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TLBAA
BOARD OF DIRECTORS MEETING
JANUARY 15, 2009
5:11 P.M. - 7:13 P.M.
RADISSON HOTEL FORT WORTH NORTH - FOSSIL CREEK
2450 MEACHAM BLVD.
FORT WORTH, TEXAS



1 DR. MOELLER: We are getting ready to start
2 here real quick as soon as we can get the rest of our
3 Board members seated.

4 Okay. Let's call this Board of Directors
5 meeting to order. This is your January 15th, 2009,
6 meeting of the 2008 Board. The way we are set up here
7 is we have the old Board - if we can use that word -
8 meeting tonight. We have the Affiliate Presidents
9 Meeting tomorrow. We have the Show Committee Meeting
10 tomorrow. At 10 o'clock we have the Annual Membership
11 Meeting. And then at 1 o'clock you will have a meeting
12 of the new Board, the 2009-2010 Board. They will get
13 introduced and installed at the Annual Meeting
14 tomorrow, at the end of the Annual Meeting. The first
15 item of agenda tomorrow at that meeting will be the
16 election of officers. The way our bylaws are written,
17 I will conduct the election until the new chairman is
18 elected. That will be a first item of business. And
19 then the new chairman of the Board, whoever that might
20 be, will conduct the rest of that meeting.

21 The -- before we take -- review the minutes
22 and have a roll call, I'd like to take a little
23 executive privilege here and -- because we've had a lot
24 of questions coming into the headquarters about this,
25 mainly today. On January the 14th, 2009, an e-mail was

1 sent to the members from Joe Graddy under the TLBAA
2 name concerning the stability of the organization,
3 et cetera. Many of you might have gotten it; some
4 might not have. The wording and language of this
5 letter has led many to believe it was an official TLBAA
6 correspondence. It was not. TLBAA would like to
7 clarify that this e-mail did not originate from and was
8 not distributed by the TLBAA, its Board of Directors or
9 staff. Any belief that it came from the TLBAA because
10 that's the way it was addressed as from, is incorrect.

11 With that said, Scott, would you give us a
12 roll call, please?

13 MR. SIMMONS: Doc Hyder.

14 MR. HYDER: Here.

15 MR. SIMMONS: Kaso Kety.

16 MR. KETY: Here.

17 MR. SIMMONS: Debra Lesyk.

18 MS. LESYK: Here.

19 MR. SIMMONS: Scott Simmons is here.

20 Carl Brantley.

21 DR. MOELLER: Carl will not be in
22 attendance tonight. His wrestling team had a match.
23 He will be here tomorrow.

24 MR. SIMMONS: Maurice Ladnier.

25 MR. LADNIER: Here.

1 MR. SIMMONS: Gene Juranka.

2 MR. JURANKA: Here.

3 MR. SIMMONS: Lana Hightower.

4 MS. HIGHTOWER: Here.

5 MR. SIMMONS: Dr. Zech Dameron.

6 DR. DAMERON: Here.

7 MR. SIMMONS: Donny Taylor.

8 MR. TAYLOR: Here.

9 MR. SIMMONS: Stacey Taylor.

10 MS. TAYLOR: Here.

11 MR. SIMMONS: Robert Richey.

12 MR. RICHEY: Here.

13 MR. SIMMONS: Charlie Buenger.

14 MR. BUENGER: Here.

15 MR. SIMMONS: Ty Wehring.

16 MR. WEHRING: Here.

17 MR. SIMMONS: Steve Zunker.

18 MR. ZUNKER: Here.

19 MR. SIMMONS: Jim Johnson.

20 DR. MOELLER: Jim Johnson was intending to
21 come. He was readmitted to the hospital yesterday. I
22 just talked to him five minutes ago. He's okay, he's
23 doing well, but his doc wouldn't let him travel.

24 MR. SIMMONS: Steve Quarry.

25 MR. QUARY: Here.

1 MR. SIMMONS: Michael Sitzmann.

2 MR. SITZMANN: Here.

3 MR. SIMMONS: Rodney Lind.

4 (No response.)

5 MR. SIMMONS: Dr. Bob Kropp.

6 DR. KROPP: Here.

7 MR. SIMMONS: Dr. Fritz Moeller.

8 DR. MOELLER: Here.

9 MR. SIMMONS: Bob Larson.

10 MR. LARSON: Here.

11 MR. SIMMONS: Col. Fraser West.

12 DR. MOELLER: Fraser told us at our last
13 Board meeting that he would not be coming today.

14 MR. SIMMONS: All but four are here.

15 DR. MOELLER: Thank you.

16 The minutes from our last meeting, would
17 you like to make a comment about that?

18 MR. SIMMONS: There's a lot of 'em.

19 DR. MOELLER: Well, we don't -- we don't
20 need them read. They are printed. They are available
21 at the TLBAA office for \$15 or they are online free.

