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Texas Longhorn Breeders Association of America  
Board of Directors Meeting  
January 10, 2008  
5:10 p.m. to 8:52 p.m.  
The Radisson Hotel  
2540 Meacham Boulevard  
Fort Worth, Texas

1 Texas Longhorn Breeders Association of America  
2 Board of Directors Meeting  
3 January 10, 2008  
4 5:10 p.m. to 8:52 p.m.  
5 The Radisson Hotel  
6 2540 Meacham Boulevard  
7 Fort Worth, Texas

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9 DR. MOELLER: I'd like to call to order  
10 the meeting of the board of directors of the Texas  
11 Longhorn Breeders Association of America. We have a  
12 court reporter present, Ms. Lorie Graham. She's  
13 sitting right over here.

14 I'd like to ask my board members when they  
15 speak make sure you identify yourselves. If you can't  
16 see their name cards, she'll stop you and ask you for  
17 your name. We have comments from the audience when  
18 that's appropriate. I will entertain and recognize  
19 the people from the audience from time to time.  
20 Please identify yourself for the court recorder before  
21 you speak. I didn't see Scott. Is Scott here?

22 MS. CANTRELL: He's going to be late.

23 DR. MOELLER: Okay. Scott Simmons is our  
24 secretary. He's late because his flight's late. Bob  
25 Larson is one of our board members. He is in town,

LORIE GRAHAM, CSR #3756

1 but he drove most of the way across the country from  
2 Oregon 30 miles an hour with chains not only on his  
3 truck, but also on his trailer in some horrendous  
4 weather, so, he asked if he could go up and take a  
5 shower and I said, please do. So, he will be here but  
6 it will be a little later.

7 Our new business manager, Dennis Wright,  
8 is going to take Scott's place and ask for a roll  
9 call. And after the roll call -- or during the roll  
10 call if you would do that slowly, I would like each  
11 member, even though we have place cards in front of  
12 us, I would like for you to acknowledge yourself so we  
13 know who you are. Dennis, would you go through that?

14 MR. WRIGHT: Are you ready? Mr. Kaso  
15 Kety.

16 MR. KETY: Here.

17 MR. WRIGHT: Ms. Deb Lesyk. Did I say  
18 that right?

19 MS. LESYK: Here. Yes.

20 MR. WRIGHT: Thank you. Mr. Scott Simmons  
21 will be late. Mr. Maurice Ladnier.

22 MR. LADNIER: Here.

23 MR. WRIGHT: Mr. Gene Juranka.

24 MR. JURANKA: Here.

25 MR. WRIGHT: Mr. Harvey Rasmussen.

LORIE GRAHAM, CSR #3756

1 MR. RASMUSSEN: Here.

2 MR. WRIGHT: Mr. Aubrey DuBose.

3 MR. DUBOSE: Here.

4 MR. WRIGHT: Mr. Kerry Mounce.

5 MR. MOUNCE: Here.

6 MR. WRIGHT: Mr. Robert Richey.

7 MR. RICHEY: Here.

8 MR. WRIGHT: Mr. Charlie Buenger.

9 MR. BUENGER: Here.

10 MR. WRIGHT: Mr. J.T. Wehring.

11 MR. WEHRING: Here.

12 MR. WRIGHT: Mr. Paul Braswell.

13 MR. BRASWELL: Here.

14 MR. WRIGHT: Dr. Bob Kropp.

15 DR. KROPP: Here.

16 MR. WRIGHT: Dr. Fritz Moeller.

17 DR. MOELLER: Here.

18 MR. WRIGHT: Mr. Bob Larson will be with  
19 us later. Col. Fraser West.

20 COL. WEST: Here. And I'd like to say  
21 something. I'll be brief. I told Fritz -- we got a  
22 friendly crowd here tonight, but I think we owe a  
23 special commendation to these people. If you want any  
24 applause, hold it.

25 Dr. Fritz Moeller, what he has done in the

LORIE GRAHAM, CSR #3756

1 last few months and in the last year. Brenda Cantrell  
2 who has held everything together. Ty Wehring over  
3 here. Dr. Bob Kropp, he and I are the, I guess, last  
4 of the Mohicans of an old board. And Dennis Wright,  
5 who has done a hell of a job so far, in my opinion.

6 Now, if you want to give them applause, I  
7 think we should.

8 (Applause)

9 DR. MOELLER: Fraser, you earned an  
10 additional recognition during the course of this  
11 meeting because you were brief. Congratulations.

12 COL. WEST: I've been accused otherwise.

13 DR. MOELLER: The minutes of the last  
14 meeting were presented on E-Trails. They are in the  
15 court recorder's transcription. They are in the  
16 office. They're lengthy. They're detailed. They're  
17 word for word. They are accurate. They are honest.  
18 They are transparent. Any member that wants them for  
19 a very nominal fee can have them mailed from the  
20 office. But because of the length of them, unless  
21 it's the wishes of any other board members, we  
22 would -- I would entertain a motion to accept those  
23 minutes as recorded.

24 MR. WEHRING: I second.

25 DR. MOELLER: I need a motion.

LORIE GRAHAM, CSR #3756



1           As a result, I've come to the opinion that  
2 the current staff is by and large knowledgeable,  
3 dedicated and responsible. Any ongoing problems seem  
4 to be the result of the high turnover and staff  
5 turmoil that's been experienced in the past 12 months  
6 or so.

7           I've developed a tentative list of issues  
8 that I feel need to be dealt with in the near term.  
9 And by near term, I refer to the period between now  
10 and the end of the fiscal year of January 30th -- I  
11 mean, June 30th.

12           This list is not designed to limit the  
13 issues that need to be dealt with as I am convinced  
14 there are more important issues lurking just over the  
15 horizon. It's not meant to be in any rank order of  
16 importance. As far as I'm concerned, they all need to  
17 be addressed almost simultaneously.

18           In terms of financial accounting, budget  
19 and line item accounting needs to be reconciled. This  
20 will provide both the staff and the Board the  
21 financial reports that are easily understandable and  
22 dependable. The method TLBAA accounts for sales and  
23 special events needs to be -- needs some vast  
24 improvement. The aged accounts receivable needs to be  
25 verified and, if proven to be correct, then collected.

LORIE GRAHAM, CSR #3756

1 A determination on which revenue is sent to the  
2 Foundation as opposed to the TLBAA needs agreement and  
3 implementation and additional internal controls need  
4 to be developed and implemented.

5 In terms of customer service, I believe  
6 improvements are needed in the way we answer phones  
7 and correspondence, respond to inquiries, take  
8 requests and provide timely response. Follow-up is  
9 needed on all that ask for information about joining.  
10 Currently little lacking there. Comprehensive  
11 membership recruitment and retention program needs to  
12 be developed and implemented.

13 In terms of registrations and transfers, a  
14 top to bottom review and overhaul of our internal work  
15 flow and job responsibilities is needed. And, in  
16 fact, members of the Board will note that some of that  
17 has already begun.

18 As I reported in one of my Friday reports,  
19 the timeliness needs to be addressed and may be part  
20 and parcel of our overhaul of the work flow.

21 I'm pleased to announce that right now  
22 we're working on a seven-day backlog in the  
23 registration department, which I'm very pleased about.

24 I want to take this opportunity to thank  
25 you, the members of the TLBAA board, for allowing me

LORIE GRAHAM, CSR #3756

1 the opportunity to return to the membership  
2 association field as your business manager. I pledge  
3 to do my dead level best to have the rank and file  
4 members and the TLBAA leadership proud to be  
5 associated with this organization. With your help, we  
6 can do it. It's a new day at the TLBAA. Thank you.

7 (Applause)

8 DR. MOELLER: Thank you, Dennis. Mr.  
9 Wehring.

10 MR. WEHRING: I'm not ready.

11 DR. MOELLER: We have Mr. Wehring as our  
12 treasurer and you'll probably get board of me  
13 complimenting Mr. Wehring over the next two or three  
14 days, but since August he's been right there for me.  
15 When I've needed him in Fort Worth for advice and I  
16 needed two people to make a decision instead of just  
17 me, Ty has made the effort to leave his business or  
18 leave his ranch, wherever it might be, and come make a  
19 trip to Fort Worth and be with me for a day or two  
20 during any given week. I really appreciate that, Ty.

21 Ty has been a very working treasurer. He  
22 has been very active in collecting some of the monies  
23 that were owed us, which were significant. I'll say a  
24 few words about that tomorrow at the General  
25 Membership Meeting. With no further ado, Mr. Wehring,

LORIE GRAHAM, CSR #3756

1 thank you for putting your pitchfork down to come up  
2 here and talk to us.

3 MR. WEHRING: Okay. My little deal  
4 tonight is about treasuring money. Money is very  
5 important to keep us running. And over the past --  
6 well, since August actually when I got back -- as I  
7 didn't run for it, I just got it, treasurer again --  
8 and we got to looking at our accounts receivable and  
9 they really, really were bad and we collected a lot of  
10 money.

11 I own a business and several people in  
12 here know what kind of business I have. I ain't in  
13 the banking business, I'm in the supply business and I  
14 don't like banking people and sometimes that happens.  
15 So, you learn real quick how to collect your money.  
16 And sometimes it works, sometimes it doesn't. But,  
17 one of the things that I'm going to try to present to  
18 our board of directors is that we have to have a  
19 timely policy in collecting our money.

20 As is in our bylaws, we're supposed to pay  
21 for everything as we get it or before we get it. Send  
22 in a registration, send your money. Well, we get --  
23 in the past there has been, oh, well, we'll do it as  
24 soon as we can. Well, some of that when you can never  
25 happened. And we're going to try to put in some

1 regulations about paying within 60 days or you can't  
2 play. Kind of like football in high school. No pass,  
3 no play. No pay, no play. Okay? You're going to  
4 register your cattle, pay your bill. You want to  
5 enter a show, pay your bill. You want to transfer  
6 your cattle, pay your bill.

7 I think that if I can get this Board to  
8 nominate it or put a motion out, I think I'd like to  
9 give people that owe us money 60 days to get all  
10 caught up and after that shut her down.

11 How many people shop at Neiman Marcus and  
12 go 90 or 120 days or your credit card or your  
13 gasoline? Don't happen. And I'm asking for help from  
14 our Board, our membership. Got any complaints, let  
15 her rip.

16 And then you got something to say about  
17 something we're going to talk about, too.

18 MR. BRASWELL: Yes, sir.

19 MR. WEHRING: But that's what I've got on  
20 collecting the money. We've got to have it to run.  
21 It's hard when we got, what, a hundred thousand out  
22 right now, somewhere there about?

23 DR. MOELLER: We had -- we talked about  
24 this briefly at the November meeting. I think we've  
25 all had time to think about it, consider it. We can

1 adjust it one way or another, but I would like some  
2 discussion among the Board regarding the motion that  
3 we put a policy in place where we have a day limit to  
4 pay your bills. And if you owe us money and it's past  
5 that period of time, we cannot transfer a paper for  
6 you. We cannot register a cow for you. We cannot put  
7 an ad in the Trails for you.

8 Bob, just to get the conversation started,  
9 do you have any comments? Would you like to make any  
10 comments regarding this factor?

11 MR. RICHEY: I'd like to ask Mr. Wright in  
12 his experience, what has been your experience as far  
13 as collecting funds that --

14 MR. WEHRING: Bob, there has been no  
15 policy.

16 DR. MOELLER: No, he meant the past policy  
17 in his previous life.

18 MR. WEHRING: Oh.

19 MR. WRIGHT: In my previous lives, the  
20 organizations I've been associated with had more or  
21 less a similar policy, 60 day. It's -- for some  
22 reason, it seems in the minds of some that just  
23 because we're a membership association and nonprofit  
24 to boot, that that means they can stiff you for fees.  
25 But as Ty said, you know, we've got a business to run

1 here. Not for profit doesn't mean we're for loss.

2 We've got to collect our money in a timely manner.

3 DR. MOELLER: Did he answer your question?

4 MR. RICHEY: Yes.

5 DR. MOELLER: Kaso.

6 MR. KETY: I think it's self evident. I  
7 mean, we're owed money. We can't operate without it.  
8 We need to put some sort of policy in place and I  
9 think a reasonable one is 60 days. Seems more than  
10 reasonable.

11 DR. MOELLER: Mr. Ladnier, do you have  
12 some comments?

13 MR. LADNIER: Yes, sir. You go to  
14 Wal-Mart you usually put it on a credit card or you  
15 pay for it, don't you?

16 DR. MOELLER: Yes, sir.

17 MR. LADNIER: You buy clothes, you either  
18 put it on a credit card or pay for it. I think we  
19 ought to pay for it or put it on a credit card  
20 immediately or don't do it. That way, they won't owe  
21 you anything. We don't have to collect anything.

22 DR. MOELLER: Harvey, I'm going to skip  
23 you for right now because you just put something in  
24 your mouth.

25 MR. MOUNCE: In lieu of going to a

1 cash-only basis, which is what Maurice is talking  
2 about, with our current system we can bill and pay by  
3 invoice. I would suggest before you think about  
4 saying 60 days is the cutoff, you get your information  
5 in order first to somebody's point, do it in a  
6 businesslike manner and -- because I know there's  
7 inaccurate information in here. And if you're going  
8 to operate off of this information, you're going to be  
9 erroneous and cut people off wrongly.

10 If you want to start good business  
11 practices and sending out invoices and going to charge  
12 people and then you're going to send out a statement  
13 so people understand what they owe, I think then at  
14 that point you can implement a 60-day policy.

15 DR. MOELLER: Harvey, do you want to make  
16 some comments right now?

17 MR. RASMUSSEN: No.

18 DR. MOELLER: John, did you bring the most  
19 current accounts receivable? Is that what you were  
20 showing me in that?

21 MR. JONES: Yes.

22 DR. MOELLER: Would you mind passing that  
23 out to each of the board members, please?

24 MR. JONES: Is it all right to go ahead  
25 and pass out the financial statements?

LORIE GRAHAM, CSR #3756

1 DR. MOELLER: Sure. You can do that at  
2 the same time, but you do have an accounts receivable?

3 MR. JONES: Yes.

4 DR. MOELLER: The last one we have,  
5 correct me if I'm wrong, was 12/20.

6 MR. JONES: 12/20.

7 DR. MOELLER: 12/20, yeah. And you've got  
8 an updated one from that?

9 MR. JONES: As of today.

10 DR. MOELLER: Dr. Kropp.

11 DR. KROPP: Dr. Bob Kropp. Again, I would  
12 go along with Kerry. I think that we have been remiss  
13 in our association over the past period of time about  
14 proper invoicing. I think we need to do some in-house  
15 work and make sure that our in-house business  
16 practices are current and valid. Then once that's in  
17 place, I sure think that people can be invoiced and  
18 many companies pay by invoice and once they're  
19 invoiced, they've got 60 days to pay the bill. That's  
20 the way that -- you know, I just think that's proper  
21 procedure.

22 MR. MOUNCE: I think they should have --  
23 the bill should be due upon invoice. You get a  
24 statement after that. I don't want to say somebody  
25 should be able to stretch out the bill for 60 days.

1 They need to be paying from invoice or at a minimum  
2 from statement. The question was when to cut them off  
3 if they don't. 60 days is fine.

4 DR. MOELLER: Point well taken. Mr.  
5 Buenger.

6 MR. BUENGER: My understanding is that --

7 DR. MOELLER: Speak up.

8 MR. BUENGER: It's my understanding that  
9 after we met the last time and were given the  
10 receivables, that everybody on that list received an  
11 invoice. So, everybody on that list has received  
12 notice that they owe money and have had the  
13 opportunity to either pay it or to contact the office  
14 and say, wait a minute, it's been paid so the office  
15 can check that out. Okay? Given that, I make a  
16 motion that it become policy of the Board to suspend  
17 all rights of membership of any member who is in  
18 arrears more than 60 days. And by rights of  
19 membership I would include the right to register, the  
20 right to transfer, the right to get bulls certified,  
21 the right to hold office, the right to vote, all  
22 rights of membership. And by arrears, I would clarify  
23 that to mean also any findings from a mediation  
24 determining that the association is owed money by  
25 anybody. I'll include that in that motion.

LORIE GRAHAM, CSR #3756

1 DR. MOELLER: Okay. Charlie, could I ask  
2 you to hold your motion till every member has had an  
3 opportunity to speak?

4 MR BUENGER: I will.

5 DR. MOELLER: May I proceed? Ty, have you  
6 got any more to say or have you said your peace?

7 MR. WEHRING: I think they ought to pay  
8 their bills. And there's some people that's got  
9 some -- let me say this. Had a situation that a  
10 person owed us a little money and I made a phone call,  
11 made a visit, and the person said that some of this is  
12 not right. And I listened to the story. It was very  
13 believable and I waived it. Okay? There's going to  
14 be situations like that, you know.

15 This is past. This is way yesterday.  
16 Most of the money is way yesterday in problems.  
17 There's very few current -- bad dollars of current  
18 membership. It's yesterday's -- what am I trying to  
19 say -- leaders or whatever.

20 MR. BUENGER: It's still money they owe  
21 us.

22 MR. WEHRING: I understand. I understand.  
23 I'm just saying that some of it may not be right on  
24 these books.

25 DR. MOELLER: And it should be noted that

LORIE GRAHAM, CSR #3756

1 this --

2 MR. WEHRING: As Charlie said, they have  
3 the opportunity to come forward and people did come  
4 forward and said this isn't right. Okay? Let's see  
5 what it is.

6 DR. MOELLER: Our accounts receivable list  
7 is getting more accurate but there were some  
8 inaccuracies in that. We do need to state that. And  
9 it wasn't because of this administration.

10 MR. WEHRING: No.

11 DR. MOELLER: Mr. Braswell, would you like  
12 to make a comment?

13 MR. BRASWELL: In order to extend anyone  
14 credit, we would have to change our rules and  
15 regulations in this magic book. Anybody who has had  
16 the ability to get credit has done it without proper  
17 approval. You can't approve it according to this  
18 book. That's the beginning comments. But, if they  
19 owe us money, they sure don't need to be doing  
20 business with us.

21 Now, I think if we sit here and look at it  
22 and we talked about this in November and everybody  
23 should have gotten by now some kind of a statement.  
24 And if they've got a question about it, like Ty was  
25 saying, they should have had more than adequate time

1 to go, well, I don't owe this money. That's when you  
2 go down to the office and look at your account and see  
3 if you can reconcile it.

4           The majority of what I've seen on this is  
5 ancient. The majority of the problems are old  
6 business. But, I think the simple thing going forward  
7 we really don't need any motions. We don't have a  
8 credit association. There's no credit facility within  
9 the TLBAA and it's right here in black and white in  
10 Section 18 on page 37. Says everything shall be paid  
11 cash in advance.

12           DR. MOELLER: Thank you, Paul. Col.  
13 Fraser.

14           COL. WEST: I'll be brief. I'm not  
15 against Charlie's proposed amendment, but it's a  
16 two-part thing. Number one, we should establish a  
17 policy that you have to pay an ad by cash or credit  
18 card or some way as it goes in. The same way for a  
19 registration, transfer or what. A.I., that's number  
20 one.

21           Now, if there's an error or they owe more,  
22 then that's a different subject. Then, they should be  
23 given 60 days because maybe they made an error on  
24 their part. So, I think it's a two-part thing.  
25 Number one, though, we won't have that problem if we

1 have -- the Board establishes a policy that when you  
2 send in something, it has to be paid either cash or  
3 check or money order or credit card or -- and then if  
4 there's an error, then 60 days.

5 DR. MOELLER: Debbie.

6 MS. LESYK: I agree with Paul. I think  
7 that we are an organization that doesn't have a  
8 current -- in our bylaws that says that we can do any  
9 charging or whatever. I feel that 60 days is very  
10 lenient. I'd like to take it back to 30 days. You  
11 want work done, you pay for it first. That's been the  
12 way we were told the organization was running. And  
13 when I look back on those and see bills from 2005,  
14 2006, if my name was on here and I owed that money and  
15 it wasn't correct, I would have been on to the Horn  
16 and saying, hey, wait, you know, I can prove to you I  
17 paid this account. And they've had plenty of time and  
18 now the penalties start and I think we need to start  
19 doing it, quite quickly.

