were talking about the Affiliate's President
15 and I gave him the criteria of how I felt that my
16 member should be on the award. But really the letter
17 was pretty vague as far as the criteria of how the
18 affiliates should send something in. So some of the
19 criteria, the criteria of those awards maybe should be
20 reviewed and looked at.

21 DR. MOELLER: Well, what we could do is put
22 a letter together, send it out to every board member
23 with a listing of our current awards and with a
24 description that the office uses as to who fits has
25 award or who is eligible for that award. We could send

1 that out to the board members and then just get input
2 do you think this is still valid? Do you not think
3 it's valid? If you think it's valid, there's some
4 other additional descriptor to go with it, we could do
5 that. We could do that pretty easy. And let me tell
6 you, it's difficult. I had the entire staff sit down
7 from the Trails, both sides of the aisle sit down and I
8 said, look, we're running out of time. You've got to
9 remember, we were scrambling. I said we're running out
10 of time, we've got to do this, this and this, we
11 managed to send some suggestions out to the board
12 members, but we sat around with the entire staff and
13 said these are the criteria, what names would you
14 suggest that we can send to the board and let them
15 elect? That's how we did it.

16 MS. LESYK: This is not to reflect on
17 anybody who has won the award prior or to point fingers
18 at anybody. I just think it's time to review it and
19 time to establish some criteria and get it out to the
20 membership so they know that this award is coming, is
21 there someone that they would like to nominate or to
22 bring forth to the board that we would know about. We
23 don't know about everybody in the United States.

24 DR. MOELLER: The description of the award
25 is published every year in the Trails. When the awards

1 are given, the award winner gets a picture, it's
2 Breeder of the Year and it's Robert Richey and then it
3 describes why Robert Richey got that. That's been done
4 what, two years in a row in the Trails.

5 MS. CANTRELL: The criteria is in there.

6 DR. MOELLER: The membership does get
7 exposed to it.

8 DR. KROPP: I think Kim got that award. It
9 wasn't Robert.

10 DR. MOELLER: Okay, well, are there any
11 other comments on that? May we move along with our
12 agenda? We are going to list all the awards and what
13 the criteria for those awards are, send that out with a
14 little check box, I guess - we'll talk about how we're
15 going to do that - to each board member and then let
16 them, boy, this books like B.S., yeah, this is
17 important, fill it out.

18 MS. CANTRELL: Okay.

19 MR. ZUNKER: Fritz, one quick question. On
20 that, will we be told how they are selected? Are they
21 selected by staff, by board, by membership?

22 DR. MOELLER: Some of those are selected by
23 the staff, some by the board, some by the affiliate
24 president.

25 MR. ZUNKER: Maybe that note could be on

1 there too.

2 MS. LESYK: That does not say that in the
3 note that I got from the office as to who picks what.

4 DR. MOELLER: Okay. Don King does no
5 longer pick them, I'll tell you that. Nor does Fritz
6 Moeller.

7 We need approval of new members. You've
8 got a list of new members there. I'll entertain a
9 motion.

10 MR. BUENGER: The motion has been made by
11 Charlie Buenger.

12 DR. KROPP: Second.

13 DR. MOELLER: Bob Kropp seconded. Any
14 discussion on any of these members? Debra?

15 MS. LESYK: Can I ask for consistency in
16 identifying the Canadian provinces? In the last list
17 out, there's one that says Alberta, one that says AB
18 one, one that says ON. Can we have some consistency
19 when I'm looking? It's not a lot of members, so it
20 wouldn't be that hard. If you are going to write
21 Alberta, write it out for me, or Ontario.