22 MR. SIMMONS: So I need a motion to accept
23 these minutes, or anybody have any --

24 DR. MOELLER: Do I have a motion from the
25 floor to accept those minutes?

1 MR. TAYLOR: I make a motion to accept the
2 minutes as printed.

3 MR. KETY: Second.

4 DR. MOELLER: Donny Taylor makes a motion.
5 Kaso Kety seconds.

6 Let me remind everybody when you speak,
7 anybody can speak at any time as long as you are civil
8 and you are recognized from the chair, but you identify
9 yourself because our court reporter doesn't know some
10 of you. Maybe he already knows some of us, but you
11 need to identify yourself to him.

12 A motion has been made and seconded. Any
13 objections to or corrections to the minutes?

14 Seeing none, motion passes.

15 The report of the treasurer. Ty, are you
16 going to defer to our CPA?

17 MR. WEHRING: Yes, I am.

18 DR. MOELLER: Okay.

19 MR. WEHRING: And then when he gets
20 through, we will ask Brenda Friday to do her little
21 speech.

22 DR. MOELLER: Okay. Let me introduce our
23 CPA firm, Parr & Associates. Reggie. Where are you?

24 MR. PARR: Right here.

25 DR. MOELLER: All right. Do you want to

1 come on up?

2 Now, there will be a few other items that
3 Mr. Parr is not going to review with the session as a
4 whole. There are some personnel issues involved with
5 an individual that was most recently terminated that,
6 by law, we have to go into executive session because we
7 will talk about personnel things, and Mr. Parr will be
8 in charge of that, too.

9 Do you want to sit up here or --

10 MR. PARR: No. I can stand up there while
11 she's handing those out.

12 DR. MOELLER: Sure. All right.

13 What is being passed out right now is both
14 the Foundation financials and TLBAA financials. These
15 were just prepared and available today. Yesterday?

16 MR. PARR: Well, yes.

17 DR. MOELLER: The boxes were delivered
18 today to the TLBAA and I apologize that we weren't able
19 to get them ahead of time so that you could study them,
20 but you do have a couple of days. Mr. Parr will be
21 available to answer any specific questions that you
22 might have at your next Board meeting tomorrow
23 afternoon.

24 MR. PARR: My name is Reggie Parr. I am a
25 principal of C.R. Parr & Associates. I am here this

1 evening, first off, to just again go over the financial
2 statement audit as of June 30th, 2008, of both the
3 Association and the Foundation. So you now have that
4 financial statement.

5 Again, let me just real quick, you know,
6 the purpose of a financial statement audit is -- excuse
7 me?

8 AUDIENCE MEMBER: I can't hear you.

9 MR. PARR: Okay, I'll use my "yell at
10 teenager" voice.

11 The purpose of a financial statement
12 audit -- "Coming out of chute number 4" -- we won't go
13 to that voice.

14 The purpose of a financial statement audit
15 is basically just to determine that the financial
16 statements are accurately stated with no material
17 misstatements or no errors. Unless the scope is
18 expanded, it is not for the purpose of determining
19 fraud, or defalcations as lawyers like to say.
20 However, because you have that in your recent history,
21 some scope in some areas was expanded to make sure that
22 that wasn't still lingering in the waters, as it were,
23 but that is not the purpose of a financial statement
24 audit. That never is. That is an altogether different
25 scope and different audit. So I just want to make sure

1 everybody has some clear understanding of what an audit
2 is. So an audit has to be designed to find fraud to
3 find fraud, and I will tell you, I will stand by the
4 Fraud Examiners Association's credo that 93 percent of
5 all fraud is discovered by somebody's conscience going
6 bad on them. You are not very likely to find fraud
7 unless somebody coughs it up.

8 Anyway, the financial statement audits of
9 both the Association and the Foundation are now in
10 front of the Board of Directors. Other than the fact
11 of opening it up maybe for questions, there are a few
12 things I would like to bring to the attention of the
13 Board that they probably are well aware of.