20 DR. MOELLER: Thank you, Debbie. And we  
21 should make a note that Debbie came all the way from  
22 Canada. She's a board member from Canada and made the  
23 effort to come all the way down and we do appreciate  
24 that, Debbie. Aubrey.

25 MR. DUBOSE: My comment is we need some

LORIE GRAHAM, CSR #3756

1 type of policy in place to take care of these  
2 situations, especially in the future.

3 DR. MOELLER: Mr. Juranka.

4 MR. JURANKA: I agree. I think we should  
5 be paid, but also I think we should be invoiced  
6 because some of these shows you don't know how much  
7 it's going to be the next day or the next week. So,  
8 60 days is good I think as long as they pay within 60  
9 days.

10 DR. MOELLER: Well, you know, it's obvious  
11 that we got into this trouble because of a word that  
12 drives me up the wall. It's called appeasement.  
13 Appeasement is a nice word for doing favors for  
14 people. And in the past -- if we don't all realize  
15 this, please realize it now -- some of our members  
16 were favored sons and were given favors and things  
17 were overlooked and let it slide and some of us  
18 weren't. And that's not going to happen anymore.  
19 This is a new dawn. We are going to put these  
20 policies in place and everybody is going to be treated  
21 equally. Not unfairly, equally.

22 With that said, if anybody's got any other  
23 comments. Robert, have you got something else to say?

24 MR. RICHEY: No.

25 DR. MOELLER: Mr. Braswell.

1 MR. BRASWELL: Have we contacted  
2 officially everybody on this list and everybody on  
3 this list is aware that they owe us money and has had  
4 an opportunity? That's the only question I got.

5 DR. MOELLER: I would ask three people.  
6 Mr. Wehring.

7 MR. WEHRING: The big boys have  
8 been (inaudible).

9 COURT REPORTER: I'm sorry, I can't hear.

10 DR. MOELLER: The large accounts have been  
11 notified.

12 COURT REPORTER: I can't hear him.

13 MR. WEHRING: I said, the big boys -- when  
14 I say the big boys, the big dollars on here, yes, they  
15 have been contacted.

16 DR. MOELLER: And have the other people  
17 with smaller accounts that are way past due been  
18 contacted? Dennis?

19 MR. WRIGHT: Not since my tenure on the  
20 staff.

21 DR. MOELLER: John, can I ask you?

22 MR. JONES: Yes, they have. In November,  
23 I believe, October we sent out statements, but no  
24 statements have been sent out since that point.

25 DR. MOELLER: I will tell you that I've

1 contacted some. Mr. Wehring has contacted a lot of  
2 them, a lot of these large past due amounts. And it's  
3 been difficult, hasn't it, Ty?

4 MR. WEHRING: Yeah.

5 DR. MOELLER: If there's no other  
6 comments, I would entertain a motion.

7 MR. BUENGER: Mr. Chairman, I'd re-urge my  
8 motion that all -- I recognize that sometimes, like  
9 Col. West says, some things can happen you may not  
10 know exactly what's owed, so there may be a situation  
11 where there's money owed. All monies owed should be  
12 paid within 30 days. If you're more than 60 days in  
13 arrears all rights of membership should be suspended.  
14 That's my motion.

15 DR. MOELLER: Any money 60 days in arrears  
16 from invoice.

17 MR. BUENGER: Uh-huh.

18 DR. MOELLER: Okay. You've heard the  
19 motion. Is there anybody that cares to second that  
20 motion?

21 MR. RICHEY: Could I ask a question now?

22 DR. MOELLER: I'm sorry, who seconded it?

23 MR. WEHRING: Paul Braswell.

24 DR. MOELLER: Paul Braswell? Any  
25 comments?

1                   MR. RICHEY: So, what is the reality of  
2    invoicing -- how long does that take?

3                   MR. WEHRING: What do you mean?

4                   MR. RICHEY: Okay. So, I register some  
5    animals and you send me an invoice. Is that a week,  
6    10 days, two weeks?

7                   MR. BUENGER: Normally you pay for them  
8    when you send it in.

9                   DR. MOELLER: Yes, but if they --

10                  MR. RICHEY: I'm saying, I want to use  
11   your example. I want to walk through it and see what  
12   we're talking about.

13                  MR. WEHRING: When they register the  
14   animal, the invoice should be written -- issued at the  
15   time of registration.

16                  MR. RICHEY: So the clock is ticking at --  
17   at the time I make a deal with you the clock's  
18   ticking. My 60 days is running. Is that right?

19                  MR. WEHRING: From the date of your  
20   invoice.

21                  DR. MOELLER: No, he's -- what you're  
22   asking is how long -- what period of time passes from  
23   the time -- between the time you incur the expense and  
24   the time you're then sent a bill.

25                  MR. RICHEY: Yes, sir.

1 DR. MOELLER: Fair question. Can Dennis  
2 answer that question for us?

3 MR. WRIGHT: Should be a matter of two or  
4 three business days before the invoice is issued. To  
5 clarify what you asked about, we don't register or  
6 transfer cattle without payment in advance.

7 MR. RICHEY: Okay.

8 MR. WRIGHT: So, we do have situations  
9 where we conduct a sale and it takes us a day or two  
10 after we get back to the office to generate the  
11 invoices on that sale.

12 DR. KROPP: Mr. Chairman.

13 DR. MOELLER: Did that answer your  
14 question, Bob?

15 MR. RICHEY: Right.

16 DR. MOELLER: Dr. Kropp.

17 DR. KROPP: Dr. Kropp. Let me give  
18 another example and tell me how this would be done.  
19 It's the 4th of January and I call the office and  
20 decide that I want to run a full-page ad in upcoming  
21 issue of the Trails magazine. And I send in my -- I  
22 visit with a person there on the staff and we get  
23 everything done. And from that point, when do I get  
24 an invoice?

25 MS. CANTRELL: Well, we've made some

1 changes. We used to turn in insertion forms to  
2 production. They produce the ad. We have a run sheet  
3 that answered all the questions. At the end of the  
4 month when the magazine went to press, after it was  
5 printed, it mailed out, then we would turn in the run  
6 sheet and you'd finally get a bill. Not a good way to  
7 do business.

8           So, what we're doing now is the insertion  
9 form is a order form. Just like you went to a supply  
10 store and you bought some pipe and they filled out an  
11 invoice and that was your order form and you'd pay  
12 right then. So, the insertion form that goes to  
13 production will also go straight to accounting the day  
14 you order your ad.

15           Accounting will issue an invoice that day  
16 or the next day, give that invoice to the account  
17 executive for their approval that it's done correctly.  
18 That account executive will mail it that day to the  
19 advertiser.

20           If you pay that bill within 10 days of  
21 that invoice date, you get a 10 percent discount on  
22 your ad.

23           MR. LADNIER: Wait a minute. Wait a  
24 minute. I don't get my mail from Fort Worth for two  
25 weeks.

LORIE GRAHAM, CSR #3756

1 MS. CANTRELL: Even a letter?

2 MR. LADNIER: No. I'm serious as a heart  
3 attack. Anybody east of the Mississippi River don't  
4 get a letter from up here for 10 days to two weeks.

5 MS. CANTRELL: What's wrong? Well, I'd  
6 like a suggestion because in my industry that's how --  
7 that's how I have always done it. You mail the  
8 invoice. You have 10 days from the date of the  
9 invoice to make a payment and get your 10 percent  
10 discount.

11 We could make it from the time you receive  
12 your invoice but how are we going to know when you  
13 received it? Fax yours.

14 MR. LADNIER: Pardon me?

15 MS. CANTRELL: Fax yours if you have a  
16 hard time getting yours in Mississippi.

17 MR. LADNIER: Well, we got more than me  
18 that live over there. Here's another one.

19 MR. KETY: I can vouch for that.

20 MR. LADNIER: Kaso don't get his stuff.  
21 If we get -- everybody else has got a Trails magazine  
22 and then we're getting one in the mail, the old one,  
23 when y'all are getting the new ones just about.  
24 That's facts. All up in Georgia, down in Florida and  
25 it's all the same way.

1 DR. MOELLER: So -- just a moment. Mr.  
2 Mounce.

3 MR. MOUNCE: At the core you're talking  
4 about changing bylaws, which I don't know that that's  
5 gone before anybody yet to change the bylaws if you  
6 want to go back to a cash basis. It's easy enough  
7 when you e-mail or communicate with your account  
8 representative on January 4th, I'm going to place a  
9 full-page ad. I'm pretty sure it's printed and  
10 publicized how much that full page ad is. And they  
11 tell you at that time you can give them a credit card  
12 or you can write them a check and you can send it in.  
13 There's no invoice going out. If you don't get that  
14 check for some reason, you can send a statement at the  
15 end of the month and everybody gets to scraping and  
16 trying to figure out what happened.

17 But, again, I don't know exactly, without  
18 reading all the way through whatever section this is  
19 in, but under Section 18 in fees, all transactions  
20 with the Association shall be paid for cash paid in  
21 advance. That's what it says.

22 DR. MOELLER: I had some hands raise over  
23 here on the right-hand side. Mr. Braswell.

24 MR. BRASWELL: In all honesty, I'm not the  
25 most frequent advertiser in the Trails by any means,

1 but, I assure you that when I advertise I know how  
2 much it's going to be and I know what the terms are.  
3 The terms are if I pay for it by the 15th I get a  
4 discount. If I pay it on the 16th I don't get a  
5 discount.

6 Now, as far as getting an invoice, I  
7 seldom get an invoice before I've written a check and  
8 gotten it to the Association to pay for the goods and  
9 services that I'm using. When I register cattle, I  
10 will admit that I've made a couple of mathematical  
11 errors on those and, you know, gotten a call from  
12 somebody at the office, hey, you know, you sent this  
13 in. It was \$10 short. So, I sent them a \$10 check.  
14 It's real rough.

15 I think we're -- we've got a problem --  
16 we've got a rule here we have to deal with and I'm  
17 sure we can find ways to deal with it to keep our  
18 membership happy.

19 DR. MOELLER: Debbie.

20 MS. LESYK: Deb Lesyk. I'm hearing again  
21 that we're going back and offering little extras, the  
22 10 percent, the 15 percent. Just moments ago we just  
23 spoke to a group and said that everybody was even.  
24 Now, it's been brought to our attention we know that  
25 the people east of the Mississippi don't get their

1 mail. You certainly know Canadians don't get their  
2 mail. We don't even have the December Trails yet.  
3 So, you can't do that. You can't have, you know,  
4 little perks for the people in Texas. It's -- this is  
5 an organization for everyone.

6 MS. CANTRELL: But our advertising breaks  
7 state clearly on there that if you prepay your ad  
8 before the magazine is printed you get a 10 percent  
9 discount. And that is for every single advertiser in  
10 our magazine. And we have to have incentives so --  
11 everybody has incentives in the marketing business and  
12 I would hate not to be able to give an incentive to  
13 those who want to prepay their ad before the magazine  
14 is delivered.

15 MS. LESYK: Prepaid to me is like when I  
16 call you and you tell me it's going to cost me a  
17 thousand bucks. I pay it. I give you a credit card  
18 right then. I don't have any problem with that. But,  
19 to invoice me and take that opportunity, it's never  
20 going to get there and that's where I'm not seeing it.

21 MS. CANTRELL: Okay. Our printing bill,  
22 for example, from our printing company we get every  
23 month. And if we pay that bill -- it says it on there  
24 very clearly, if we pay that bill within 10 days of  
25 invoice date we get a two percent discount. So, it's

1 not a strange thing to put on an invoice. It's done  
2 in this business is what I'm trying to say.

3 DR. MOELLER: Aubrey.

4 MR. DUBOSE: I have a statement then kind  
5 of a question. First of all, it's five days before we  
6 get mail. It goes to Fort Worth to Houston, Houston  
7 to Lufkin, Lufkin to Jasper. Then it goes to be  
8 delivered. Okay? That's kind of their problem.

9 Next thing is on the show circuit. It  
10 says \$5 a head.

11 COURT REPORTER: I need you to speak up.

12 DR. MOELLER: You need to speak up,  
13 Aubrey.

14 MR. DUBOSE: Where it says show circuit  
15 where it says \$5 a head for each animal that shows in  
16 the show circuit, okay, that is not known until the  
17 show is completely over.

18 DR. MOELLER: That's not what?

19 MR. DUBOSE: There's no way you can know  
20 how many animals have showed in that show until you  
21 get through with all your paperwork and that don't  
22 happen overnight. Anybody that deals with shows  
23 you've got money that's taken care of. You've got --  
24 so, a bill or that \$5 for the people that's running  
25 those show circuits, it don't happen overnight. So,

1 there's got to be some consideration taken there for  
2 that money to get in to the Association. Just don't  
3 happen overnight.

4 DR. MOELLER: Mr. Buenger.

5 MR. BUENGER: I feel like we've gotten off  
6 the subject. The items that y'all are talking about  
7 are important. There has to be a situation like  
8 Aubrey just brought up. You're going to run into  
9 things like that where there's going to be some money  
10 owed. It's just going to happen. Brenda is talking  
11 about with this net 10 percent so many days, I think  
12 that's industry standard.

13 We can avoid Maurice's problem by when  
14 they call in with the ad, you can tell them on the  
15 phone, pay it by this date you get a discount. Don't  
16 have to worry about the mail. We can do that.

17 But, the motion has nothing to do with all  
18 that. The motion is about policy for people who for  
19 one reason or another owe money. And there's a lot of  
20 them on the books right now that have been notified,  
21 they haven't taken care of it. The motion suspends  
22 membership privileges until they square those things  
23 up with the Association.

24 MR. WEHRING: And it's been seconded?

25 MR. BUENGER: I'd like to call the

LORIE GRAHAM, CSR #3756

1 question.

2 DR. KROPP: I'd like a little more  
3 discussion.

4 DR. MOELLER: I'll recognize Dr. Kropp.

5 DR. KROPP: Not everyone has been notified  
6 as far as -- is that -- what I would like to do is to  
7 have everybody have an invoice and then go from there.

8 MR. BUENGER: They did, Bob, back in  
9 October. John just told you everybody got sent one  
10 that was on that list.

11 DR. KROPP: Okay. All right.

12 MR. WRIGHT: Mr. Chairman, we'll do that  
13 again.

14 COL. WEST: Mr. Chairman, one thing. If  
15 we have to invoice people, whatever Texas law is, we  
16 should start charging one and a half percent or  
17 whatever the law is in Texas.

18 MR. WEHRING: Can't do it.

19 COL. WEST: Why can't you?

20 MR. WEHRING: You've got to have their  
21 permission in Texas.

22 COL. WEST: Really?

23 MR. WEHRING: Absolutely.

24 COL. WEST: In California before even the  
25 collection agency gets it -- and that's the second

1 part. You can't charge it in Texas. You can in  
2 California and Nevada. But, there ought to be some  
3 measure that before we turn it over to a collection  
4 agency to get a little bit more squeeze out of them.  
5 I don't know what it is but...

6 MR. BUENGER: If you have a written  
7 contract we can charge up to six percent. That's all.

8 DR. MOELLER: Okay. Before we call for  
9 the question -- Charlie, with your permission I've had  
10 several hands in the audience -- as long as they're  
11 brief comments, if there's still somebody, I'll take  
12 two comments from the audience.

13 UNIDENTIFIED SPEAKER: I did --

14 DR. MOELLER: Identify yourself.

15 MS. JOHNSON: Cheryl Johnson from Oregon.  
16 I did hear a couple of things about -- it seems to be  
17 that there's a little difference here. I think in our  
18 bylaws we -- probably when the bylaws were originally  
19 written probably didn't have anything to do with  
20 advertising. That's something that's come on later.  
21 And I would say that that has nothing to do with what  
22 we're discussing about these people that are in  
23 arrears. You can handle that however you want.

24 And I think you're just -- you know, just  
25 a lot involved here that you don't really need to even

1 discuss. Business is business. They should have 30  
2 days. It doesn't matter if you live in Oregon or  
3 Canada or wherever. Yes, we get our mail later, but  
4 we do read the magazine we're putting our ads in, for  
5 crying out loud. It's written right in the back you  
6 get a 10 percent discount. It doesn't matter where  
7 you live. We're in the modern age of technology.  
8 There's no excuse. If you want to pay it in advance  
9 like I did my one ad I put in there, I paid with  
10 credit card, got my 10 percent discount and I was  
11 happy. So, I don't think there's really --

12 DR. MOELLER: I'll entertain one more  
13 comment. The first person that raised their hand is  
14 Dr. Zech.

15 DR. DAMERON: Back when time's were a  
16 little rockier in August, September and October I  
17 think I mentioned this before I gave some people  
18 credit. Meaning these \$5,000 showcase ads. I said  
19 they could pay it a while. That's a vague term. But,  
20 some people owed balances I think on that. They're  
21 not out of order, they just paid it along.

22 Then, secondly, on consigning cattle, some  
23 people had no money or said they didn't. And I said,  
24 we'll take it out of the proceeds. So, you've got  
25 some balances of that I think. So, you need to make

1 allowances for those things.

2 MR. WEHRING: Do you have the list?

3 DR. DAMERON: No.

4 MR. WEHRING: Well, how --

5 DR. DAMERON: I called five thousand

6 people. I can't remember all that.

7 DR. MOELLER: We've had call for question  
8 because of the importance of this issue, I'd like to  
9 go around one more time and make sure there's no other  
10 comments.

11 MR. MOUNCE: Prior to comments, can we  
12 have the motion read again?

13 DR. MOELLER: Yes. Would you read the  
14 motion? Or, Charlie, do you know what it is?

15 MR. WEHRING: One of the things you said  
16 one more thing around. I just don't see this as I  
17 should. The first time I was treasurer then the half  
18 time this time, most of these people knew when I was  
19 treasurer before they owed money. Okay? And there's  
20 some big balances on here back from 6, 5, and worried  
21 about sending them an invoice, sending them that.  
22 Man, I have called these people, told them. We've  
23 sent faxes over, the invoice dates. We got on here an  
24 invoice reference and then we've got a description.  
25 We've got two different things on here which is

1 pitiful. We ought to have one damn invoice. Why we  
2 got an accounts receivable then an invoice number, I  
3 don't know.

4           Anyway, it's hard for these people when  
5 they get a statement -- I mean, sometimes I don't  
6 remember, but I pay it. What the hell? Who did I  
7 register? So, yeah, these people on this list have  
8 been notified and I don't see any reason -- I mean,  
9 we're looking at 2006, 2005 bills. What's the  
10 problem? And one of them said, well, all these are  
11 paid for. I said, well -- we got cancelled checks. I  
12 said, send me a copy. Well, I haven't got them yet.  
13 I mean, so, there's some discrepancies, but we just  
14 need to get our business as a business.

15           DR. MOELLER: As of January the 10th, our  
16 accounts receivables are \$95,575.18. I don't know  
17 what percent of it is not current, but a good  
18 percentage of it is not current as Ty said.  
19 Question's been called. One more comment. That's it.

20           MR. RICHEY: Sorry. Okay. So, we send  
21 out an invoice and we tell these people they owe us  
22 money or you have 60 days to pay. Are we going to  
23 send a follow-up invoice 15 days down the way to go,  
24 this is a reminder? I mean, how -- is there going to  
25 be a procedure that --

1 DR. MOELLER: Dennis, correct me if I'm  
2 wrong. What -- you see, we're still in the process --

3 MR. RICHEY: I understand.

4 DR. MOELLER: -- of establishing our  
5 criterias (sic) and our policies. And correct me if  
6 I'm wrong. Our policies are going to be every 30 days  
7 a statement is going to be sent out. Correct?