22 DR. MOELLER: The next time we vote on
23 membership, anybody from Canada will be spelled out.

24 MS. CANTRELL: That's not that easy. We
25 have to go back in --

1 DR. MOELLER: Well, it's not that many
2 members from Canada.

3 MS. CANTRELL: I'm just saying --

4 MS. LESYK: It's just on this --

5 MS. CANTRELL: That can happen. Not a
6 problem.

7 MS. LESYK: On these four that are in here,
8 there's not consistency.

9 DR. MOELLER: There will be consistency on
10 the next time we vote. Any other comments?

11 MR. RICHEY: There's one name, McCloud,
12 that's next-to-the-last page about in the middle of the
13 page.

14 MR. JOHNSON: Who are you looking for?

15 MR. ZUNKER: It's right under -- if you
16 look on the --

17 MS. CANTRELL: I see it. That's just a
18 typo.

19 STACY TAYLOR: On that first page, Brenda,
20 you have Spradlin Seven Cow Company twice.

21 MR. ZUNKER: They are in different states.

22 STACY TAYLOR: Utah and Utah.

23 MR. ZUNKER: Oh, is it?

24 STACY TAYLOR: Yeah. Same person,
25 different spelling.

1 MR. JOHNSON: Can I make a comment. That's
2 the same person. There were two numbers issued because
3 of that typo there. There's been no cattle registered
4 through to that number yet and it has been corrected
5 since this was printed up.

6 MS. CANTRELL: Okay.

7 MR. JOHNSON: The official name is the
8 bottom one the S-P-R-A-D-L-I-N. The E-L-I-N is
9 incorrect.

10 MS. CANTRELL: Okay.

11 DR. MOELLER: Have you got those
12 corrections, Brenda?

13 MS. CANTRELL: Yes, sir.

14 DR. MOELLER: Okay. With those
15 corrections, are there any other comments? May we have
16 a show of hands, all in favor of accepting these new
17 members? Is there anybody opposed to accepting these
18 members? None opposed, motion passes.

19 AI bull approvals.

20 MS. CANTRELL: Y'all have gotten the new
21 list. The one that was in your book was not complete,
22 and so this is the new list.

23 STACY TAYLOR: Just like before, Brenda,
24 all these have sent in all their paperwork?

25 MS. CANTRELL: They would not be on that

1 page unless they are paid in full.

2 MR. KETY: What the asterisks.

3 MS. CANTRELL: ITLA.

4 MR. SIMMONS: Did you say they all were in
5 good standing?

6 MS. CANTRELL: Yes.

7 DR. MOELLER: Stacy asked that question.

8 After everybody has had a chance to look at
9 these, I would entertain a motion to approve these AI
10 bulls.

11 MR. KETY: I make a motion to approve.

12 MR. HYDER: Second.

13 DR. MOELLER: A motion has been made and
14 seconded. Now, discussion?

15 DR. KROPP: I just want some clarification
16 this first bull on the list, Salt Lick, is there two
17 bulls with the same name, or born in different years?
18 I'm trying to remember. And I think there was a bull
19 that was shown that only had one testicle or had a high
20 testicle, both of them wasn't down and, as I remember,
21 his name was Salt Lick. Now it may be --

22 MS. CANTRELL: It could be the name was one
23 together?

24 DR. KROPP: They might have named one Salt
25 Lick and turned right around and got rid of him and got

1 a different one and renamed him Salt Lick. I just want
2 to make sure we are not AI certifying a one testicle
3 bull.

4 MR. KETY: Isn't a breeding soundness exam
5 required as part of the AI certification?

6 DR. KROPP: So if this is sound, he's --

7 DR. MOELLER: We've got a vet certificate
8 on that, on that criteria.

9 DR. KROPP: Okay.

10 DR. MOELLER: Stacy asked and everything
11 was -- all the criteria was met. Any other questions
12 or comments? Okay. Before we vote on this, we are
13 going to go into executive session. We've got some
14 employee issues and salary issues and that shouldn't
15 take that long but as soon as we vote here, does
16 anybody need another break or can we just go straight
17 head?

18 DR. KROPP: Mr. Chairman, are we going to
19 have any other comments after this --

20 DR. MOELLER: I'm sorry. Yes. Yes. I'll
21 take some comments from the floor.

22 DR. KROPP: Okay. All right.

23 DR. MOELLER: I'm sorry. You are correct.
24 Okay. All in favor of accepting these AI bulls?
25 Anybody opposed? Seeing none, motion passes. Okay. I

1 will take matters to be presented from the floor.