8 MR. WRIGHT: Yes, sir.

9 DR. MOELLER: All in favor of this motion  
10 I would like you to signify by saying "Aye".

11 (AYES)

12 DR. MOELLER: Is there anybody opposed to  
13 this motion? Hearing none, the motion passes.

14 Ty, there's some other -- there's some  
15 other items on here. There is a revised budget just  
16 to refresh the Board's memory in November because we  
17 had been operating without a budget for some valid  
18 reasons. So, we threw a budget out there for  
19 everybody to -- I wanted to make sure we abided by the  
20 bylaws. We approved the budget. We do have a revised  
21 budget at the present time that's perhaps a little  
22 more realistic and I would like the Board to act on  
23 that. Do we not have that?

24 MS. CANTRELL: It's in their notebook.

25 MR. BRASWELL: Mr. Chairman, can I ask you

1 to please look at the year-to-date first?

2 DR. MOELLER: What's the item number?

3 MR. BRASWELL: 4A.

4 DR. MOELLER: Okay.

5 MR. BRASWELL: If I may have a moment I've  
6 got some stuff I need to pass out.

7 DR. MOELLER: Okay. Now, does this relate  
8 to the budget?

9 MR. WEHRING: Yes.

10 MR. BRASWELL: Yes, sir.

11 DR. MOELLER: Okay.

12 MR. BRASWELL: If I could get some help.

13 MS. ALDRIDGE: Fritz, would you have time  
14 for me to make a quick comment while they're passing  
15 that out?

16 DR. MOELLER: Is it pertinent to this  
17 discussion?

18 MS. ALDRIDGE: Yes.

19 DR. MOELLER: If you don't mind, let's  
20 wait and see what the subject's going to be.

21 MS. ALDRIDGE: That's fine.

22 DR. MOELLER: Paul, I think they're passed  
23 out. You have the floor.

24 MR. BRASWELL: Sure. When I looked at  
25 this statement of income and earnings for the five

1 months ending November the 30th, I found some numbers  
2 in it that were questionable in my mind. We had -- I  
3 had been in the office with Fritz one day and seen a  
4 copy of a job profitability report from the October  
5 West Sale. And at that point in time we made \$5,000.  
6 That wasn't a bad number for October West Sale.

7 DR. MOELLER: That was net profit from the  
8 October sale.

9 MR. BRASWELL: That was net profit. I was  
10 back in the office in November -- I mean, December and  
11 all the sudden we got a job profitability report that  
12 shows us losing a thousand dollars. That concerned  
13 me. So, I looked at revenues and then I slipped down  
14 here a little bit further -- and this is on this --  
15 everybody should have a current year budget in your  
16 book. It says we sold \$687,000 worth of cattle here  
17 and take change and we paid out to consignors  
18 \$533,000. And the West sales have made through  
19 November 30th, \$3,235.

20 DR. MOELLER: Okay. Paul, because you and  
21 I have gone over this so much I know where you're at.  
22 But, for the benefit of the Board, can you reference  
23 where it is in their book so they can follow?

24 MR. BRASWELL: Sure. This is on page 1,  
25 second tab. If you go to, I guess, golden rod tab

1 there's a page there that says TLBAA Statement of  
2 Income and Retained Earnings for the five months  
3 ending November 30th, 2007. The numbers I'm  
4 referencing specifically are revenues. The first line  
5 item is sale of cattle and there's the 687,876. You  
6 skip down two-thirds of the way on the page you'll see  
7 a number down there that says cost of sales is payout  
8 to consignors. And that comes out to 533,713.

9           The other number I'm referencing  
10 immediately is the Best at West income, which is about  
11 an inch above that cost to sales payouts. It's  
12 \$3,235. That's the reference numbers we're looking  
13 at.

14           So, I sat down at the office and got some  
15 information and looked back through the Best at West  
16 sale in August. That's the package of paper I gave  
17 you, the thicker package of paper that's stapled  
18 together. It says West August at the top of the page.  
19 What we've done here is gone through the registered  
20 sales revenue was 122,650. The way we run that West  
21 Sale is we've got a consignment fee of a \$100 a head.  
22 You look at the first line there under registered  
23 sales revenue, we have consignment of 186 head at a  
24 \$100 is \$18,600. We do some palpation work, got 650  
25 bucks. We got yardage \$6 a head and then we charge an

1 additional five percent of the commission. And that  
2 five percent is of that gross number. So, the total  
3 reductions that we take as an association are \$26,498.

4 Then, we go through the commercial sales  
5 revenue. We don't charge a consignment and we don't  
6 palpate those, but we've got some yardage and we  
7 charge a seven percent commission. So, when all is  
8 said and done, we sold \$169,000 worth of cattle. We  
9 had \$30,000 worth of reductions and our proceeds to  
10 seller should have been \$138,000. And I go through  
11 what the revenue and expenses are.

12 Now, this is how I backed into the  
13 numbers. I took how many animals were there and et  
14 cetera. It's a two page spreadsheet there.

15 (Mr. Scott Simmons enters meeting)

16 MR. BRASWELL: If you go to the third page  
17 you'll see I've done the same thing for October. And  
18 we've got our consignments, our palpations and our  
19 reductions, et cetera. We go through the same deal.  
20 And then there's a little report reconciliation at the  
21 back of each one of those.

22 We go to the Horn Showcase. The Horn  
23 Showcase is of particular interest to me, so, I'd like  
24 to see if we can get that looked at in a minute. But,  
25 what you wind up with is after you do all this math

1 and you've gone through all these events, you're going  
2 to get down to a page in that handout I gave that's  
3 sideways.

4 MS. CANTRELL: In the thick packet?

5 MR. BRASWELL: In that little packet that  
6 I -- there's a skinny packet like that. It's 2007  
7 sales year-to-date. Looks like this.

8 What I've done is I've gone through these  
9 recaps I've done and I've probably missed a few things  
10 because I don't have the books in my office but I have  
11 been in town. We've done the best we can to find  
12 these numbers.

13 What it boils down to is we have had sales  
14 of cattle that total \$706,000, not \$687,000. We've  
15 had reductions, what I call reductions, which is our  
16 consignment fees, our commissions, palpations, things  
17 that we're going to take back from the seller at  
18 closing. We've got our expenses, what we should have  
19 paid consignors, the gross of what the TLBAA should  
20 put in our pocket out of that sale, internal. Now,  
21 internal things are -- the way we got this set up is  
22 sales management division pays the Trails for  
23 advertising. And the sales management division pays  
24 the registrations and transfers department \$15 a head.  
25 That's internal money. And then we've got a net.

1                   Now, my question is, I've got 706 versus  
2 687. That's about \$20,000. It's actually \$18,909.  
3 That's sales income money that's not reflected  
4 accurately in our books. The expenses I took at face  
5 value. Consignors. We're reporting in our financial  
6 here that we paid consignors \$533,000. We should have  
7 paid these folks \$600,000. That's a \$66,000  
8 difference.

9                   Now, I've gone back and looked at the  
10 sales reports and I've got a December sale report in  
11 here and we actually looked at the deposit slips from  
12 that sale and it puts it -- it balances out perfect.  
13 There's exactly the right amount deposited, right  
14 amount here, there, yonder. You take these numbers  
15 the way I've gone through here, it's right unless  
16 there's something that's just grossly missing here.  
17 But, if you just look at 533,000 versus \$687,000,  
18 we're not hitting our membership that hard. This is  
19 \$86,000, give or take change, that I'd like to know  
20 where the hell it is.

21                   And what it boils down to here is the West  
22 sales for this period of time have garnered around  
23 \$19,000. If you look way out there in that far  
24 right-hand column, after paying Brenda for her  
25 advertising and after paying Deandra for her transfer

1 department, the sales management department still  
2 should have made around 19,300 and change. I'd like  
3 to know how we got 3,235 and where's the \$16,000.

4           The reason I'm bringing this up is if we  
5 don't have good current numbers, there's no way in  
6 hell we can have a budget that means anything. I want  
7 to know where these numbers came off. And I can get  
8 more detail if you want to, but I've got to have some  
9 numbers.

10           I do need to say two things. Dennis  
11 Wright has been here 30 some days and I'm not picking  
12 on Dennis. This is the first financials we've had.  
13 And since I found out about this, Mr. Wehring has been  
14 in ICU or something like that. Some kind of silly  
15 excuse. So, he and I have not had much opportunity to  
16 look at this.

17           DR. MOELLER: But you and I have.

18           MR. BRASWELL: Yes, sir. I want to know  
19 some answers.

20           DR. MOELLER: And, Paul, where do you  
21 think -- why don't -- what do you suspect as being our  
22 problem?

23           MR. BRASWELL: Got one of two things:  
24 Gross negligence or theft. I don't know which it is.  
25 I don't care which it is, but we're going to find out

1 before anybody leaves this room. My anticipation it's  
2 gross negligence.

3 DR. MOELLER: Okay.

4 MR. BRASWELL: I would like to find out  
5 before we leave this room.

6 DR. MOELLER: And how would you suggest we  
7 proceed in finding that out?

8 MR. BRASWELL: Who prepared the  
9 statements?

10 DR. MOELLER: Dennis, can you tell us who  
11 prepared these statements?

12 MR. WRIGHT: John Jones prepared these  
13 statements.

14 MR. BRASWELL: Fritz, I recommend we start  
15 off with page 1 of this short one. That's all  
16 landscape that came from the TLBAA and it says this is  
17 the August West Sale, which I have in my hand and it  
18 says we had 161 and 118. I want an explanation of  
19 every dad gum number on here and see if he can back  
20 into these numbers and explain it to us, sir.

21 DR. MOELLER: John, would you like to step  
22 up here and see if you can answer those questions?  
23 You're welcome to the mic. Paul, I would ask you to  
24 make your questions specific.

25 MR. BRASWELL: Okay.

1                   MR. JONES: Paul, is this the report we  
2 were starting with here?

3                   MR. BRASWELL: Says August at the top of  
4 it?

5                   MR. JONES: On your question of the 3,000,  
6 when Allison brought that to my attention I did some  
7 research and I talked to our CPA and that was one of  
8 the areas that we would like to research on. I don't  
9 have the answer where the 16,000 is that you're  
10 referring to.

11                   MR. BRASWELL: Okay.

12                   MR. JONES: The first job profitability  
13 report that you're referring to was not, to my  
14 knowledge, complete. When asked, we gave what we had  
15 at that time.

16                   MR. BRASWELL: Okay. John, what I'm  
17 looking at here specifically is can you please tell me  
18 what your gross sales were for August at this sale?  
19 How much money did we collect and put in the bank for  
20 this sale?

21                   MR. JONES: Now, based on what we're  
22 seeing here on the job profitability it would be the  
23 two figures under your actual revenue. But, you're  
24 missing on this report -- and again, this was not  
25 meant to be -- at the time this was printed this was

1 not meant to be a complete --

2 MR. BRASWELL: So this is incomplete. So,  
3 this one's incomplete?

4 MR. JONES: Well, first off, I think this  
5 might be a little bit incomplete because it doesn't  
6 show the deposits made from the consignments --

7 MR. BRASWELL: Right.

8 MR. JONES: -- that were received.

9 MR. BRASWELL: If we go up here and look  
10 at these two numbers, what is this report then telling  
11 us? Why do we have this report?

12 MR. JONES: When they started doing the  
13 job costing --

14 MR. BRASWELL: \$42,000, is that what  
15 you're showing this sale to be \$42,000?

16 MR. JONES: That's what it looks like to  
17 be approximately --

18 MR. BRASWELL: No, this is my specific  
19 question. I'll try to get to it again. This report,  
20 which came out of your office, is showing me a \$42,000  
21 profit on a sale. Where if I go back in and figure  
22 out my gross reductions by the number of head,  
23 yardage, the palpations, the commissions, our gross  
24 reductions as the TLBAA for \$30,683.85 and you're  
25 showing me that we made \$42,000 and change without --

1 you know, you can't make more money than you made.

2 MR. JONES: Again, I was asked to present  
3 this report at the time, what we had at that time.  
4 This is not a complete --

5 MR. BRASWELL: Let's go forward one then.  
6 Let's go to the West October Sale. Let's forget about  
7 August. Just accept that that's not accurate.

8 MR. JONES: Basically, at the time October  
9 was printed, no, we were still inputting the  
10 information because --

11 MR. BRASWELL: Is that the second one  
12 we've seen from October?

13 MR. JONES: Pardon?

14 MR. BRASWELL: Have we seen a prior one to  
15 this for October?

16 MR. JONES: Yes, I printed them out for  
17 several events.

18 MR. BRASWELL: So, we have gone from five  
19 thousand to a thousand dollar loss?

20 MR. JONES: Again, these were not  
21 complete. When I was asked to print these out, these  
22 were just what we were entering at that time.

23 MR. BRASWELL: Okay.

24 MR. JONES: Previous to these --

25 MR. BRASWELL: I'm looking here at a

1 thousand dollar loss on this and you've got sales  
2 capped here at \$110,000. I would think if you're  
3 looking at \$110,000 in sales in cattle you could  
4 probably add two numbers. That's all you've got to  
5 add. You've got a hundred bucks up there for  
6 something. I'm not sure what it is. Got 75,435. The  
7 computer added the 4. So, it's \$110,842. I took the  
8 sales numbers out of the sales reporting and I'm at  
9 \$128,380.

10 MR. JONES: Again, Paul, I was unaware  
11 that you were using this report for this. These are  
12 not --

13 MR. BRASWELL: I'm not using these  
14 reports, John. This is what -- if I take these  
15 reports that I've just referenced and I add them up, I  
16 get your 687. And I get an adjusted number now  
17 because you just updated them. But, I get this 533.  
18 This is the numbers you're giving the Board right here  
19 on this statement of income and earnings and you're  
20 asking us to do a budget off this and they don't back  
21 up into anything except your numbers. And now you're  
22 telling me your numbers are inaccurate.

23 Now, I'm sorry, but I sat here in this  
24 room and listened in August as this whole damn thing  
25 went to hell in a hand basket. And the first thing I

1 saw as we walked in was we didn't have accurate  
2 financials. And we had something from April. And the  
3 first thing I heard was, well, we've got this issue  
4 with the CPA has our books and we're going to go get a  
5 different CPA. We're going to get our books done and  
6 that's what I heard. And I said, okay.

7           So, we got rid of the old CPA because that  
8 was a problem and we got a new CPA. And then it was  
9 going to take some weeks to get these reports. And  
10 then we finally got these reports and this book and I  
11 can assure you that I can look at this and figure this  
12 out pretty quick. There's no way in God's world that  
13 you take \$687,000 worth of sales revenue and pay the  
14 membership \$533,000. That just doesn't happen.

15           Now, what you're telling me is these  
16 numbers aren't worth anything, but these numbers are  
17 where we got these numbers. So, you're telling me  
18 that the job profitability reports are worthless, not  
19 correct, but you've given us this statement of income  
20 and retained earnings and I believe you just passed us  
21 out another one here. Is this one incorrect, too?

22           MR. JONES: I don't feel this report is  
23 incorrect, but at the time it was printed it was not  
24 complete.

25           MR. BRASWELL: Okay. So, if I take --

1 this report here is correct? The one you just passed  
2 out to us?

3 MR. JONES: For your monthly financials?

4 MR. BRASWELL: This one right here is  
5 correct?

6 MR. JONES: Yes, I believe it is.

7 MR. BRASWELL: You think it's correct?

8 All right. Let's back into it. If you come into this  
9 and you come down here to the -- going to take me a  
10 minute to find them because I didn't print these.

11 DR. MOELLER: Okay. What we're going to  
12 do at the present time is we have a box lunch to be  
13 passed out among our members. So, we're going to take  
14 a five-minute recess right now while they -- so we're  
15 not distracted while they pass out the box lunch and  
16 then we'll resume our conversation and that will give  
17 Paul a little time to look that over.

18 (Break from 6:19 p.m. to 6:29 p.m.)

19 DR. MOELLER: I'd like to call this board  
20 of directors meeting back into session. I'd like to  
21 ask the members not to talk with their mouth full  
22 because we do have a recorder there. So, if you've  
23 got something to say, don't take a bite before you say  
24 it, or swallow it before you say it.

25 I've allowed Paul to go through some of

1 these figures with the Board mainly to have the Board  
2 understand that our figures are inaccurate and they're  
3 inaccurate for a reason. There's been some  
4 inappropriate entering into our Peachtree accounting  
5 things and I wanted the Board to understand that.

6           The figures do not reflect the fact that  
7 we are in any financial trouble. We are, in fact,  
8 healthier than I have seen us being in years. And in  
9 spite of the fact these figures are inaccurate and  
10 will be corrected, they do reflect some transparency.  
11 They do reflect that we are now fully informed of what  
12 the figures mean.

13           Our business manager has assured us that  
14 these discrepancies and the reasons for their  
15 discrepancies are going to be addressed and addressed  
16 in a short order. We hope that they would have been  
17 corrected before this meeting so we could have  
18 accurate figures.

19           Again, I want to reemphasize and repeat  
20 that even though those figures are not accurate to the  
21 penny, they do not reflect any kind of financial  
22 problems that we have.

23           The Horn Showcase was mentioned and even  
24 though I will not tell you exactly what that figure is  
25 because there may be some inaccuracies, it may not be

1 down to the penny, but I can tell you that based on  
2 what we made at the Horn Showcase, what was made at  
3 the Horn Showcase, the Horn Showcase sale last year,  
4 we have doubled that net profit this year. In spite  
5 of the fact that there were rumors to the fact that we  
6 lost our butt, we doubled our income this year.

7 (Applause)

8 DR. MOELLER: So, as you hear some of  
9 these arguments, these are internal arguments and I  
10 commend Paul Braswell for championing us to get these  
11 figures exact. We need to do that. We have the  
12 opportunity to do that.

13 Now, with that said, I promised Paul I  
14 would let him make another comment.

15 MR. BRASWELL: As we went through these  
16 numbers, it appears -- and the numbers keep moving.  
17 Okay? Now, when I went through the sales from  
18 October, the Horn Showcase sale and the December sale  
19 at West, constructed these handouts, I want to let you  
20 know that Allison had in her package a copy of every  
21 deposit slip, everybody's money. She had a copy of  
22 paper money where people had paid cash. By the way,  
23 we have now made a cash deposit in this association.

24 (Applause)

25 MR. BRASWELL: First one, but we have that

LORIE GRAHAM, CSR #3756

1 kind of documentation and that's where we got the  
2 numbers. It's just no way that these numbers are  
3 accurate and that means that we're showing income  
4 somewhere else -- not quite as much income somewhere  
5 else, but we're showing a lot of expense somewhere  
6 else in general administrative or in Trails  
7 advertising expenses or somewhere else in our income  
8 statement is carrying a lot of burden for expense  
9 that's improperly coded. And that's just flat  
10 somebody didn't put it in the computer right.

11 DR. MOELLER: And that's the point that  
12 I'd like the Board to understand. You know, garbage  
13 in, garbage out. Most of these errors are improper  
14 entries into our accounting system. That's going to  
15 be fixed.

16 MR. BRASWELL: It boils down to a lack of  
17 attention to detail. Because, if you go in and look  
18 at Allison's sales reports, which she has, and you  
19 look at it and it says this is how many cows we sold,  
20 this is how much money we collected, this is how much  
21 it cost us and this is how much we paid people for  
22 their cattle, then that report has to match exactly to  
23 these reports that are coming out of our Peachtree  
24 accounting software or we're not getting there. And  
25 that's all I'm saying. We've got to be accurate in

1 this or we cannot, as a Board, make decisions, nor can  
2 we, as members, know what's going on.

3 I think it's just totally inaccurate  
4 accounting and there's not -- I don't know what the  
5 excuse for it would be.

6 DR. MOELLER: Maybe we can change that to  
7 totally inaccurate bookkeeping rather than accounting.  
8 Is there a difference between the two?

9 MR. BRASWELL: Data entry errors. Go with  
10 that.

11 DR. MOELLER: Is there any board member  
12 that would like to ask Paul any additional questions  
13 regarding this item? We're not through with our  
14 treasury business.

15 MR. BRASWELL: Dr. Moeller, I would very  
16 respectfully move that we charge Mr. Wright with  
17 reviewing these financials and determining the root  
18 cause of the inaccuracies in the coding that appear to  
19 be in them. Go back to the source documents with --  
20 especially on these sales which is where we seem to  
21 have the most problem and bring back to the next board  
22 meeting some improvements on this.

23 DR. MOELLER: I would accept that motion.  
24 Is there a second to that motion?

25 MR. WEHRING: I second it.

LORIE GRAHAM, CSR #3756

1 DR. MOELLER: Seconded by Ty Wehring.  
2 There being no further discussion, all in favor of  
3 that motion, could you signify by saying "Aye?"

4 (AYES)

5 DR. MOELLER: Is there anybody opposed to  
6 that motion? Hearing none the motion passes. Where's  
7 my gavel?

8 Okay. Now, we have another item, guys,  
9 that I want to address. We had -- as a result of the  
10 turmoil over the last 12 to 15 months, there were  
11 some -- we asked for some financial audits and some  
12 forensic audits. As part of that routine, we had to  
13 go back because the bylaws said we had to have  
14 certified audits for each year. There was two years  
15 there that we had audits done but that gentleman that  
16 did the audits, as we found out thanks to Darlene, was  
17 not a qualified CPA. He didn't meet the letter of the  
18 law.

19 In our auditor's review of that we found  
20 out that the figures not necessarily were wrong, he  
21 just did not meet the letter of the law in our bylaws  
22 as a qualified CPA.

23 Now, we got a little sticky issue here.  
24 If we go back and have those re-audited to meet the  
25 letter of the law to have a qualified CPA stamp his

1 figures on there -- they're going to be the exact same  
2 figures and for which we're going to stick these  
3 papers in a file -- it's going to cost us anywhere  
4 from \$18,000 to \$50,000.

5                   Now, what I would like this Board to  
6 consider tonight -- I have no idea what that noise is.  
7 What I would like this Board to consider tonight --  
8 and I'm going to call on Mr. Braswell because he and I  
9 worked on this also and Mr. Wehring also -- I'd like  
10 this Board to consider that we not -- that we dispense  
11 with having to go repeat those audits just so we can  
12 have a licensed CPA put his stamp on it -- the figures  
13 aren't going to change -- and that we stick it in the  
14 file cabinet and we put out another 18 -- we've had  
15 two -- what's the word I'm looking for?

16                   MR. BRASWELL: Forensic.

17                   DR. MOELLER: Two bids on what that was  
18 going to cost us. The lowest bid was 18,000, which we  
19 don't believe. Probably the more accurate one from a  
20 different accounting firm was \$50,000. So, you're  
21 looking at an 18 to \$50,000 bill just to get that  
22 done.

23                   I'd like Paul to kind of further fill us  
24 in on this subject and then I would like some  
25 discussion and I would like your -- we will spend the

1 money and we'll do that, but I would like your  
2 consideration to allow us to save that money and not  
3 have to go through that step. Paul.

4 MR. BRASWELL: Fritz and I looked through  
5 the original audit reports for the years 2004/2005 and  
6 2005/2006. We went back and looked at the financial  
7 statements that were attached to and part of those  
8 audit reports and they agreed. The audits and the  
9 financials there were not any changes in the way  
10 things were accounted for in that period of time.

11 Mr. Brown, who was our expert witness and  
12 our forensic auditor, had reviewed all the same  
13 material. Now, in his reviewing that material he did  
14 find that probably some of that money was spent ways  
15 we wouldn't have liked it spent, but it was spent.  
16 That may have been coded to future advertising when it  
17 was somebody else's rent, but the expenditure was made  
18 and booked.

19 Mr. Brown gave us a very thorough report.  
20 It's, what, two full volumes three inches thick or  
21 something that point out the discrepancies in it.  
22 We've got two options. The first one is to get an  
23 audit done for these two years. And what we're going  
24 to do is we're going to take the financial reports we  
25 got from those two years and give them to an audit

1 firm and they're going to look through them and  
2 basically say, okay, from these documents here's your  
3 audit. And it's going to reflect what's on those  
4 financial returns.

5                   If there were any changes necessary we  
6 probably also have to go back and mess with putting,  
7 you know, a few dollars from this account to that  
8 account. Mr. Brown has basically looked at this stuff  
9 and given us the differences.

10                   I think the second option is to waive our  
11 requirement for an audit for those two periods. The  
12 books have been looked at ad nauseam. And any audit  
13 that we have done today would be done on a  
14 best-information basis. And as we have all become  
15 painfully aware in the last year or so, there wasn't a  
16 lot of information kept. Not a lot of receipts.  
17 There's not a lot of backup documentation.

18                   You can hire a bunch of auditors to come  
19 into our office and spend two weeks and send us a bill  
20 for \$25,000 and we're not going to get anywhere out of  
21 it. No amount of audit work is going to change the  
22 fact that a couple of folks took some money from us.  
23 I don't believe that any further amount of work will  
24 find, within the records we have, any more money that  
25 was taken or misused. And the hard cold fact of the

1 matter is if today we found some money within those  
2 books that Mr. Brown went through that was miscoded or  
3 misdome, there's not anything we can do about it.

4                   We've had a binding arbitration on these  
5 books. These books are closed. So, basically we can  
6 either spend \$50,000 of our money to get some  
7 documents that aren't worth much and that will go back  
8 in the filing cabinet in the vault and sit there and  
9 gather dust, which is where I found the originals, or  
10 I think as a board we would have a much better  
11 fiduciary responsibility if we chose to waive our  
12 requirement on those audits for those two periods,  
13 given the fact that we have already had an audit that  
14 was complete but not signed by a qualified CPA and  
15 that we had -- most importantly, had a very extensive  
16 forensic audit that we paid for.

17                   DR. MOELLER: Well, that gentlemen, is it  
18 in a nutshell. And what I'm asking is that this Board  
19 consider us -- consider letting us forego repeating  
20 those audits and that basically is to save us money  
21 because it's not going to accomplish one bit of  
22 difference. Mr. Ladnier.

23                   MR. LADNIER: My question, if that's in  
24 the bylaws, we can't change those. We've got to go  
25 through the general membership to do that. I don't

1 think the Board can make that decision, can we?

2 DR. MOELLER: Well, that's the crux of the  
3 matter that I would like to know if the Board feels  
4 the same way that Mr. Wehring and Mr. Braswell and  
5 myself who have spent many, many days going through  
6 dusty files, boxes that came out of past people's  
7 desks. We think it's going to be a waste of money.

8 MR. LADNIER: So do I.

9 DR. MOELLER: The crux of the matter is  
10 the bylaws do say we have to have a certified CPA  
11 audit and I'm open to suggest how we handle that.  
12 Mr. Wehring.

13 MR. WEHRING: Benny, what do we do? Now,  
14 there's a guy that ought to know. Be able to tell us  
15 right there. I talked to you about this the other  
16 night.

17 MR. HRUSEK: Yes, sir. My name is Benny  
18 Hrusek. I was a member of this Board at one time and  
19 also CPA.

20 DR. MOELLER: And past treasurer.

21 MR. HRUSEK: And my certificate is good in  
22 Texas. And I basically agree with --

23 UNIDENTIFIED SPEAKER: Speak up, please.

24 MR. HRUSEK: Can I use the mic?

25 DR. MOELLER: Sure you can.

LORIE GRAHAM, CSR #3756

1 MR. HRUSEK: Can you hear me now?

2 UNIDENTIFIED SPEAKER: Yes.

3 MR. HRUSEK: If I kind of fade out, about  
4 a month ago I was in the hospital and I couldn't have  
5 said hello without coughing twice, so, if I get in a  
6 coughing spell I may have to sit down or something.  
7 But, as I was there I was selling longhorns to our  
8 doctor friends and handing out the Trails magazine, so  
9 it wasn't a complete wasted trip to the hospital.

10 I basically agree with the premise that  
11 Paul has said that auditing something in that period  
12 of time is really a waste of the Association's money.  
13 Regardless of what they would find it's not going to  
14 change the facts. And frankly, I would even go one  
15 step further and tell you that your forensic auditor  
16 has already looked at the period up through whatever  
17 months he was here.

18 And this current fiscal year which ended  
19 -- which now ended June 30, '07, which has not been  
20 audited by anybody, from what I heard today from Paul,  
21 I would be surprised if any auditor could actually  
22 give you a clean opinion on the income statements  
23 without a restructuring of all the books. The best  
24 that you can hope for would be a balance sheet audit  
25 and you will have substantial problems even getting

1 that straight. Because as Ty mentioned, the accounts  
2 receivable, who knows what the true number is as to  
3 how many of those receivables are actually valid and  
4 collectible.

5 So, I think if I was on this Board I would  
6 spend my money for the rest of this year through June  
7 30, forget procedures written as Dennis Wright has  
8 suggested, and get the controls in place and have an  
9 audit as of June 30, 2008 and go forward from there.

10 MR. BRASWELL: I have a brief question for  
11 you.

12 MR. HRUSEK: Okay.

13 MR. BRASWELL: Mr. Brown is a CPA?

14 DR. MOELLER: Yes.

15 MR. BRASWELL: He's a forensic audit CPA  
16 and he has signed this forensic audit that he  
17 performed? Now, while this is not a quote, unquote,  
18 "financial audit," it's actually much further in depth  
19 than a financial audit if I understand correctly. Is  
20 that --

21 MR. HRUSEK: It's more in-depth in the  
22 area that he worked in, but he did not address the  
23 other issues, which is, as a matter -- you know, our  
24 receivables, collectibles.

25 MR. BRASWELL: So, my question is -- and

1 here I'm asking your professional opinion since you  
2 have the degree and title. Do you think it would be  
3 appropriate for the Board to accept the forensic audit  
4 in lieu of financial audit for those two periods?

5 MR. WEHRING: May I say something?  
6 Financial, what I understand what he told me and I was  
7 treasurer at that time, forensic audit, they're  
8 looking for boogers. They're not caring if one and  
9 one makes three. That's all. Am I wrong or right,  
10 Benny?

11 MR. HRUSEK: You're correct.

12 MR. WEHRING: They're looking for boogers  
13 and it doesn't matter. So, no, I don't think we could  
14 accept a forensic audit.

15 MR. HRUSEK: As I said, I would -- you  
16 know, you had the audit and you said what you say, you  
17 had the arbitration and you've settled that. My  
18 recommendation would be that you get your books in  
19 order, get your internal controls set up and  
20 documents. And, if anything, Paul seems to be very  
21 knowledgeable in the area. He could probably help and  
22 review that or either hire an outside consultant to  
23 review your procedures.

24 MR. WEHRING: Thank you, Mr. B.

25 (Applause)

1 DR. MOELLER: Charlie.

2 MR. BUENGER: I don't see a need to waste  
3 any more money on this and I would move that the Board  
4 consider the forensic audit as our audit for the years  
5 in question and move on.

6 DR. MOELLER: I would entertain some  
7 comments from the audience. Yes, sir. Identify  
8 yourself, please.

9 MR. LANKFORD: Bernard Lankford. I think  
10 the Board needs to be very careful about interpreting  
11 which bylaws they want to follow and which they don't.  
12 I know it's going to cost money and I know it probably  
13 won't show anything, but, that's what got us in  
14 trouble before. And who's to say three years from now  
15 something else might come up and they may come back  
16 and say, oh, wait a minute, they didn't do an audit  
17 like the bylaws call for. I think you need to think  
18 real serious about that.

19 DR. MOELLER: My counter comment would be  
20 the difference is when bylaws were bypassed in the  
21 past, none of us knew that. Now, we are trying to  
22 consider, when we know that there's some discrepancy  
23 with our bylaws, we're addressing that and we are  
24 asking permission to do that.

25 MR. LANKFORD: Well, I understand that,

LORIE GRAHAM, CSR #3756

1 but can the Board change the bylaws? Because that's  
2 basically what you're doing.

3 DR. MOELLER: No, we can't change the  
4 bylaws without going through some steps and we are  
5 going to change the bylaws. That can't be changed for  
6 a whole year though.

7 MR. LANKFORD: Don't get me wrong. I  
8 don't want to spend the money.

9 DR. MOELLER: You are absolutely correct.  
10 It is the only dilemma that I have as chairman of the  
11 board. I do not want us to spend the money. I do not  
12 see what gain we are going to have. My dilemma is  
13 it's not what our bylaws say and I'm not sure how we  
14 bypass that. Charlie Buenger.

15 MR. BUENGER: I didn't catch your name.

16 MR. LANKFORD: Bernard Lankford.

17 MR. BUENGER: Mr. Lankford, I appreciate  
18 what you said and agree with you, but I think it's a  
19 tremendous waste of our money, particularly since  
20 we've been through the forensic audit and the  
21 documents that any auditor would have had to work from  
22 are incomplete and gone. I think it's a waste of our  
23 money at this point.

24 I do appreciate what you said and I agree  
25 with you, but the reason I made the motion the way I

1 did was not to bypass the bylaws. I didn't say we are  
2 going to waive anything. What I said is the Board  
3 considers those as our audit and go on.

4 MR. LADNIER: That's what I was saying  
5 while ago. I would assume everyone on the Board -- we  
6 can find out with a vote -- but, everybody on the  
7 Board I think would be in agreement to saving the  
8 money. I think to get it safe with our bylaws and our  
9 general membership meeting, all we got to do is put --  
10 petition our general membership in our General  
11 Membership Meeting along with the other changes to do  
12 this for the back two years. I don't think anybody  
13 sitting out here would want to spend fifty grand for  
14 no reason. That would clear it, would it not,  
15 Charlie?

16 MR. BUENGER: Yeah, it would.

17 DR. MOELLER: And I don't intend to beat a  
18 dead horse. We need to proceed, but discussing with  
19 the CPA's, the two people we asked to come in and give  
20 us bids they both went, oh, my God. And the guy that  
21 wants \$50,000 he says, it may cost me more than that.  
22 And I -- just what I've looked at there's figures I'm  
23 not going to be able to find.

24 I'm going to have one more comment from  
25 the audience. The lady from the Pacific Northwest.

LORIE GRAHAM, CSR #3756

1 MS. JOHNSON: Cheryl Johnson.

2 DR. MOELLER: Cheryl Johnson who used to  
3 be on our Board.

4 MS. JOHNSON: Yes, sir. I agree with --  
5 you know, there's no sense wasting the money.  
6 However, I think your Board -- and maybe this -- I  
7 think your Board should vote on it and then should  
8 take it to your General Membership Meeting tomorrow,  
9 present it to the general membership that the people  
10 here -- let us raise our hands, too, if we want to and  
11 take it and say, this is what everybody discussed at  
12 your board meeting, what do you think, and let them  
13 vote on it. And then, you know, you're not going to  
14 have the members say, oh, yeah, our Board did it, you  
15 know. That's just my thought.

16 DR. MOELLER: Okay. The first step in  
17 anything is to get a motion on the floor. Charlie has  
18 proposed one already. I haven't heard a second to  
19 that motion. He might want to repeat it.

20 MR. BUENGER: The motion is that the Board  
21 consider the forensic audit that we previously had as  
22 those audits. We approve that as our audits.

23 Now, tomorrow we could take it -- take  
24 that approval to the membership and ask them to bless  
25 it and go on.

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

3 MR. BRASWELL: Second.

4 DR. MOELLER: Are there any other board  
5 members care to make a comment? I'm sorry, Aubrey.

6 MR. DUBOSE: What we're doing is exactly  
7 right as far as the bylaws. The bylaws state, "Bylaws  
8 may be altered or amended by a vote of a majority of  
9 the members of the Board of Directors provided that  
10 such changes shall become effective only if and when  
11 by a majority vote of the membership voting in person  
12 and in regular meeting of the Association." So, what  
13 we've just done by this vote, according to the book,  
14 take the membership and they vote.

15 DR. MOELLER: All in favor of the motion  
16 signify by saying "Yes."

17 (YESES)

18 DR. MOELLER: Is there anybody opposed?  
19 Hearing none, motion passed.

20 Okay. Moving on with our agenda.  
21 Gentlemen, the next thing on the agenda is the Trails  
22 report. Brenda has a couple of two or three items to  
23 discuss and she will step forward. I'd like for her  
24 to take the podium, please.

25 MS. CANTRELL: Good evening. There's a

LORIE GRAHAM, CSR #3756

1 couple of things on the agenda that I would like to  
2 address and then there was a handout that's inside  
3 your notebook that I'll talk to you at the very end.

4           The first thing on the agenda that I want  
5 to introduce is the topic of advertising policies  
6 regarding competitive advertisers. A question of  
7 running competitive organizations' advertising has  
8 come to the surface over the past few months. While I  
9 wasn't present during any formal policy on competitive  
10 advertising, I was told when I joined the TLBAA that  
11 the Trails does not promote any institution that is in  
12 direct competition with the TLBAA. This was mainly  
13 referring to the ITLA. The question, I believe, is  
14 whether or not the TLMA is in direct competition with  
15 the TLBAA.

16           But, before you begin your discussion on  
17 this matter, I would like to make a few points as  
18 Editor in Chief in order to clarify some recent  
19 e-mails that have been making the rounds.

20           The Trails is the official publication of  
21 the TLBAA. It is your magazine, not mine. I serve  
22 the membership and whatever policy's in place, it is  
23 my duty to uphold that policy. The Trails is in place  
24 to serve all members, not just a few. Our editorial  
25 mission is to inform our readers each month about the

1 Texas longhorn. Whether that be health, herd  
2 management, nutrition, farm equipment, sales and show  
3 results or any number of related topics, our goal is  
4 to be the authority of all that is longhorn.

5           Our advertising or marketing mission is to  
6 help members promote their breeding program through  
7 creating appealing ads that are top quality in design,  
8 layout, placement and copy that sends the message the  
9 advertiser desires. The two missions for editorial  
10 and advertising are to serve the members of the TLBAA.

11           Since I have been the Editor in Chief I  
12 have witnessed breeders pull their ad campaigns from  
13 the Trails in order to make a statement of displeasure  
14 with the current status of the TLBAA. Their bones of  
15 contention have ranged from cloning policies to how  
16 horns are measured to displeasure with the board of  
17 directors. Only in a few, and I mean very few,  
18 instances have readers pulled their ad campaign  
19 because they were displeased with the Trails as a  
20 publication in meeting the editorial or advertising  
21 missions. They don't show their displeasure with the  
22 TLBAA in great numbers by stopping their registering  
23 or transferring of cattle.

24           The conclusion that one can make by these  
25 actions is that they want to be visible in their

LORIE GRAHAM, CSR #3756

1 displeasure with the TLBAA and they believe the best  
2 way to make a statement is to not be visible.

3                   I've been in the publishing industry as a  
4 professional since 1982 and I can assure you no one  
5 can make a statement if they don't show up to reach  
6 their customers. It just doesn't make any sense.  
7 But, if you decided to pull your campaign and there's  
8 no other vehicle to market your program, what other  
9 recourse do you have than to publish your very own  
10 magazine and tell people you're not competing with the  
11 TLBAA because you are starting a registry or promoting  
12 shows. You're just simply going to provide your  
13 members with new and innovative ways to market  
14 breeding programs. And one of those new innovative  
15 marketing ideas is a monthly publication.

16                   You disguise yourself under the cloak of  
17 being a member of the TLBAA and request a membership  
18 list to be sent to you digitally. You solicit current  
19 advertisers in the Trails to spend either ad dollars  
20 in this new and innovative publication, thus, taking  
21 more advertising revenue away from the Trails, all the  
22 while, touting that you are not in competition with  
23 the TLBAA.

24                   Now, you've got to produce this  
25 publication but you don't have the employees to

1 accomplish this, so, you contact current and past  
2 employees of the Trails to come to work for you, go to  
3 the same printer that prints the Trails, set up ad  
4 rates that are identical to the Trails and lay out  
5 your publication in the same basic format as the  
6 Trails still saying all the while, we are not  
7 competing with the TLBAA.