2 DR. KROPP: Mr. George Slayton and his
3 comments regarding the longhorn cooperative, I think
4 there is an opportunity for us as an association to
5 look at -- this is a very special opportunity I think
6 from the standpoint of being able to increase the value
7 of our calf crops and I think we ought to as an
8 association take a long, hard look at this and even
9 help if we can. There's a couple of issues in this
10 that are important to you, one of which is that they
11 must be registered cattle or must be at least
12 seven-eighths longhorn and be documented. Well, I
13 think one of the things that we can do is charge three,
14 four, five dollars, whatever it is, for a non
15 registered longhorn bull or something rather than 15 so
16 to get us \$5 of income on any steer or heifer or roping
17 cattle that goes into this program to signify that this
18 is a registered animal, that he is registerable or is a
19 Texas longhorn, proof of ancestry I guess you could
20 say. And so you can charge three, four, five dollars,
21 whatever it is that you want to charge, that's extra
22 revenue to our association and it's going to be
23 documented that this is a longhorn. I think that going
24 through the Central Market is going to be a huge issue
25 for this association if we fall in line and get us some

1 grass fed beef and all these kinds of things that
2 entails. It bothers me a little bit about trying to
3 sell middle meats, and when I'm talking about middle
4 meats, that's the T-bone, the ribeye strip, so forth,
5 out of a 650 pound animal. I don't care how thick you
6 cut it, it's not quite physiologically ready yet. But
7 anyway, that's beside the point. I think it gives us a
8 true opportunity. I think that while I've been talking
9 to them a little bit about some of their issues, one of
10 the things that they are short of is about \$30,000 of
11 seed money to buy some kind of a packaging equipment.
12 I think those breeders that are interested in getting
13 involved with this group, we may think about trying to
14 divvy up and come up with \$30,000 worth of seed money
15 or as another issue we might look at the foundation.
16 This is a -- they are talking about a three-year note
17 repayable to some group for about \$30,000 worth of seed
18 money.

19 MR. RICHEY: Along those same lines, they
20 also need \$25,000 for the Heart Smart symbol that goes
21 to the American Heart Association that you see on that
22 little label. It's basically pay me \$25,000 and you
23 get to use my label. There's no real anything other
24 than as he explained to it me, and so that was -- he
25 said that that translates into better sales as a health

1 food product.

2 DR. KROPP: I just think that we as an
3 association need to give this a lot of thought because
4 I think it is a true monetary advantageous, not only
5 for the member but also the association to register.

6 STACY TAYLOR: Has that been featured in
7 the magazine?

8 MS. CANTRELL: When they made the first
9 announcement at West we did an announcement that they
10 made the announcement so we are going to do another
11 feature on that.

12 AUDIENCE MEMBER: If you have seen anybody
13 that raises dogs, if you've had a litter of puppies,
14 they'll say they have -- at a price you can get pet
15 papers through their registry, like AKC. You can buy a
16 registered dog, you have full access to register, take
17 that dog, register the puppies. And then they have
18 what are pet papers which means if it's marked a pet
19 paper, you cannot register offspring out of that dog.
20 So if you enrolled a cow and registered it as a beef
21 cattle, a registered longhorn beef program, register
22 your cows that way and they are not eligible for, you
23 know, shows, you can still -- yeah, slaughter only.
24 And that's the way it would fit registration.

25 MR. TAYLOR: Could you red flag a paper

1 like that?

2 MS. CANTRELL: I think, Paul, you called
3 me, you had some ideas on how to do the slaughter only.

4 MR. BRASWELL: The easiest way for us to
5 bring them a known longhorn animal is bring it with
6 some kind of a registration certificate. This could be
7 something instead of printing it off on fancy paper,
8 put it on 8-and-a-half by 11 piece of paper and stamp
9 it slaughter only. Now, if I come up in two years and
10 I've got a two-year old steer that's got 47 miles of
11 horn on his head, I may want to come back and register
12 him at \$15 and have a trophy steer. But this gets the
13 certification for the FDA, for the grass program, et
14 cetera, to show that its a longhorn animal or it's out
15 of longhorn progeny, it shouldn't really go in our
16 registry. All we to do is this sire, this dam, print
17 the papers and get that just on paper.