8                   Then with the aid of past TLBAA employee  
9 working for you, you come up with a new innovative  
10 marketing idea to put a yearly calendar in your  
11 premier publication. Once again, the same layout and  
12 rates as the Trails yearly calendar and the Trails  
13 loses more advertising that ran in previous calendars  
14 still claiming you are not in competition with the  
15 TLBAA.

16                   Let me be firm and state that I want to  
17 serve all the members of the TLBAA, not just a few.  
18 We have not rejected any ads because a member chose to  
19 join the TLMA. We have rejected four letters of the  
20 alphabet. Those being TLMA. We are marketing  
21 members' programs the same as we always have. But,  
22 based on policy, as it is today, the Trails will not  
23 allow those members to run an ad. That's all we've  
24 asked the advertisers and no more.

25                   Many of our advertisers have adhered to

LORIE GRAHAM, CSR #3756

1 this policy with no complaints because they know the  
2 best way to reach the Texas longhorn market is in the  
3 Trails. Some have chosen to not only pull their ads  
4 but also feel we have picked them out personally to  
5 punish them for joining the TLMA. Nothing could be  
6 further from the truth.

7 In the beginning of my discussion I stated  
8 that we are here to serve all the members of the  
9 TLBAA, not just a few. In summation, it doesn't make  
10 us happy to lose advertisers because we can't run  
11 those letters. Yet, it is up to you to decide if that  
12 constitutes supporting the competition.

13 I leave the decision up to the board of  
14 directors and, of course, will comply with whatever  
15 advertising policy you approve. Do you want to  
16 discuss that now?

17 DR. MOELLER: Yes. Thank you, Brenda. As  
18 my good friend, Ty Wehring, so eloquently put when you  
19 go into a Phillips 66 station you don't see Shamrock  
20 or Texaco advertising all over the place. You see  
21 Phillips 66 advertising. I'll open this for  
22 discussion from the Board and I would like to  
23 entertain a motion, if the Board so wishes, that we  
24 reinforce our policy and we state that the policy is  
25 unchanged.

LORIE GRAHAM, CSR #3756

1                   MR. BUENGER: I'll make that motion and I  
2 will further add that it applies across the board to  
3 our affiliates as well. Just to clarify -- I think it  
4 does anyway, but just to clarify that.

5                   DR. MOELLER: Is there a second to that  
6 motion?

7                   MR. WEHRING: I second that. Ty Wehring.

8                   DR. MOELLER: Okay. Is there any  
9 discussion that the Board would like to carry out? Is  
10 there anybody that doesn't fully understand why that  
11 position has been taken? Mr. Richey.

12                   MR. RICHEY: I would like to start off  
13 talking about the policy. The policy, as I understand  
14 it, is nearly 20 years old. It was established when  
15 the ITLA formed in circumstances not too different  
16 from what we've just gone through in the last year and  
17 a half. In fact, I'd say we're repeating history  
18 today. And it seems to me that the policy is obsolete  
19 at this point.

20                   The ITLA still exists, TLMA exists, CTRL  
21 exists. We have affiliates that exist. We now have  
22 sales catalogues that use advertising. In a way you  
23 could argue all those people are our competition and  
24 they're all taking money away from the Trails.

25                   I would suggest we look at that policy and

1 examine it in today's light. And in the 20 years the  
2 Trails -- or the TLBAA has continued to be the  
3 800-pound gorilla. We are -- virtually have as  
4 members all Texas longhorn breeders. I mean, if this  
5 is the universe of Texas longhorn breeders there's  
6 about two of you over there that represent ITLA that  
7 aren't also TLBAA members, at least paying your dues.  
8 So, to me it doesn't make any sense for us to start  
9 cutting off potential revenue from the Trails or from  
10 the Association itself by taking anyone on. I think  
11 we should do the opposite. I think we should open up  
12 our arms and take everybody in and anybody who's  
13 willing to pay the -- you know, pay the advertising  
14 rate, it seems to me, would benefit this Association.

15           And I guess another problem I have,  
16 especially considering TLMA is, to my knowledge, their  
17 membership is mostly comprised of TLBAA members and I  
18 do not see how we can come up with enough rules and  
19 regulations and means to corner these individuals and  
20 not some day have somebody sit on this board saying,  
21 you know what, now, it's your turn. You, for whatever  
22 reason, as a TLBAA member don't fit my idea of what a  
23 advertiser should be and so I'm not going to advertise  
24 your sale. I think it's a slippery slope.

25           I don't think we can -- I think it's

1 indefensible that we would try to curtail a TLBAA  
2 member or any longhorn person from trying to promote  
3 Texas longhorns. I think it's part of our mission  
4 statement. It's doesn't say just TLBAA Trails. It  
5 says Texas longhorns and the promotion thereof.

6           And I would say also that all the  
7 magazines I have in front of me, which are currently  
8 available, are sort of the result of that 20-year old  
9 policy. We brought it on ourselves by telling one  
10 individual you can't participate for whether it's four  
11 letters or three letters or for any reason in  
12 advertising with us, then what other course do they  
13 have? If they feel like they have to go out and  
14 promote their animals, they'll do it on their own.

15           And so, I think I would be much more  
16 comfortable if we weren't sitting here talking about  
17 voting on a policy which I consider to be obsolete,  
18 but rather thinking about the future, the new way in  
19 which people advertise and try to figure out a way to  
20 solicit input from the Texas longhorn breeder, whoever  
21 they may be; ITLA, TLMA, whatever. I just don't see  
22 them as a threat to us. I see it as a positive thing.  
23 And basically I see you kill your enemies with  
24 kindness. I mean, you take them on and help promote  
25 whatever it is they're trying to promote. And by the

1 same token, we're promoting TLBAA and we're benefiting  
2 every single time somebody puts an ad in the Trails as  
3 far as I can see.

4 And every time we go to a sale out there  
5 we have the opportunity to attract new members, and  
6 that's the name of the game. We're trying to attract  
7 new members. We're not trying to drive people away or  
8 impose restrictions on their ability to market their  
9 Texas longhorns.

10 And at least from the input I've had from  
11 TLBAA members who are members of TLMA and who are not  
12 members TLMA, I have yet to find a member who has said  
13 that certainly with this one ad situation a few weeks  
14 back that that was right. They all felt like this was  
15 an imperious type move on the part of the Board or on  
16 the part of the Trails and they didn't understand it.

17 MR. WEHRING: Who is they? Who are they?

18 MR. RICHEY: The people that -- TLBAA  
19 members who I've talked to and --

20 MR. WEHRING: Names. Who -- who said that  
21 to you?

22 MR. MOUNCE: Oh, come on. Let's not get  
23 in a pissing contest challenging one of our board  
24 members --

25 MR. WEHRING: No, no, I'm just --

1                   MR. MOUNCE: -- to develop names. Let's  
2 take him at his word.

3                   MR. RICHEY: Well, okay. I've said more  
4 than enough. But, thank you.

5                   DR. MOELLER: Are there any other  
6 comments? Mr. Braswell.

7                   MR. BRASWELL: Fritz, I spoke to an  
8 individual at length, as a matter of fact, probably  
9 about 45 minutes regarding this issue. That  
10 individual was relating to me that they had no problem  
11 taking those four letters out of their ad. If they  
12 had simply realized that was all they needed to do,  
13 that they probably would have placed that ad in the  
14 Trails.

15                   Now, I was speaking to this individual and  
16 they didn't realize that I had been in the office  
17 within about six feet of Brenda that day regarding  
18 that particular issue. And they specifically denied  
19 that they would take the four letters out in their  
20 conversations with our staff. And they turned right  
21 back around six hours later and said, oh, well, I have  
22 no problem if they just said that. So, there's a  
23 little bit of duplicity in some of these folks who are  
24 doing that.

25                   I've looked back through, as you stated

LORIE GRAHAM, CSR #3756

1 earlier, a lot of the Board minutes and I believe  
2 this issue was visited about four years ago in a board  
3 meeting and the decision was to confirm the  
4 restriction. So, it's not a 20-year old policy. It's  
5 been revisited fairly recently.

6 MR. RICHEY: Well, might I say -- okay,  
7 four years ago I'm looking at the same Board I was  
8 basically looking at 20 years ago. So, I think it's  
9 just a continuation of a policy that was established,  
10 to my understanding, when the ITLA formed and the  
11 remaining board members of the TLBAA decided we  
12 weren't going to rejoin or try to get back together.  
13 And so, this was a policy that was adopted to make it  
14 as hard as possible on the ITLA membership.

15 DR. MOELLER: I would --

16 MR. MOUNCE: Fritz.

17 DR. MOELLER: Mr. Mounce, go ahead.

18 MR. MOUNCE: I hear what you're saying,  
19 Robert, and I agree. But, I don't know that we want  
20 to sit here tonight and rewrite policy. I've  
21 suggested before and I think it dovetails and other  
22 comments throughout this weekend to increase the  
23 number of committees we have in this Association and  
24 possibly this would be a good time to think about  
25 developing a marketing committee that would also

1 address the advertising issues, the policy issues.  
2 And for right now we've got a motion on the floor and  
3 seconded that basically says, no, we're not going to  
4 change our policy tonight. That doesn't mean it can't  
5 be brought to quorum and change it later. But, I  
6 would suggest before we start writing policy off the  
7 cuff at a board meeting, you get recommendations from  
8 a committee.

9 DR. MOELLER: Fraser.

10 COL. WEST: What I have a question in my  
11 mind is this. National media, print, radio and  
12 television and regional, state, local, they normally  
13 only turn on ads that have something to do with  
14 obscenity or drugs or something or other. And whether  
15 our policy is sufficient in that regard, I don't know.

16 And I was on the Board at the time we made  
17 the policy and I had reservations then and I have now,  
18 same as Mr. Richey, some questions in my mind. That's  
19 all I'm saying. I'm not saying the policy is wrong or  
20 right, but I'm just wondering whether it's sufficient.

21 DR. MOELLER: Okay. We're -- I'm not  
22 going to cut off any conversation. I'm going to call  
23 on you. I just want to remind everybody we have to be  
24 out of this room at nine o'clock. Unfortunately,  
25 we're always working under time constraints. We would

1 like to work through the rest of our agenda. But, go  
2 ahead Kaso.

3 MR. KETY: Kaso Kety. I'd just like to  
4 say -- first off, I'd like to say I would commend  
5 Brenda for the job she has done with the Trails and  
6 the job she did in the office in the interim as well.  
7 My problem I think is with the policy as well. The  
8 idea -- and I'm under no illusions that, you know,  
9 there aren't people out there that would like to see  
10 the demise of the TLBAA. But, at the same time, I  
11 don't think we have competition. I really don't. I  
12 think we are the best association. We've got the best  
13 magazine. We've got the best editor. I don't think  
14 we have anything to fear. And by reacting by trying  
15 to exclude certain people, I do think we're alienating  
16 more people instead of attracting them. And I think  
17 that anyone involved in the positive -- and I think  
18 that's the key, the positive. Promotion of Texas  
19 longhorns should have a place in the Trails because I  
20 think once people advertise in the Trails and see what  
21 that magazine is about and the response they'll get  
22 from the Trails and once they are exposed to our  
23 association, I don't think -- like I said, I don't  
24 think we have any competition out there and I don't  
25 think we have anything to fear.

LORIE GRAHAM, CSR #3756

1                   So, I would say once again, anybody,  
2 including the ITLA, we should be partners with people  
3 trying to promote Texas longhorns. And once again,  
4 like I said, there's certainly people out there that  
5 want to see the demise of the TLBAA, but they've --  
6 we've taken their best shots and we've come back  
7 stronger for it.

8                   And so once again, like I said, you know,  
9 we don't have to pretend to be in love with anybody or  
10 anything but...

11                  DR. MOELLER: Yes. And I don't think  
12 we're operating under fear. We are threatened. The  
13 threats have been real.

14                  MS. CANTRELL: Can I make one quick point?

15                  DR. MOELLER: Just a minute. I would like  
16 to correct a couple of things you said. No member was  
17 asked to leave. No advertiser was asked to leave.  
18 We're talking about three instances. There was an  
19 individual who we refused their calendar ad because  
20 there was, quite frankly, some derogatory stuff in  
21 that ad about TLBAA. Okay?

22                  One individual we did not run their ad  
23 because we were not allowed to explain to that  
24 individual all she had to do to change that we would  
25 have run her ad. Instead, I was asked to get on the

1 phone. I was screamed at, hollered at, threatened  
2 with an attorney.

3           The third instance -- only three  
4 instances -- we refused an affiliate ad because they  
5 requested that that initials of this splinter group  
6 was flashed all over their ad. So, we're not talking  
7 about a hundred ads. We're talking about three  
8 instances. And quite contrary to what you're saying,  
9 without fail the individuals that have called me,  
10 spoke to me, have been all over this country, who have  
11 e-mailed me have been in favor of our policy.

12           So, I would say those things. I'm not  
13 disagreeing with you. I'm just making some comments  
14 counter to some of the things that you said.

15           Now, also if you'll notice, the current  
16 Trails there's a couple of ads at least and maybe more  
17 in there advertising their animals that are going to  
18 be in their heifer sale. We didn't refuse those ads.  
19 They're very nice ads and they're promoting their  
20 heifers that are going to be in that sale. We did not  
21 allow the initials to be put in the ad and it was  
22 fine. Those people are going to sell their heifers.  
23 They didn't holler at us, cuss us out, tell us what  
24 idiots we were and threaten us with a lawyer.

25           Brenda, what would you like to say?

LORIE GRAHAM, CSR #3756

1 MS. CANTRELL: I want to make it so very  
2 clear to the membership. This is not Brenda  
3 Cantrell's policy, but I keep hearing the Trails is  
4 making this decision. The Trails does not make  
5 policy. I adhere to policy.

6 DR. MOELLER: Charlie Buenger.

7 MR. BUENGER: We do not and should not  
8 advertise for our competitors. In my view we  
9 shouldn't do it. We don't, we haven't and we  
10 shouldn't. To say that that organization is not a  
11 competitor is ludicrous. When you look at the  
12 facts -- and I don't mean what they say, because what  
13 they say doesn't mean anything. They say they don't  
14 want to register. I don't believe it. They are in  
15 competition with us today. They've got a magazine in  
16 competition with us today. They've hired a past  
17 employee that got advertising to take our advertisers  
18 away. That's just fact. When you look at the facts,  
19 the people that are involved in that organization is  
20 creating the people that are running the show.

21 They walked out of the meeting here August  
22 the 20th for a purpose. They tried to cripple the  
23 TLBAA. If it would have worked, they would have  
24 crippled it to the point that it couldn't have  
25 functioned. I believe that was their intent. I



1 MR. BRASWELL: Call it questionable.

2 DR. MOELLER: All in favor of the motion  
3 on the floor that basically says -- basically says the  
4 policy is going to remain intact, I would like a show  
5 of hands on this one. All in favor raise your right  
6 hand. Fraser, you're not raising your hand.

7 COL. WEST: I have not -- I'm not voting  
8 against it, but I would abstain.

9 DR. MOELLER: Okay. All opposed. We have  
10 two opposed, one abstained. All remaining members of  
11 the Board are in favor. Motion passes. The policy is  
12 unchanged.

13 Brenda is not through with her report.  
14 She would like to come up here and finish.

15 MS. CANTRELL: I brought this to y'all's  
16 attention -- I tried to bring this to your attention  
17 on the last two board meetings, but we've had to table  
18 so many things that I was hoping we can get something  
19 done about this today. It's regarding priority  
20 mailing of the Trails magazine.

21 I don't know when this began because it  
22 was before me, but we decided at some point that if a  
23 member wanted to pay \$25 a year we would send them a  
24 Trails magazine in priority mail. We've been doing  
25 that since I've been there and it's just been puzzling

1 to me why we came up with the figure of \$25, because  
2 it costs \$4.60 per priority packet to mail one  
3 magazine. And if you multiply that times 12 months,  
4 that's \$55.20. That's \$30.20 less than what we should  
5 be getting. That's kind of -- that's not good math I  
6 don't think.

7           If we do it for Canadians, Deborah, they  
8 pay \$25, too. It cost us \$9 a month to mail a  
9 priority magazine to Canada, which is \$108 a year and  
10 we're losing \$83. So, I'm asking if I could honor  
11 those that have paid the \$25 for their full year, but  
12 from this date, increase the rate to \$60 for the  
13 United States and 110 for Canada. I only think that's  
14 fair that Trails doesn't have to continue to lose  
15 money. And I think if you want it earlier, then you  
16 should pay for it at the rate that it should be. So,  
17 that's my question.

18           MS. LESYK: My comment to the last issue  
19 that we got in November -- and I wish I had the  
20 envelope with me. My husband just reminded me, it  
21 came via Sweden.

22           MS. CANTRELL: Dennis and I -- I heard  
23 exactly what Dennis said to you. Deborah -- if you're  
24 new employee to the TLBAA Deborah will hunt you down  
25 and tell you how unhappy she is with the mailing.

1 MS. LESYK: It isn't just Deborah. We  
2 have very few members in Canada. We have, what, maybe  
3 35, 40 members.

4 MS. CANTRELL: But I don't know how to fix  
5 that. I don't work for the United States Post Office.  
6 And they are sent from our printer. We don't send the  
7 magazines out. They go straight from our printer to  
8 the post office. And I wish we could make amends with  
9 Canada and our postal service. I don't know what we  
10 can do about it. Anyway, that's my question for you.

11 MR. MOUNCE: What does it cost to send our  
12 magazine out without priority? Annually for a member  
13 what does it cost?

14 MS. CANTRELL: About .82 cents.

15 MR. MOUNCE: So, about \$12?

16 MS. CANTRELL: Uh-huh.

17 DR. MOELLER: Bob, do you have a question?

18 DR. KROPP: Deb, I know when I sent my  
19 stuff to you it was a long time. I think I sent it  
20 priority mail because I remember. What about FedEx?

21 MS. LESYK: I just did the last letter.  
22 It did go FedEx and --

23 DR. MOELLER: Brenda, excuse me. Bob had  
24 a question for you.

25 MS. CANTRELL: What?

1 DR. KROPP: Well, I was asking Deb because  
2 I sent her some material and it was like 10 days or  
3 weeks or something before it got there and it was  
4 priority mail. Or maybe longer than that, I don't  
5 remember. But I was asking about FedEx and she said  
6 that Dennis sent the last packet FedEx. And how long  
7 did it take?

8 MR. WRIGHT: Two days.

9 MS. CANTRELL: I'll have to look at the  
10 cost of FedEx, which I don't have those figures. We  
11 only have about 25 Canadians.

12 DR. MOELLER: Dr. Kropp.

13 DR. KROPP: Mr. Chairman, I would move  
14 that we charge cost because the postal service is  
15 probably going to go up, so, I don't want to get a set  
16 figure. But if someone in the States wants to get  
17 their magazine by priority mail, then we charge them  
18 cost a year in advance some figure that Brenda can  
19 work out. And I would suggest that the same way that  
20 we -- if people in Canada would be receptive to doing  
21 FedEx, that we at least get them a number that they  
22 can make a decision on.

23 DR. MOELLER: Fraser.

24 COL. WEST: Mr. Chairman, I agree with Bob  
25 Kropp. The Trails is very important except -- there's

1 really no urgency except upcoming events and they  
2 produce the calendar in there and everything, but I  
3 agree that if you want it, pay for it. Other than  
4 that, send it out nonprofit.

5 DR. MOELLER: Is there a second to Dr.  
6 Kropp's motion?

7 MR. DUBOSE: I'll second it.

8 DR. MOELLER: There's been a second --  
9 motion made and seconded. Now, we can have further  
10 discussion.

11 MR. RICHEY: Could you add to that to  
12 include the directors on the board?

13 DR. KROPP: You mean you want --

14 MR. RICHEY: Well, I've done a little  
15 calculation. It's about \$1200 for this board --

16 MS. CANTRELL: Oh, yeah. It's \$1200 --

17 MR. RICHEY: -- a year.

18 MS. CANTRELL: -- a year for me to mail  
19 y'all priority.

20 MR. RICHEY: To mail us in our thing. And  
21 it just seems to me like if we're going to ask this of  
22 the membership --

23 DR. KROPP: That's fine with me. I don't  
24 have any problem with that.

25 DR. MOELLER: Is there any other

1 discussion regarding this matter? Does that solve  
2 your problem?

3 MS. CANTRELL: Yes.

4 DR. MOELLER: All in favor signify by  
5 saying "Aye."

6 (AYES)

7 DR. MOELLER: Is there anybody opposed to  
8 this motion?

9 UNIDENTIFIED SPEAKER: Read the motion  
10 back, please.

11 DR. MOELLER: Bob, can you repeat that?

12 DR. KROPP: That it's been amended so that  
13 if anyone desires to receive the Trails in the States  
14 that they have the option to pay a year in advance at  
15 cost for priority mail and that Brenda would set that  
16 fee, whatever, or FedEx if they want it FedEx,  
17 whatever they would want, they can pay for it. And  
18 going to Canada, same way. If it's FedEx it's two  
19 days then they have the option to pay for that a year  
20 in advance and the Trails staff so handle it. That  
21 includes the board of directors.

22 DR. MOELLER: Anybody opposed? Hearing  
23 none that motion passes. Thank you, Brenda. Allison,  
24 you're on the podium. Allison Chipman is our special  
25 events director. She's got some things to discuss

LORIE GRAHAM, CSR #3756

1 regarding the Horn Showcase and West Sale, the World  
2 Show, the Horn Showcase and dates.

3 MS. CHIPMAN: The first thing on the  
4 agenda to talk about is Horn Showcase. And in the  
5 board of directors packet I included kind of a  
6 comparison between this year's Horn Showcase 2007 and  
7 last year's Horn Showcase so people could have an idea  
8 of if we were on track or how we compared to past  
9 events.

10 And just so everybody knows -- and the  
11 board of directors can look at this, but we really  
12 didn't waiver too much. Cattle measured in 2006 the  
13 total number that I was able to find -- and I will  
14 qualify. The numbers that I have are the numbers that  
15 I'm able to get my hands on, so keep that in mind.  
16 But, I was able to find that we measured 383 cattle in  
17 2006 and the number in the Board book is actually a  
18 little bit low. We didn't measure 355. We recounted  
19 this afternoon and it looks like we had some cattle  
20 that were not accounted for in the Board book numbers.  
21 It looks like we were about 391 on in-house  
22 measurements and we had an additional 168 satellite.  
23 So, we have quite a few measurements that did -- the  
24 math didn't work out like it should have in these  
25 numbers.

LORIE GRAHAM, CSR #3756

1                   We had 140 breeders present in 2006 and  
2 this year we had 163. So, we did have some more  
3 people participate in this year's event, which I think  
4 is really positive. And inside the Board book I was  
5 not able to find good numbers as far as net profit and  
6 loss for 2006. And the number that I gave to the  
7 Board was 54,600 and change for a profit on this  
8 year's event, but I would also qualify that that those  
9 numbers are subject to change. So, there is some  
10 things missing out of that as well.

11                   On Horn Showcase the cattle sold in 2006  
12 we sold 105 head. In 2007 we sold 109. Those were  
13 actually animals that went home with someone different  
14 than they came with. So, we had -- we had 58  
15 consignors in 2006 and 2007 I'm really happy that we  
16 had 63. So, I think that as the board of directors  
17 were able to see in these comparisons that our numbers  
18 are growing. And it's gradual growth, but I think  
19 it's a positive gradual growth. Things don't explode  
20 necessarily all the time overnight, but I was really  
21 encouraged to see the numbers with the growth that  
22 they've had. So, I thought that that was really  
23 positive.

24                   The other thing that I did was showed that  
25 in 2006 buyers registered, people that actually came

1 in and got a bid card, there were 218. And at this  
2 year's sale there was only 107 buyers registered and  
3 buyers purchasing in 2006 there were 67 actual  
4 purchasers out of the 218. And out of our 107 this  
5 year we actually had 60 people buy. So, I think that  
6 that ratio is a little better for this year.

7           And as I understand it from accounts of  
8 people that were here from previous Longhorn Showcase  
9 sales, we actually had a few more people in the  
10 audience for the sale. So, I think that that's  
11 positive as well.

12           We're trying to make these events, these  
13 shows and sales, positive, fun. Give a sense of  
14 comradery among our members and we're trying to get  
15 that positive, fun, inviting atmosphere back. So,  
16 these are the things that we're working towards and  
17 I'm really pleased to see this number.

18           I know that there was fewer buyers  
19 registered, but I think on the whole the ratio shows  
20 we had a better number of those registered purchasing.

21           As far as additional information on  
22 Longhorn Showcase I would like to go ahead and speak  
23 to the possibility of the 2008 dates while we're on  
24 the subject. Will Rogers this year is a little bit  
25 more difficult to work with. We no longer have the

1 dates available that we've traditionally used for Fall  
2 Horn Showcase at Will Rogers Memorial Center. So, we  
3 have a couple of options. We can continue to do the  
4 event at Will Rogers and move it back into October.  
5 Would actually be October -- the weekend of October  
6 the 18th and the event would be a Friday, Saturday and  
7 Sunday with the sale on Sunday. Or we can entertain  
8 the idea of moving the event to a different venue.

9 I've looked at the possibility of trying  
10 to house that event in the Historic Stockyards of Fort  
11 Worth and I think that that might be an interesting  
12 twist on a really special event for this association  
13 to have it down there in the Stockyards. And they are  
14 very willing to accommodate us any way that they can  
15 because they're as excited as we are about what we do  
16 and they think it would be real special to have the  
17 longhorn breeders down there with their cattle and  
18 they're very willing to work with us.

19 And actually paper to pencil -- we haven't  
20 gotten all of our cost figures in yet from them, but  
21 it would be cheaper to work with them down there and  
22 it would allow our participants to be located in one  
23 central location and we could move everything right  
24 down there. I think it's something that you might  
25 want to entertain.

LORIE GRAHAM, CSR #3756

1                   We can look at other venues as well, but  
2 that's an option that would be very quick and easy to  
3 plug into for the future event if you chose to forego  
4 utilizing Will Rogers Memorial Center. So, just so  
5 you know, we have been bumped from our traditional  
6 dates.

7                   They have given us a window in October.  
8 It's the weekend of October the 18th and it would be a  
9 Friday, Saturday and Sunday event with the sale on  
10 Sunday. The reason behind the movement of the dates  
11 is because horse associations have booked them solid  
12 and they utilize the entire facility, therefore, they  
13 get precedent over us. So, as much as I would like to  
14 think that we're more important in some aspects,  
15 apparently we're not.

16                   MR. MOUNCE: Allison.

17                   MS. CHIPMAN: Yes, sir.

18                   MR. MOUNCE: Are there any open dates in  
19 September?

20                   MS. CHIPMAN: In September at Will Rogers?

21                   MR. MOUNCE: Yes.

22                   MS. CHIPMAN: No, because Will Rogers'  
23 September dates I think that their option was October  
24 or December. I believe that was correct. Donnie.

25                   MR. TAYLOR: Allison, coming from the show

LORIE GRAHAM, CSR #3756

1 end of it and the horn end of it September/October is  
2 full of shows and sales. Ron's sale is right in the  
3 middle where we need to move it. If we can move it  
4 one time and go to historic downtown and they can  
5 accommodate us, along with our trailer parking and  
6 other stuff and have a sale facility, I think that's  
7 where we need to move it. We don't need to get it any  
8 earlier in the year than what we are.

9           If you start moving early October,  
10 September, you're going to go to stepping on lot of  
11 toes of things that have been there a long time and  
12 already set.

13           DR. MOELLER: These dates are potential  
14 date changes. They're not etched in granite. She's  
15 just suggesting them and telling you and informing you  
16 what our problems are. As early as three years ago at  
17 a board meeting we discussed changing the venue  
18 because we're getting squeezed out of the National  
19 Cutting Horse Association getting bigger and bigger  
20 and bigger and squeezing everybody else out.

21           The Paint Horse Association has their  
22 annual year end show there. They're getting bigger  
23 and bigger and bigger. So, your suggestion is well  
24 taken.

25           MR. TAYLOR: As far as changing the venue,

LORIE GRAHAM, CSR #3756

1 I'm all for that as long as they can accommodate us.

2 DR. MOELLER: Yes.

3 MR. TAYLOR: And we can continue with the  
4 four-day event. Then having a sale on Sunday and  
5 people having to be out on Sunday night, that's --  
6 that would be tough.

7 DR. MOELLER: We -- the plan is to form an  
8 advisory committee to meet with Allison and work these  
9 details out and that's going to happen pretty quick  
10 now. And do I hear a volunteer from your corner to be  
11 on that committee? Donnie? Darlene, are you  
12 volunteering for that committee?

13 That committee hasn't been formed yet  
14 but --

15 MS. CHIPMAN: And these are just  
16 suggestions. I just want you guys to have a good  
17 event. I want you to be happy with the showcase  
18 wherever it is and I want to help get that. So, move  
19 on? Okay.

20 World Show. Excuse me, I skipped December  
21 West -- or October and December West sales in the  
22 Board book I put comparisons again. Like I said, on  
23 the numbers they're just figures to mark from. I'll  
24 say that. Registered cattle sold in October of '06 we  
25 had 166. This October -- past October we had 131.

LORIE GRAHAM, CSR #3756

1 Commercial cattle in October of '06 we had 142. This  
2 past October we had 156. Consignors in '06 we had 64.  
3 In '07 we had 49. Registered people that registered  
4 to buy animals we had 170 -- or 107. And in October  
5 of '07 we had 98. And actual purchasing buyers in '06  
6 we had 46 and this year we had 49.

7 Net profit loss I had no figures for '06,  
8 but for '07 we showed a sales division which does not  
9 account for the other TLBAA income of \$5400 and some  
10 change. So --

11 MR. BRASWELL: Allison, is that the figure  
12 after all expenses including your advertising?

13 MS. CHIPMAN: Correct.

14 MR. BRASWELL: Is what you're saying  
15 there?

16 MS. CHIPMAN: Yes, that's our net. Sorry.  
17 I should have -- we'll talk about that a little bit  
18 more. In December of '06 we had 95 registered cattle  
19 sold. This past December we had 81. We had 151  
20 commercial cattle sold in '06, 142 in '07. 46  
21 consignors in '06, 48 in '07. These are December  
22 figures. And registered buyers in '06 was 111 and in  
23 '07 we had 129. And actual purchasers we had 41 in  
24 '06 in and 39 in '07. And our net profit and loss  
25 were loss for this past year was a loss in December of

1 \$2300.

2 I would make a suggestion that on the West  
3 sales that membership re -- and Board reevaluate the  
4 December sale. I think that in my opinion -- and Dr.  
5 Kropp might also have an opinion on this -- December  
6 is a tough time to sell cattle anywhere. And you can  
7 correct me at any time, Dr. Kropp. It's just a tough  
8 time to sell cattle. And I think that the consignors  
9 and those participating in the sale would be better  
10 served if we reevaluated having that sale. And when I  
11 say reevaluate having that sale, I mean eliminating  
12 that sale that particular month.

13 I know that a lot of people want to get  
14 rid of some cattle at that time of year, but they have  
15 an October sale and then they have one in March and  
16 they'll have that opportunity in October to get rid of  
17 excess or the cattle that they wish to place in the  
18 sale in October and anything as they're coming out of  
19 winter in February, they will have another opportunity  
20 to market their cattle there.

21 Just looking at the numbers I really think  
22 that that would probably be in the best interest of  
23 the membership that participate in that sale and that  
24 would be my recommendation to you as the Board and  
25 membership.

LORIE GRAHAM, CSR #3756

1                   Okay. World Show, the dates for World  
2 Show this year Will Rogers dates available are July  
3 8th through the 13th. The reason that we have moved  
4 it to the middle of the summer is because of the  
5 school calendars and a vast majority of our  
6 participating youth would not be able to attend a June  
7 World Show. So, we have the week of July 8th through  
8 the 13th.

9                   We'll be talking at nine o'clock in the  
10 morning tomorrow morning about the World Show at the  
11 World Show Committee Meeting, so, I'm just going to  
12 move on from this. Is that okay?

13                   Horn Showcase dates we've already talked  
14 about, so, I'm going to go ahead and move on. Does  
15 anybody have any questions for me to this point?

16                   MR. HRUSEK: On the World Show?

17                   MS. CHIPMAN: Yes, sir.

18                   MR. HRUSEK: You're in direct conflict  
19 with our sale, which is on July the 11th and 12th,  
20 which is one of the largest sales that is held.

21                   MS. CHIPMAN: If we choose to go with Will  
22 Rogers Memorial Center we are confined to certain  
23 dates because of the other people that have booked on  
24 top. If we did not move the event into the middle of  
25 July into this window, this was the only window they

1 had for us. In the summertime a vast majority of our  
2 youth members would not be able to participate because  
3 they would still be in school or in the middle of  
4 finals or right in the start of their finals. So, we  
5 didn't have a lot of options as far as dates go if we  
6 wanted to continue to make it a summer event for --  
7 that was readily accessible for our youth to  
8 participate in.

9 DR. KROPP: Allison.

10 MS. CHIPMAN: Yes, sir.

11 DR. KROPP: You've got two major conflicts  
12 on the Board. You've got -- on your suggested dates.  
13 One would be the Best of Texas Sale at Navasota. The  
14 other one would be Ron Marquez's sale on the 18th of  
15 October. And so, there's issues with people that's  
16 already got sales established that we need to examine.  
17 So, just to point --

18 DR. MOELLER: Bob, there's going to be a  
19 committee formed to address that and that committee is  
20 going to be one of the first committees that meets  
21 after this weekend. We understand those conflicts.  
22 We're really getting squeezed over there. And again,  
23 if you remember as recently as three years ago we  
24 discussed moving venues because we were getting  
25 squeezed three years ago and it's getting worse.

LORIE GRAHAM, CSR #3756

1 MS. CHIPMAN: And I think the other way to  
2 look at this as well is that there's a lot of things  
3 going on within the breed and that's good. That's  
4 really good that other people are doing things in the  
5 breed as well and, so, we're going to have some  
6 conflicts and squeezes but hopefully with an advisory  
7 committee we'll be able to accommodate and work with  
8 as many people as we possibly can to make as many  
9 people as happy as we possibly can.

10 DR. KROPP: I haven't been on the -- Bob  
11 Kropp again. I haven't been on the north side of the  
12 coliseum area for some time, but that area got pretty  
13 delapidated, so, I don't know what it is, the shape of  
14 that north side and I sure wouldn't want to do  
15 something that would be viewed as going to a  
16 less-than-desirable facility.

17 MS. CHIPMAN: I understand. I actually  
18 went and looked at the facility and -- because I was  
19 concerned about that as well. They have done a  
20 considerable amount of rebuilding on their pens back  
21 there. They have a lot of infrastructure in place  
22 already. They move cattle from the historic pens to  
23 the Northside Coliseum or Cowtown Coliseum quite often  
24 during their rodeo and stuff that they do on Northside  
25 every weekend and I was concerned about that. I think

1 that you have to look at it -- if you decided to go  
2 with an historic -- if you decided to do the  
3 Stockyards and that's something that you want to  
4 entertain, I think that you need to entertain it and  
5 look at it as you are looking at it as a nostalgic  
6 romancing the breed kind of point of view.

7                   And we're making the event unique. It's  
8 not going to be brand new facilities but it will be a  
9 very unique event and it will be a lot of fun. And I  
10 don't think it will look like a second class event.  
11 We'll make it real nice, I promise. If that's what  
12 you want to do.

13                   MR. BRASWELL: Dr. Moeller, are we going  
14 to entertain a motion to scrap the December sale at  
15 this time?

16                   MS. CHIPMAN: Thank you.

17                   DR. MOELLER: No. We're going to leave  
18 these sales decisions to the advisory -- sale advisory  
19 committee and Allison who will chair those committees.  
20 I'll repeat, that committee's going to meet real  
21 quick.

22                   MR. BRASWELL: Okay. Trying to get some  
23 business done while we're here.

24                   COL. WEST: Mr. Chairman, before we move  
25 on.

1 DR. MOELLER: Yes, sir.

2 COL. WEST: Allison, good report.

3 (Applause)

4 COL. WEST: The only thing is that I know  
5 we have four or five satellite measures which you did  
6 one of ours out in Red Bluff, California. I think  
7 most the people put them on we love it so we don't  
8 have to bring our cattle clear back here off the West  
9 Coast or otherwise -- like you had one down your way,  
10 Maurice, didn't you? And I'd like to see that --  
11 what -- how the Board feels about that. I know  
12 there's probably a mixed opinion. And then also about  
13 this measurement that you brought up at ours. I don't  
14 want to beat it to death, but maybe we want to get a  
15 committee to work on that. I don't know.

16 DR. MOELLER: Yeah. Well, this same show  
17 committee is going to handle -- there are some things  
18 that need to be tweaked with the Horn Showcase and it  
19 will be addressed during that committee meeting. Yes,  
20 we realize that that needs to be a distance away from  
21 where we're going to have it, specifics of measuring,  
22 et cetera, et cetera. Thanks, Allison. That was  
23 really good. She works really hard on this stuff.

24 Let's proceed on to old business. The  
25 first item on here is conduct and ethics. And I'm

1 listed under that, but it's actually -- Darlene, this  
2 is your business. This item has been on our agenda  
3 for several board member meetings and it's been  
4 repeatedly tabled for sometimes valid, sometimes  
5 invalid. I would like for this to be addressed and we  
6 either put one in place or we don't, but I would like  
7 some definitive action done tonight.

8 Darlene and Mrs. Rasmussen have put a lot  
9 of time in it. Mr. Mounce has put in a lot of time on  
10 this and I would defer to those three people for this  
11 discussion, keeping in mind we have one hour left in  
12 this room.

13 MS. ALDRIDGE: Thank you, Fritz. My name  
14 is Darlene Aldridge. Evelyn Rasmussen and I were  
15 originally on the Ethics Committee that was appointed  
16 last year at the annual meeting. We were charged with  
17 pulling together a document, a Code of Ethics, for the  
18 board of directors and also for the staff.

19 Our goal was to basically come up with the  
20 gold standard of ethical conduct for our staff and for  
21 our board members. The purpose of this being the  
22 protection of the TLBAA against potential sexual  
23 harassment lawsuits. And we basically had patterned  
24 these documents after corporate America type documents  
25 or documents that might apply to a nonprofit

1 association as far as ethics.

2                   A real interesting thing is that Fritz  
3 Moeller has an article in the Trails that talks  
4 about -- basically about honesty, common sense  
5 following the rules and doing the right thing. And I  
6 guess if people would do that we wouldn't even need  
7 this document. We could just throw it in the trash  
8 and go home. But unfortunately, people don't do the  
9 right thing as we had demonstrated to us over the last  
10 year or more about the way people on our staff and on  
11 our board conducted themselves.

12                   But at this point we do have a document  
13 that was presented to the Board in August and at that  
14 time, all of the board members had the opportunity to  
15 go over the documents and make suggested changes and  
16 corrections to it, which we did. And then we  
17 resubmitted the document again with those changes put  
18 in place. So, the Board has a copy of this document  
19 in their hands. All of the board members that were on  
20 board in August had an opportunity to review it and  
21 then the new board members that came on and were  
22 appointed were given a copy at that time.

23                   DR. MOELLER: So, gentlemen, it's also in  
24 your packet again and we all have had the opportunity  
25 to read it. I would like some discussion regarding it

1 before I entertain the motions for pass or not pass.

2 And I'll start with Mr. Richey.

3 MR. RICHEY: I'd like to refer to Section  
4 8 on procedures for expressing concerns about  
5 accounting and auditing. In paragraph 2 it refers to  
6 the ethics and grievance committee.