18 MS. CANTRELL: It won't go in the registry
19 as a slaughter only. It's more or less us endorsing
20 that is a longhorn, but if you want to re-register it
21 later on --

22 DR. MOELLER: Bob, you have worked with
23 them some?

24 DR. KROPP: I've talked to them.

25 DR. MOELLER: Why don't you continue to

1 pursue that? I know you don't have a lot of spare
2 time, but in your spare time why don't you pursue that
3 and then maybe we could put that on our agenda for
4 November if you can come back with some recommendations
5 for us.

6 MR. BRASWELL: Dr. Moeller? If I may. I
7 was in the room with these people at their board
8 meeting two weeks ago. The gentleman from Central
9 Market sat there and said "I want your beef in my store
10 now." They're hot. It's ready to go. Let's put some
11 hands up and let's get \$30,000. We can't wait until
12 November, or we are going to miss an opportunity.

13 DR. MOELLER: Well each individual can take
14 that opportunity.

15 MR. BRASWELL: I understand that. But if
16 we can raise our cattle prices \$200 a head that's going
17 to do good for our industry.

18 DR. MOELLER: Somebody else had their hand
19 up. Jim?

20 MR. JOHNSON: I had one question. Bob when
21 you were talking to them, and I didn't hear them say it
22 up there, is this cooperative, are they going to do the
23 cutting, the slaughtering, or are they going to
24 contract it out?

25 DR. KROPP: Paul knows a lot more about it

1 than I do.

2 MR. JOHNSON: Okay, Paul?

3 MR. BRASWELL: Slaughter company.

4 MR. JOHNSON: They're going to contract to
5 a slaughter company.

6 MR. BRASWELL: They're going to USDA
7 slaughterhouse and they will be present to make sure
8 it's put in the right package.

9 MRS. BRASWELL: They are doing it, but
10 members have gotten certification to be on the floor to
11 walk the longhorn through. They are contracting, but
12 our co-op people are on the floor watching that
13 process.

14 MR. JOHNSON: So if they are using a
15 contract facility, then that facility will be packaging
16 this? Or are they going to take it to a different
17 facility?

18 MR. BRASWELL: The packaging machine will
19 go into the slaughter facility.

20 MR. LADNIER: I want to get away from that
21 for a minute. I've got old business. I want to
22 suggest that when we sell the cover of these magazines.
23 I have never set foot at the West sale. We need to
24 sell these covers for the Horn Showcases where we've
25 got 2,000 people instead of at the West sale. Doc

1 Hyder and I might want to go together because we're
2 here in November. I don't know how many times he's
3 been to the West sale, but that's what I'm saying. You
4 are missing some money there. I did want to mention
5 that, and I forgot about it.

6 DR. MOELLER: However, the fact that it was
7 going to be auctioned at West was in the Trails for a
8 couple of months. Is that right? You had the
9 privilege of calling in with a telephone bid. But I
10 understand what you are saying. It's a good point, and
11 we'll sure -- what's the next cover that we have to
12 sell?

13 MS. CANTRELL: The January cover is
14 auctioned at the World Show at the banquet, the Friday
15 night banquet.

16 DR. MOELLER: And what issue is that?

17 MS. CANTRELL: The January issue -- I mean
18 the February issue, the herd sire issue.

19 DR. MOELLER: And you did that at the World
20 Show?

21 MS. CANTRELL: Yes. That's how it's always
22 been done. But I am willing to do it differently.

23 DR. MOELLER: Is that etched in granite, or
24 what?

25 MS. CANTRELL: I'm willing to do it any

1 way.

2 DR. MOELLER: That's a point well taken.
3 We will definitely seriously consider taking this away
4 from the World Show and putting it over at the Horn
5 Showcase.

6 MS. CANTRELL: Horn Showcase for the
7 February issue and the premier sale in January for the
8 July issue. Maybe that would work.

9 DR. MOELLER: Are we going to yank that
10 from the World Show now and move it to November? We
11 can. You're not advertising that yet. I haven't seen
12 it anywhere.