7 DR. MOELLER: Excuse me, Mr. Richey, can  
8 you -- where are we in our --

9 MR. RICHEY: I'm on the TLBAA employees  
10 Section 8. It's page 4.

11 DR. MOELLER: Okay.

12 MR. RICHEY: Procedures for expressing  
13 concerns about accounting and auditing matters.  
14 Paragraph number 2, the ethics and grievance committee  
15 of the TLBAA Board. And it spells out receipt,  
16 retention and treatment of complaints concerning  
17 accounting and internal audit controls. The next  
18 paragraph -- I don't understand I guess the next  
19 paragraph. It then states concerning regarding  
20 accounting, internal control and audit matters that it  
21 could be submitted on a form to the board of directors  
22 treasurer and then the chief financial officer. And  
23 then it talks about the chairman of the audit  
24 committee in an envelope marked confidential. And  
25 then that language is continued onto page 5 following

1 "E" next paragraph. A submission, including...Anyway,  
2 again, down there towards the bottom of that  
3 paragraph, submissions of accounting and internal  
4 control again goes back to the treasurer and financial  
5 auditor. And so, my question is, is the grievance  
6 committee and these other individuals or whatever, are  
7 they one in the same or are we -- is this -- I don't  
8 understand why the grievance committee is sort of  
9 given cart blanc to deal with this and yet in the very  
10 next paragraph we're talking about another group of  
11 people, as I read it.

12 MS. ALDRIDGE: Well, basically, I guess  
13 I'd have to have time to reread this document to -- I  
14 think our initial idea was that this ethics committee  
15 would be set up during the annual meeting and that  
16 would consist of a board member and two members. And  
17 that would be the committee in place to receive ethics  
18 complaints either from members, from the staff or  
19 whatever and that would be the committee in place to  
20 receive those. And they would be done on a form that  
21 was developed specifically for that -- you know, for  
22 that purpose.

23 MR. RICHEY: Right.

24 DR. MOELLER: Does that answer your  
25 question, Bob?

1                   MR. RICHEY: Well, again, I'm not sure.  
2    So, that paragraph that follows paragraph 3 under  
3    Section 8 says submit the form to the directors -- the  
4    board of directors treasurer and chief financial  
5    officer. And then they make a confidential or  
6    anonymous basis. And then submission may be presented  
7    upon a form to the chairman of the audit committee and  
8    the chairman of the audit committee in care of the  
9    secretary of the TLBAA board of directors. And so, I  
10   guess my question is, there appears to me to be three  
11   individuals or three entities that can accept this  
12   beyond the ethics and grievance committee that's  
13   referred to in the paragraph right above that.

14                   In other words, can the language in  
15   paragraph 3 -- I mean, as far as it looked to me like  
16   it could just be omitted.

17                   DR. MOELLER: Under Section 8 paragraph 3?

18                   MR. RICHEY: Yes, sir.

19                   DR. MOELLER: You suggesting a revision of  
20   that?

21                   MR. RICHEY: I'm suggesting that we omit  
22   that -- in lieu of paragraph 2, which says the ethics  
23   and grievance committee is responsible for receipt,  
24   retention and treatment of complaints regarding  
25   accounting and internal -- accounting controls and

1 auditing matters and confidential submission regarding  
2 questionable accounting and auditing matters. So, to  
3 me that sentence or paragraph spells out the charges  
4 of the grievance committee.

5 The following paragraph, however --

6 MS. ALDRIDGE: Robert, I'm not sure I'm  
7 following where this is, but does one of those deal  
8 with ethics violations and the other deal with  
9 financial matters?

10 MR. RICHEY: Not as I read this.

11 MR. MOUNCE: Just were expressing concerns  
12 about the accounting and auditing.

13 DR. KROPP: Section 8 it's all dealing  
14 with accounting. Mr. Chairman.

15 DR. MOELLER: Yes, sir.

16 DR. KROPP: Bob Kropp. Dennis, is this  
17 something that you, as our business manager, can work  
18 with in-house or is this something that the Board  
19 needs to address?

20 MR. WRIGHT: Well, I hesitate to say  
21 something disparaging about a document that's  
22 obviously had so much work put into it, but it seems  
23 overly burdensome and complicated to me. Most of the  
24 organizations I've been associated with in the past  
25 have had ethics and code of conduct guidelines that

1 were much much shorter than this and easier to  
2 understand and clearly define what was expected.

3 COL. WEST: Mr. Chairman.

4 DR. MOELLER: Yes, sir.

5 COL. WEST: I agree with Mr. Wright's  
6 comments. I know, Darlene, you and Ms. Rasmussen have  
7 put a lot of work in this, but a lot of it to me seems  
8 superfluous. And I think it -- I'm sorry. I think it  
9 needs a little review. As it is, I would approve it  
10 myself, but I don't think that's fair to the  
11 employees. I think it's too much in detail. I think  
12 Dennis has already expressed that and I think it needs  
13 a little -- a real review to be concise.

14 MS. ALDRIDGE: And I'm not opposed to  
15 that.

16 DR. MOELLER: Dennis, is it unreasonable  
17 to ask of you to come to the very next board meeting  
18 with a document that doesn't ignore the stuff in here,  
19 but is more in liking to what you're suggesting?

20 MR. WRIGHT: It's not.

21 DR. MOELLER: Is that unreasonable?

22 MR. WRIGHT: It's reasonable.

23 DR. MOELLER: Okay.

24 MS. ALDRIDGE: Sounds good to me.

25 DR. MOELLER: So, I would entertain a

1 motion that we request of our business manager to come  
2 before the Board at our next meeting with a document  
3 incorporating as much of this as possible in a more  
4 simplified form. And I think that's part of some of  
5 the stuff he's doing now anyway so --

6 COL. WEST: So moved.

7 DR. MOELLER: So moved. Is it seconded by  
8 Dr. Kropp? All in favor signify by saying "Aye."

9 (AYES)

10 DR. MOELLER: Anybody opposed? Hearing  
11 none the motion passes. Ladnier, you're up next.  
12 We've got another deal that's been on our docket time  
13 and time again and let's see if we can get a little  
14 closer to resolving this issue. Maurice Ladnier.

15 MR. LADNIER: Thank you. I've been on  
16 this Board for about four years. The last three and a  
17 half I have been hampered by our previous successor I  
18 guess is the right word. I've been told some of this  
19 stuff I asked questions about was none of my business  
20 and they come back and keeps sticking all this mess in  
21 the bylaws and they forgot what they were for.

22 We want to change some of these things to  
23 prevent some of this from happening again to where you  
24 can't run our association with three people or four  
25 people or five people. And y'all don't have a copy of

1 this I don't think. Some of you may have or may not.  
2 But, anyhow, where we started on this thing our  
3 charter had a wrong number in our book. Charlie --  
4 Mr. Buenger got us a copy of our deal with the State  
5 and we changed that number. The rest of that is  
6 basically the same writing.

7           The election and terms of office are  
8 basically the same. On page 4 where we start talking  
9 about our elections, in paragraph D goes -- and this  
10 is -- we've been following our sending out of ballots  
11 and all this kind of stuff. This -- this is not a  
12 problem.

13           Where we had a problem before, we were  
14 getting a bunch of faxed ballots back. We have -- in  
15 the middle of that paragraph it says, No less than  
16 forty-five (45) days prior to the Annual Membership  
17 Meeting" -- Annual Meeting of the membership, the  
18 TLBAA office or designated accounting firm shall mail  
19 an official printed ballot to each qualified active or  
20 lifetime member in good standing of that region or  
21 division. This ballot shall contain the names of the  
22 candidates, if any, were properly nominated by  
23 members. All written ballots must be returned by U.S.  
24 mail.

25           You can't get a ballot and start gathering

1 up -- you know, the accounting firm we had before I  
2 confronted him with the problem -- I thought was a  
3 problem. You can take a computer and make 15 ballots.  
4 I can sit -- if you know your membership in your  
5 area -- and I know mine pretty well down in  
6 Mississippi, Alabama and Florida and Georgia and I can  
7 tell you who's not going to vote and who is going to  
8 vote. I won't miss it far. They had no way of going  
9 back and checking it.

10 All you had to do is take the name off  
11 your darn fax machine, print up a ballot, get somebody  
12 to scribble a signature on it, fax it in and they  
13 counted the thing. It could be counted. This way  
14 it's going to be returned by mail with your signature  
15 and you're going to get one ballot and that's it.  
16 That's what that change is. It's right in the middle  
17 of that paragraph.

18 Come down to the third paragraph. We made  
19 a change in that thing. We had no way of anybody  
20 contesting a ballot, recount a ballot, anything.  
21 That's what this is. If a nominee wants a recount or  
22 challenge of the ballots in their election race, they  
23 would have to submit a formal request to the board of  
24 directors not more than sixty (60) days after the  
25 election results have been announced at the annual

1 meeting. An election committee appointed by the Board  
2 would oversee an accounting firm recounting the  
3 nominees and report back to the Board.

4 That way if they're dissatisfied after  
5 we -- Fritz takes and we get them in place and you've  
6 got 60 days. After 60 days you're on your own.  
7 Forget it.

8 Down into the Meeting of Board of  
9 Directors, we had a problem back in January, a major  
10 problem. We had -- most of us didn't like the way it  
11 worked. A majority of us didn't. We had the old  
12 board of directors voting for the new board officers.  
13 I wouldn't want the fellow prior to me to nominate an  
14 officer for me to serve under for three years. I  
15 don't think anybody would want that. That was that  
16 change right there.

17 DR. MOELLER: One year.

18 MR. LADNIER: One year. That's right.  
19 Each year that happened. We had a problem with the  
20 executive committee. They ran our association. They  
21 called a meeting and nobody else was invited to come.  
22 The rest of the Board had no idea what was going on.  
23 I think we've got that pretty well took care of in  
24 Section 7. And it is read, There is hereby created an  
25 Executive Committee consisting of the Board, Executive

1 Vice-Chairman, First Vice-Chairman, Secretary and  
2 Treasurer, two (2) Directors selected annually by  
3 election from the board of directors. The Executive  
4 Committee shall possess and exercise all the powers of  
5 the full Board providing a board of directors meeting  
6 is called and less than a quorum appears. In that  
7 event, the Executive Committee may act providing he  
8 had a quorum of 4 members. Any board member in  
9 attendance shall be allowed to fully participate.  
10 That will take care of the way they done me.

11           And Article V it's basically the same. We  
12 get over into on page 5 and we made -- added a little  
13 bit here on the bottom of that. We're getting away  
14 from our staff in the office buying cows and selling  
15 cows all the way down to the last sentence. Or we can  
16 back up to the next one and read the whole darn thing.  
17 The Board shall issue all certificates of membership;  
18 he or she -- and that's a misprint there, Charlie.  
19 That's a misprint, that first sentence.

20           DR. MOELLER: What's a misprint?

21           MR. LADNIER: The Board shall issue all  
22 certificates of membership. He or she shall keep such  
23 accounts and financial records as may be requested by  
24 the treasurer or the chairman of the board; he or she  
25 shall, within the restraints of the budget, approve

1 budget, hire, compensate, discharge such personnel  
2 required in the performance of the duties imposed  
3 hereunder and he or she shall perform all other duties  
4 properly ordered by the chairman of the board and/or  
5 directors or which usually pertain to the office of  
6 the President and CEO. That no one who -- that no one  
7 who owns registered longhorn cattle directly or  
8 indirectly or who owns any entity which owns  
9 registered longhorn cattle shall be qualified for this  
10 position. That work?

11 MR. RICHEY: I think it should say Texas  
12 longhorns.

13 MR. LADNIER: We could do that. But, it  
14 may be a Mississippi longhorn.

15 MR. RICHEY: No, it's the name of the  
16 breed though.

17 MR. LADNIER: Yeah. No, you're correct.  
18 I understand. But when I'm writing this, I'm thinking  
19 longhorns. We'll add Texas longhorn. We have added  
20 this into our agenda on this thing -- into our deal.  
21 We had no spot for business manager. Now, we have one  
22 and we've got a clause in there for this and we've got  
23 it in the bottom again down here on the last paragraph  
24 before you get to Article VI. No staff member  
25 employed by the TLBAA may own registered longhorn,

LORIE GRAHAM, CSR #3756

1 Texas longhorn cattle, again, directly or indirectly  
2 or own any -- or any entity which owns a registered  
3 Texas longhorn cattle shall be qualified for this  
4 position.

5                   But I've missed something. I've got it  
6 wrote down here. I had it scribbled through right  
7 here. I've got to back up on page 3. Page 3 in the  
8 middle of that paragraph there we talk about the  
9 chairman of the board shall call a special meeting of  
10 the Board upon being called upon to do so by a  
11 majority of the board of directors or a majority of  
12 the executive committee. These special meetings --  
13 this is the same as it is in the other one. This is  
14 an add-on. These special meetings can be conducted by  
15 teleconference calls, if necessary. That kind of gets  
16 us away from coming to Fort Worth every time we turn  
17 around driving 10 hours each way.

18                   In the bottom of this thing we want to add  
19 something else. We've discussed it numerous times.  
20 It has been a sore spot. Back in August we tried to  
21 hold a meeting and we had to beg, borrow and plead and  
22 beg people to come to have a quorum. I'd like to add  
23 this in here and I've talked to the majority of our  
24 Board. If a board of director misses three meetings,  
25 does not appear for our meetings, I think they should

1 be terminated and see if we can find somebody that  
2 would be willing to attend our board meetings.

3                   When you get a few people show up and you  
4 cannot get a quorum, then you're in a bind. And we  
5 are going to add that on there. But, this is -- some  
6 bylaw change and this has got to be brought before the  
7 general membership. So, we're going to add that onto  
8 it. And I guess Fritz can read that to us and we'll  
9 get something done with that in the meeting.

10                   DR. MOELLER: Yes, sir. Now, the process  
11 for this is the --

12                   MR. BUENGER: The Board has to approve it  
13 and the membership has to approve it.

14                   DR. MOELLER: Yeah. And so, this will be  
15 mailed to every member. Is that correct?

16                   MR. RICHEY: The annual meeting has to --

17                   MR. LADNIER: No, it's just at a  
18 membership meeting, Fritz.

19                   DR. MOELLER: I'll entertain a motion  
20 right now to make the change in our bylaws as  
21 discussed by Maurice.

22                   MR. BRASWELL: So moved.

23                   DR. MOELLER: So moved. Is there a second  
24 to the motion?

25                   MR. KETY: Second.

LORIE GRAHAM, CSR #3756

1 DR. MOELLER: Kaso Kety seconds that  
2 motion.

3 DR. MOELLER: Discussion.

4 MR. RICHEY: On page 1 at the bottom,  
5 paragraph C, it talks about a term limits is how I  
6 read it. In past versions of the official handbook  
7 the phrase "the same region" was never used. And I'm  
8 wondering if we couldn't strike that -- those three  
9 words. In other words, no director may succeed  
10 himself after three terms. The point being is that  
11 people move around a lot more than they did in the  
12 past. And not that people would move around to stay  
13 on the board, but it happens all the time.

14 DR. MOELLER: Did you change that,  
15 Maurice?

16 MR. LADNIER: No, we haven't changed it.

17 DR. MOELLER: I thought the way that did  
18 used to read was you could serve -- you served two  
19 terms in a position, a board position, and that's all  
20 you could serve. In other words, you could be a  
21 director of your region but then you could run for  
22 At-Large in that same region for two more terms.

23 DR. KROPP: Three.

24 DR. MOELLER: Was it three?

25 DR. KROPP: Yeah.

1 DR. MOELLER: First time was only two.

2 DR. KROPP: Three. It's always been  
3 three.

4 MR. RICHEY: No, in 1990 it was two. No  
5 director may succeed himself after two terms.

6 DR. MOELLER: I was always told it was  
7 two.

8 MR. LADNIER: It was two but it changed in  
9 '90, because we got -- I've got them same -- but I got  
10 them from the office and went back through those.  
11 But, let me give you a crash on that right quick. And  
12 I'm dead serious. It's not easy to find somebody  
13 that's willing to drag himself from the east or west  
14 coast to Fort Worth every time you turn around. Is  
15 it, Kaso?

16 MR. KETY: No, it isn't. But, at the same  
17 time though that's how some people could kind of  
18 become entrenched on this Board by running for the  
19 region till the term limits are up then running as an  
20 At-Large till those term limits are up, then going  
21 back as a regional director.

22 DR. MOELLER: It's happened.

23 MR. KETY: It has happened and I think we  
24 do need to address that issue to get more of a regular  
25 turnover on the Board and have faith that good people

1 will emerge to run.

2 DR. MOELLER: So, as I read this --  
3 correct me if I'm wrong. As this reads --

4 MR. LADNIER: You can stay on it forever.

5 DR. MOELLER: It says no director may  
6 succeed himself in the same region after three terms.

7 MR. BUENGER: This is not one of the  
8 changes that we made.

9 MR. LADNIER: No, we haven't done anything  
10 to that since '90. Charlie and I have done nothing to  
11 this.

12 MR. RICHEY: Right. No, I understand  
13 that. I'm just saying it seems to me if it's term  
14 limits that we're talking about, which is what I'm  
15 talking about, that the same region is a loophole.  
16 Somebody could move -- you know, move their place of  
17 residence from San Angelo to Dallas and I can run  
18 again is the way I read this.

19 MR. LADNIER: You can move to stay on the  
20 Board; is that what you're saying?

21 MR. RICHEY: I'm saying you move  
22 regardless. People move all the time anymore. It's  
23 a --

24 MR. BUENGER: To save some time. What  
25 Robert's doing with regard to other parts of the

1 bylaws that we didn't change. We ought to approve up  
2 and down the changes that we've proposed. And if he  
3 has other changes to other parts of the bylaws he  
4 wants to talk about, we'll just take them one at a  
5 time and deal with them.

6 DR. MOELLER: Okay. And we do have a  
7 motion before the floor and seconded regarding the  
8 changes that Maurice suggested. So, if somebody would  
9 call for the question, I would --

10 MR. BUENGER: Call for the question.

11 DR. MOELLER: I think we had a hand up  
12 first.

13 COL. WEST: Maurice, you've done a lot of  
14 work, but why wouldn't it be simple on board of  
15 directors there, no director may succeed himself -- I  
16 believe in term limits. No director may succeed  
17 himself after three terms. Just eliminate the four  
18 words there. It's the same thing. We've got  
19 superfluous things again in this thing up here on the  
20 board of directors. I believe in things being  
21 concise.

22 MR. LADNIER: If you're talking about  
23 succeeding yourself, if you read it like -- if you  
24 interpret it like you're reading it, three years,  
25 three years, three years. I'm at Region V. Okay?

1 I'm not succeeding myself if I run for At-Large. This  
2 is what's been happening and that's the way it's wrote  
3 to where you can do that. If you want to change it,  
4 you can.

5 COL. WEST: Well, I suggest a change.

6 DR. MOELLER: Okay. Let's vote on the  
7 motion before the floor. All in favor of the changes  
8 presented by Maurice's committee signify by saying  
9 "Yes."

10 (YESES)

11 DR. MOELLER: Is there anybody opposed to  
12 the changes that Maurice suggested on the bylaws?

13 (YESES)

14 DR. MOELLER: Do I get two yeses? Is  
15 there anymore opposition? Motion passes.

16 Now, gentlemen, because of the lateness of  
17 the hour and the need for us to proceed, the bylaws  
18 may need some further work and I would suggest that we  
19 do that at another time. Tonight we cannot waste. We  
20 cannot spend any more time on that.

21 We have the privilege of moving some of  
22 these items to the -- to the board meeting tomorrow  
23 afternoon. However, I would like to -- I would like  
24 to proceed as quickly as we can. The main thing that  
25 we -- there are some other things that are important

1 on old business. We don't have new business listed.  
2 We can approve, with the Board's permission, the AI  
3 bulls tomorrow afternoon. We have some room on the  
4 agenda tomorrow, do we not?

5 What we have to do tonight is we have to  
6 fill some vacancies on this Board and I do want to  
7 allow time for that and we're getting short.

8 The logos on the registration certificates  
9 is the next late agenda item and I -- man, I hate  
10 to -- I hate to postpone that discussion.

11 MR. BRASWELL: You can have a two-minute  
12 conversation tonight or we can present it to your new  
13 Board tomorrow at your discretion.

14 DR. MOELLER: Will you be available to  
15 present that to our board tomorrow?

16 MR. BRASWELL: I can make that -- myself  
17 available to present that to the new board tomorrow.

18 DR. MOELLER: Thank you very much. Can  
19 you note that on the agenda change?

20 MR. BUENGER: We can put those other two  
21 items I had on there tomorrow, too.

22 MR. BRASWELL: Can we address D, Fritz?

23 DR. MOELLER: Okay. Briefly -- and who's  
24 going to present the response? Robert or Kaso on the  
25 Butler response.

1 MR. KETY: I think we both had something  
2 to say.

3 DR. MOELLER: Can you do it in five  
4 minutes?

5 MR. RICHEY: If I talk really fast.

6 DR. MOELLER: You told me today that --

7 MR. RICHEY: I'll be pretty quick.

8 DR. MOELLER: -- that you had a brief  
9 response. Okay. This is in response to a question  
10 that was presented by Mr. Limb at the August meeting  
11 and the Butler Group has asked permission to respond  
12 to that. And then I would like -- I would entertain a  
13 motion from the Board to proceed with that item,  
14 however, we wish to proceed. Do you want to come up  
15 to the mic?

16 MR. RICHEY: If I could just read --

17 DR. MOELLER: Just talk loud enough.

18 MR. RICHEY: I appreciate the opportunity  
19 to respond to the presentation that Don Limb made at  
20 the August 20th board meeting. My name is Robert  
21 Richey. I'm not here as a director, but as a TLBAA  
22 member and a Butler breeder.

23 I am involved in the Butler website,  
24 butlertexaslonghorns.com, as well as the Butler  
25 Breeders Invitational Sale which just celebrated a

1 very successful 10th sale this past Labor Day.

2 I'm here to speak to two issues raised by  
3 Mr. Limb's presentation. The question of what is a  
4 Butler cow and the question of fraud as it pertains to  
5 the Butler website and the Butler Invitational Sale.

6 As to the question of what is a Butler  
7 cow, Mr. Limb has written a book on the topic and the  
8 Butler breeders have created a website and sale to get  
9 our perspective messages into the public domain. Both  
10 Mr. Limb and the Butler breeders have used similar  
11 investigative methods, including the use of brands,  
12 interviews with individuals and registration papers  
13 and have drawn different conclusions when it comes to  
14 certain animals being included or excluded in the  
15 Butler herd.

16 Labor Day weekend 2003 at the Butler  
17 Invitational Sale we had a meeting of most of the  
18 Butler breeders, including Mr. Limb, to discuss each  
19 of the Butler subfamilies and any animals which anyone  
20 cared to question or discuss.

21 After a lively debate, Mr. Limb's  
22 arguments failed to persuade and his position was  
23 voted down. Today, nearly five years later, we  
24 need -- with neither side having changed their  
25 position, I believe that this remains a Butler

1 bloodline issue, not a TLBAA issue.

2           As to the tissue of fraud in the Butler  
3 website and the Butler sale, since inception have  
4 tried to provide the public with as much information  
5 as possible. We use the TLBAA registration as the  
6 basis for the Butler herd found on the website and,  
7 where necessary, provide a brief explanation in the  
8 comments section.

9           And included in the directors' packets are  
10 examples of herd book entries and registrations and  
11 explanations. And if y'all would turn to those I'll  
12 quickly go through these.

13           Essentially Exhibit No. 1 is a cow called  
14 Emporia. It lists sire and dam as Butler Texas  
15 longhorn, Butler Texas longhorn. That's the ideal.  
16 That's what everybody would like to see in the Butler  
17 world.

18           The animals in question are Exhibit 2.  
19 It's a list of -- it's an offspring list from the  
20 Butler Texas Longhorn website. There's approximately  
21 25 animals there and either sire and dam or sire or  
22 dam are listed as unknown. The unknown use has  
23 been -- was questioned in Mr. Limb's presentation. He  
24 had examples of pedigrees. Specifically, the Miss  
25 Dayton cows which list Stark longhorn and Stark

1 longhorn as sire and dam.

2                   What I wanted to show is what we use as an  
3 example number 5, Exhibit 5. Miss Dayton 14 lists  
4 unknown and unknown. Miss Dayton 26 where in Mr.  
5 Limb's presentations he's I believe listed as  
6 Butler/Butler, our registration shows unknown/unknown.  
7 And the Graves 80 cow shows an unknown dam. Anyway,  
8 just examples.

9                   These registrations we have from the TLBAA  
10 registry and this is what we have to work with. We  
11 didn't have the registration papers that Mr. Limb had.

12                   Then the next exhibit is a cow called FM  
13 Graves 80. It's -- I tried to show as an example of  
14 using a brand to identify the animal. The picture  
15 unfortunately in xerox didn't come out. Even my  
16 close-up didn't, but this is a Butler branded cow.  
17 And in the comments under animal detail it -- at the  
18 bottom down there it says "Accepted Butler, O-T  
19 branded." And even though her registration doesn't  
20 say Butler/Butler, we accept that.

21                   Again Miss Liberty 10th is another  
22 well-known animal in the Butler world. And if you'll  
23 look on her animal detail in the comments we said  
24 accepted as Butler based on breeder's statements. And  
25 we show the pedigree and it lists her pedigree as

1 being -- going back to Peeler. Pretty much really  
2 that is all I wanted to say about those examples.

3           Mr. Limb's titled his presentation  
4 "Undeniable Fact" and I believe the only undeniable  
5 fact is that we have two differing opinions on what is  
6 or is not a Butler animal regarding some of the  
7 animals found in the Butler sale and the Butler herd  
8 book. Does this difference constitute a need for a  
9 TLBAA board to weigh in? I think not. I think this  
10 is a Butler issue and not a TLBAA issue. And I  
11 believe the herd book is a research tool and provides  
12 objective data which allows for the reader to make up  
13 their own mind regarding any animal in it. If you do  
14 not agree with an animal being Butler, you can use the  
15 herd book to keep unwanted pedigrees out of your herd.

16           Mr. Limb has also accused the Butler  
17 website and the Breeders Invitational Sale as  
18 defrauding an unsuspecting public. Do not believe  
19 that any Butler breeder who participates in the  
20 website or the sale does so with an intent to defraud  
21 the public. I trust having heard this brief  
22 explanation of how we've gotten to this point that  
23 you'd agree with me on that.

24           I do feel like this is a serious charge  
25 however and would ask relief from the Board on the

1 question. Thank you.

2 DR. MOELLER: Kaso.

3 MR. KETY: I've got a brief statement. My  
4 name is Kaso Kety. I'm here representing myself, the  
5 Butler Breeders Group and the Butler Breeders  
6 Invitational Sale. I appreciate the opportunity to  
7 address the Board and the membership.

8 I will not respond to the charges brought  
9 against us because I think they're ridiculous and do  
10 not deserve a response, but I will instead again state  
11 our position. We believe a small group of cattle  
12 recognized Butler are, in fact, a hundred percent  
13 genetically pure Milby Butler longhorns despite  
14 registration papers which would suggest otherwise.  
15 This belief is based on an enormous amount of evidence  
16 including brands, photographs, paperwork,  
17 discrepancies. But, above all, the testimony of the  
18 breeders that registered these cattle indicated the  
19 paperwork was not correct.

20 We have never wavered in this belief and  
21 will not change our position because we know it to be  
22 the truth. We have printed our position in our sale  
23 catalogue and the Butler website so that anyone not  
24 comfortable with these cattle can choose not to  
25 include this breeding in their herd.

LORIE GRAHAM, CSR #3756

1                   We just completed our 10th Butler sale and  
2 in all these years not one person has ever claimed  
3 they were defrauded. On the contrary, our group  
4 continues to grow and the Butler bloodlines continues  
5 to prosper. This issue was settled by the Butler  
6 Breeders Group over four years ago where these  
7 arguments were soundly rejected.

8                   It is really that simple. We believe  
9 certain cattle to be pure Butler despite their  
10 paperwork and we will continue to promote them all as  
11 such. We knew the men and we knew the cattle. Anyone  
12 with any questions or any interest in reviewing the  
13 evidence is welcome to contact us at any time. Once  
14 again, thank you again.

15                  DR. MOELLER: Thank you, gentlemen. I'll  
16 recognize Mr. Braswell.

17                  MR. BRASWELL: Gentlemen, I think we've  
18 looked at this twice now. I know we've looked at this  
19 in the past when I wasn't sitting here. I don't  
20 believe there's a mark anywhere on any of our  
21 paperwork that says any animal is a Wright family or a  
22 Phillips family or a Jones family or Bill Smith's  
23 family. I don't believe that as TLBAA we have the  
24 capacity, especially this Board, to determine which  
25 animals might be quote, unquote, "out of any family."

LORIE GRAHAM, CSR #3756

1 I, therefore, move that we not consider this and let  
2 the Butler breeders take care of the Butler breeders  
3 name. It's their deal.

4 MR. WEHRING: I second it.

5 DR. MOELLER: There's been a motion made  
6 and seconded. Yeah, Mr. Limb, you had your  
7 opportunity in August.

8 MR. LIMB: Okay.

9 DR. MOELLER: I gave you the courtesy of  
10 that. I gave these gentlemen the courtesy to respond.  
11 I think all parties involved would like this issue  
12 resolved one way or the other. We're attempting to  
13 resolve this at this time. It may not be to their  
14 liking, your liking or my liking, but the issue will  
15 be resolved as far as the position of the TLBAA  
16 tonight. Is there any discussion on the motion made  
17 by Mr. Braswell?

18 COL. WEST: One point. I've forgotten  
19 exactly when between 1964 and about 1970 there was no  
20 more grandfathering cattle. I just want to point that  
21 out. Because in 1964 this one cow was grandfathered  
22 in by Dr. Baker. I know there's a limit there. I've  
23 forgotten the exact date.

24 DR. MOELLER: Okay. Gentlemen, are we  
25 ready to vote on this issue? Not being any further

1 discussion, all in favor of Mr. Braswell's motion  
2 signify by saying "Aye."

3 (AYES)

4 DR. MOELLER: Are there anybody opposed to  
5 that motion? Hearing none --

6 MR. RICHEY: I'd like to abstain.

7 MR. KETY: I'm going to abstain as well.

8 DR. MOELLER: There are two abstains,  
9 nobody opposed. The remaining members approve, the  
10 motion passes.

11 The next item of business is the -- we  
12 have some vacancies that exist on the Board. It is  
13 the privilege of the chairman to appoint people to  
14 fill these vacancies if they're not elected. We have  
15 some openings in Division A and Division C. I chose  
16 not to appoint them. We tried to work out an amiable  
17 alternative way to fill some of these vacancies. It  
18 was all published in the E-Trails. It was all  
19 published in the Trails. Some gentlemen have stepped  
20 up and asked and voiced their desires to serve on our  
21 board and I would like for those gentlemen to stand  
22 one by one as briefly as possible and tell us why you  
23 want to be on this Board. And I would start with Doc  
24 Hyder. Doc Hyder is from Dade City, Florida and he  
25 would like to serve as At-Large member from

LORIE GRAHAM, CSR #3756

1 Division A.

2 MR. HYDER: Yes, sir. I appreciate the  
3 opportunity to speak. And again, I'm Doc Hyder from  
4 Dade City, Florida, and I saw the vacancy and thought  
5 it would be good to have a voice from my area and to  
6 be able to go up and down and call people and ask, you  
7 know, what they wanted to do and their opinions and  
8 have a fresh opinion on the Board and help an  
9 association that I've fallen in love with the animals  
10 and enjoy them and just hate to see it go any  
11 direction other than positive and I felt like I could  
12 help in that capacity.

13 DR. MOELLER: Thank you very much. Now,  
14 the gentleman that the Board will either vote in or  
15 not vote in to serve in these vacancies understand  
16 that they're interim servers and will be expected to  
17 run for office when the next cycle comes up. The next  
18 cycle would be in Division C.

19 Also from Division A. Is Jim Kessinger in  
20 the audience?

21 UNIDENTIFIED SPEAKER: He couldn't make it  
22 tonight.

23 DR. MOELLER: Mr. Kessinger is from  
24 (Inaudible), Ohio. Did you hear from him?

25 MR. WRIGHT: No, sir, I did not.

LORIE GRAHAM, CSR #3756

1 DR. MOELLER: Also from Division A we have  
2 Carl Brantley from Wilkesboro, North Carolina.

3 MR. BRANTLEY: My name is Carl Brantley.  
4 Many of you know me. Many of you don't know me. My  
5 only objective tonight and to be on the Board is to  
6 raise Texas longhorn cattle and that's it. I have no  
7 political agenda. I have no social agenda. I'm not  
8 here to perpetuate inflated prices, I'm here to raise  
9 cattle and to perpetuate everybody's ability to have  
10 those longhorns that we love.

11 I've been a member since 1985 on and off  
12 five different times. Okay? Five -- well, other  
13 reasons. But that's it. Carl Brantley's and that's  
14 it.

15 DR. MOELLER: Carl would like to serve in  
16 Region 4 director. Steve Quarry in Division C from  
17 Prague, Oklahoma. I know he's in the audience. He'd  
18 like to serve in one of the At-Large positions from  
19 Division C.

20 MR. QUARY: I'm Steve Quarry, if any of you  
21 don't know me. I have been around and been a member  
22 for over 20 years, showed a lot of cattle. I have no  
23 real agenda other than promoting the breed and the  
24 cattle. And I know we're at a turning point and a lot  
25 of decisions are going to have to be made in the next

1 few years and I'm willing to listen to anybody that  
2 has an opinion and hopefully we'll make the right  
3 judgments and move this thing forward. Thank you.

4 DR. MOELLER: Thank you, Steve. Also,  
5 from Division C the other At-Large position is a  
6 gentleman I know very well, Jim Johnson. He's from  
7 Anthony, New Mexico. Jim, would you like to stand up  
8 and say a few words?

9 MR. JOHNSON: My name is Jim Johnson.  
10 I've been in the cow business all my life. It's about  
11 all I know and I just want to see cows treated like  
12 cows and not as a hobby. So, if you don't want a cow  
13 man you don't want me around.

14 DR. MOELLER: Is Michael Sitzmann in the  
15 audience? Mike, you want to stand up? Mike is from  
16 Merrill, Iowa. He happens to be the affiliate  
17 president up there and Mike would like to serve as the  
18 Region 13 director. Do you want to see a few words?

19 MR. SITZMANN: Yes, Fritz. Thank you.  
20 Again, Michael Sitzmann from Merrill, Iowa. Small  
21 little dot about 125 miles north of Omaha, Nebraska,  
22 if that helps you out. I've been a member for about  
23 10 years now. My wife and I raise Texas longhorn  
24 cattle. We've got our grandchildren who love the  
25 breed and I want to represent my region, my district,

1 just because there's a lot of little breeders out  
2 there that would like to participate in this  
3 association and I want to represent every one of them  
4 out there. Thank you.

5 DR. MOELLER: Thank you. Rodney Lind is  
6 from Elk Creek, Nebraska, and he's had an unfortunate  
7 accident and broke his hip yesterday.

8 MR. WRIGHT: That wasn't yesterday, it was  
9 at Christmas time. He subsequently had an operation  
10 to put a seven-inch bolt in his hip and he just can't  
11 drive the 12 hours to get here. He called again today  
12 to express his continued interest in serving on the  
13 Board and apologize for not being able to make it.

14 DR. MOELLER: Mr. Lind is interested in  
15 serving Region 14 in Division C. And those -- that's  
16 the list of people that have requested our  
17 consideration. I would like this Board to -- to --  
18 you have in your packet these names. I would like for  
19 you to indicate next to those names "yes" or "no" and  
20 you will accept them as interim board members and we  
21 will come around and take that. Paul.

22 MR. BRASWELL: When you originally -- I  
23 understand the seven-inch bolt in the hip, believe me.  
24 Your original comment on circulation of this was one  
25 of the requirements was attendance. Like I said, I

1 believe the seven-inch bolt I can go for. Is this  
2 other gentleman going to fall under the same rules?

3 DR. MOELLER: Well, we didn't hear from  
4 him.

5 MR. BRASWELL: Okay.

6 DR. MOELLER: I don't want to influence  
7 you how to vote one way or another, but that was one  
8 of the requirements. And vote your hearts, gentlemen.

9 COL. WEST: How many vacancies do we have,  
10 Mr. Chairman?

11 DR. MOELLER: We have more vacancies.  
12 We'll have -- Fraser, I knew somebody was going to ask  
13 that question of me. There's still a couple of  
14 vacancies left in A and there's still one or two in C.

15 COL. WEST: Okay.

16 DR. MOELLER: And they're just going  
17 to -- and I choose -- I'm not going to name somebody  
18 to fill those. I choose to leave those empty until  
19 the next cycle election.

20 COL. WEST: Mr. Kessinger isn't here.  
21 Does anybody know anything about him?

22 DR. MOELLER: Now, while the Board is  
23 voting, we will announce this tomorrow officially at  
24 the membership meeting. Because all of you were kind  
25 enough to give us your attention and not give us too

1 much grief, we'll announce the new directors that will  
2 be installed tomorrow that were elected from Division  
3 B and they are, Region 7, Donnie Taylor; Region 8,  
4 Stacey Taylor. Not related. At least I haven't been  
5 informed of that. We don't want any relation.

6 UNIDENTIFIED SPEAKER: Donnie is her  
7 grandfather.

8 (Laughter)

9 DR. MOELLER: Region 9, Robert Richey;  
10 Region 10, Charlie Buenger; Region 11, Ty Wehring;  
11 Region 12, Steve Zunker; and our two new directors  
12 At-Large from Division B are Lana Hightower and Dr.  
13 Zech Dameron. And we will welcome those people aboard  
14 tomorrow during the General Membership Meeting and  
15 they will join the Board at the board meeting tomorrow  
16 afternoon.

17 Gentlemen and ladies, we're about eight  
18 minutes ahead of time. I do have time for Dr. Kropp  
19 would like to address the Board.

20 DR. KROPP: We had two gentlemen step up  
21 to the plate in a time of need and have served beyond  
22 reproach. Kerry Mounce, Paul Braswell, they deserve a  
23 big round of applause.

24 (Applause)

25 DR. MOELLER: For two people that jumped

LORIE GRAHAM, CSR #3756

1 up and helped us in August, they didn't just help us  
2 make a quorum, they have been very active participants  
3 in this Board and I would likewise repeat what Dr.  
4 Kropp said. I appreciate it. These are gentlemen and  
5 everybody on this Board and I will thank you all  
6 tomorrow as was called a test of fortitude for lack of  
7 a better term.

8                   Okay. I would like -- and we will ask you  
9 gentlemen to join us tomorrow after the General  
10 Membership Meeting and be seated. We'll have a little  
11 ceremony like, come sit down.

12                   These are your new interim board members.  
13 Doc Hyder, Carl Brantley, Steve Quarry, Jim Johnson,  
14 Michael Sitzmann, Rodney Lind. Mr. Kessinger from  
15 Ohio who was not here and may or may not have a bolt  
16 in his hip, I don't know, was not elected tonight.  
17 Thank you board members.

18                   I will entertain a motion for adjournment  
19 for tonight.

20                   MR. BUENGER: I second it.

21                   DR. MOELLER: I didn't hear somebody make  
22 a motion.

23                   MR. RICHEY: I make the motion.

24                   DR. MOELLER: Mr. Richey made a motion for  
25 adjournment tonight and it was seconded by Mr.

1 Wehring. All in the favor signify by saying "Aye."

2 (AYES)

3 DR. MOELLER: Anybody opposed? Thank you.

4 (Meeting adjourned)

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