13 MS. CANTRELL: No, it's not.

14 MS. CHIPMAN: It's not advertised.

15 DR. MOELLER: So maybe some people wouldn't
16 even know the difference.

17 MS. CANTRELL: They will now.

18 DR. MOELLER: All right. That will be
19 strongly taken under advisement.

20 Any other matters to be brought from the
21 floor? Mr. Zunker?

22 MR. ZUNKER: If we are through the with
23 co-op and the covers, I have a question.

24 DR. MOELLER: Fire away.

25 MR. ZUNKER: If somebody does a auction, a

1 sale, and it's not a TLBAA run sale and they do not get
2 their paperwork to us within 60 days of that sale, do
3 we charge them the additional transfer fee? If I were
4 an individual and I sold one and I didn't get to it you
5 in 60 days, you'd charge me. Why don't we?

6 MS. CANTRELL: It's never been done. Would
7 you like that to be done?

8 MR. ZUNKER: I think it should be done.

9 MS. CANTRELL: It's real unusual for sales
10 to come in that late. There was one that I know of
11 that has come in that late. One of the things that we
12 don't want to do and we need to be very careful is the
13 sales bring us a big volume of money at once with all
14 those transfers all at once, and I certainly don't want
15 to make it more burdensome on the sale but we need to
16 get the paperwork in and it is a rule. I don't think
17 we have ever done it before a sale before.

18 STACY TAYLOR: If it's a rule, Stephen, we
19 need to do it. We've been hearing that all way. So if
20 it's 60, 50 days, are you paying an additional fee?

21 MS. CANTRELL: Yes.

22 MS. TAYLOR: Then that's what we need to
23 do.

24 MR. ZUNKER: I think that's for our
25 members. Because for them to have to wait.

1 DR. MOELLER: Okay. I'm not going to
2 accept a motion on that. I don't think we need to.
3 We'll address that as a policy item. I can think of a
4 couple of problem areas with that, but we need to get
5 on with our agenda. Is there any other matters to be
6 brought up from the floor? Anybody in the audience
7 have an item they would like to bring before their
8 board?

9 MR. WEHRING: I have been requested by some
10 of the board members to - and I hate to do this - even
11 some of the people in my area asked us if we would let
12 them stick their little stickers on our advertisements.
13 And you know what stickers I'm talking about.

14 DR. MOELLER: I'm not sure I know what you
15 are asking. We have a policy on that. Are you asking
16 we change our policy?

17 MR. WEHRING: No. I'm just looking at that
18 bottom line, that money, bottom line on there, our
19 \$13,000. I'm wondering what, do we do? I'm looking to
20 try to make more money for our little company.

21 DR. MOELLER: Where have I heard that
22 before?

23 MR. WEHRING: I think from everybody.

24 DR. MOELLER: So proceed. What do you.

25 MR. WEHRING: Would you consider it?

1 DR. MOELLER: Anybody else have any
2 comments regarding his comment?

3 MR. JOHNSON: What was his comment? We
4 couldn't hear it.

5 MR. WEHRING: I had people ask me that
6 Monday and me being their area representative whether
7 I'm sitting on the executive board or not, I had to ask
8 it because they asked me to. What I am asking is that
9 they said that they would advertise a lot more quicker,
10 and they being the TLMA guys if they could put their --
11 as you noticed, there are no little insignias --

12 MR. TAYLOR: Like on the millennium stuff?

13 MR. WEHRING: Millennium stuff. Futurity
14 and a member of the TLMA. I said I don't know.

15 DR. MOELLER: We have a policy on that
16 already. The answer is no. Any other items to be
17 brought up from the floor? Hearing none, I will take a
18 motion for adjournment.

19 MR. BUENGER: So move.

20 DR. MOELLER: Charlie made it.

21 MR. LADNIER: Second.

22 DR. MOELLER: It's been seconded by
23 Maurice. All in favor of adjournment, signify by
24 saying aye. Anybody opposed to adjourning? We've got
25 a true five-minute break and then we are going to go

1 into executive session. Thank you for your patience in
2 the audience, you have been very kind and very
3 attentive. We are going to have to ask the non board
4 members to step out.

5 (Conclusion at 6:22 p.m.)

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