14 As of 6/30 some of the things on the
15 financial statements that were created in-house that
16 will differ from this financial statement is we took
17 the lawsuit money and made a deferred asset out of it
18 as well as a deferred liability. So therefore it is
19 not reflected on the, what would be called the income
20 statement, the statement of activities. We have pulled
21 that off of that. So we have on our statement of
22 financial position the Association, under other assets,
23 we have the lawsuit amount down below, along with the
24 deferred dues and deferred subscription amounts, we
25 have placed that like amount into deferred revenues. I

1 think that's also highlighted in the footnotes in the
2 back.

3 A couple of things to bring to your
4 attention just because of the way accounting is done.
5 I am going to bounce over now to the Foundation and at
6 any time you have a question, raise your hand or just
7 stop or yell.

8 Generally accepted accounting principles
9 says that marketing securities -- now we are talking
10 about Foundation's investments. Marketable securities
11 are what they call mark to mark. So in other words, as
12 of 6/30 it's whatever the market price of our traded
13 securities are, I must mark down or write up on an
14 unrealized basis what that gain or loss is. However,
15 fixed assets are not in that class. So if somebody
16 were to say -- we're looking at this financial
17 statement, they may say, "Oh my God, I know we own a
18 piece of property in north Fort Worth and I think it's
19 worth at least" - fill in the blank - that is not going
20 to show on your financial statement because fixed
21 assets are not accorded that in generally accepted
22 accounting principle. It's not a marketable security.
23 So basically you still have historical cost
24 presentation in the financial statements of the
25 Foundation for the land that's owned.

1 I would point out or just as an aside that
2 that land for Tarrant Appraisal District purposes,
3 which is our taxing district here in this area, for
4 Tarrant Appraisal District purposes that thing is
5 appraised for more than half a million dollars. So you
6 are paying property taxes on a piece of property on our
7 books at 180,000 -- help me back there. I'm going to
8 say we bought it for, like, 180. I'm having a senior
9 moment here. But basically from TAD appraisal
10 purposes, it's well over 500,000. That's not going to
11 show in this financial statement. So, and that's kind
12 of a footnote to what Fritz was talking about earlier
13 when people say, "Oh my goodness, look at these
14 financial statements." Well, there's stuff that you
15 have to add to this.

16 The other thing I would say to the
17 directors is what I have said from the very beginning,
18 but -- you have two financial statements here, but
19 really the way to look at this is kind of you have to
20 open each page side-by-side and look at it because I
21 still believe if you look back to the Foundation set-up
22 and the way the IRS granted you your tax exempt status,
23 without the Association there's not much reason to have
24 the Foundation, there's not much reason to have a
25 Foundation without the Association. So as you open up,

1 like, page 2 and look at the assets of the Association
2 you also ought to be looking at page 2 of the assets of
3 the Foundation, because that basically is where you are
4 overall. It's not, "Oh, look, the Association is this
5 and the Foundation is this." Well, yes, that's true,
6 but they also ought to be presented side-by-side.

7 Other than that, I will entertain any quick
8 questions.

9 DR. DAMERON: This is Zech Dameron. This
10 is six months ago. Right?

11 MR. PARR: Yes, sir.

12 DR. DAMERON: Do we have any current?

13 MR. PARR: Yes, we have that for later. We
14 have December's financial statements.

15 DR. DAMERON: For today or tomorrow?

16 DR. MOELLER: Today.

17 MR. PARR: Today.

18 DR. MOELLER: Let me expand on what Reggie
19 just said. And, Mr. Zunker, was it like six months ago
20 we had our land evaluated, our piece of property down
21 in the Old Town area?

22 MR. ZUNKER: Yes. I think you gave us a
23 market analysis at the June 6th meeting.

24 DR. MOELLER: And that was official? It
25 wasn't a frank appraisal?

1 MR. ZUNKER: No, I believe on the front
2 cover it stated that it was a market analysis and not
3 to be considered an appraisal.

4 DR. MOELLER: And that's what we asked for.
5 It came in between 4 and a half and \$5 million. The
6 statue sitting down there on the property was evaluated
7 at a million dollars. So, you guys hear me harp on
8 this all the time. When people say we are destitute,
9 we're upside down, we're broke, it's hard to say that
10 when you've got an asset paid for that's worth 4 to
11 \$5 million. So what could be the worst case scenario
12 if we did get truly broke? We sell off an acre of
13 land. So it's difficult for me when I hear people say,
14 "You guys are broke, you're destitute, you have no
15 money." Bullshit.

16 Did we want to go over those other
17 financials at this point?

18 MR. ZUNKER: May I ask a question?

19 DR. MOELLER: Yes, sir.

20 MR. ZUNKER: Steven Zunker, Region 12.

21 When we started out this -- you said these
22 were completed yesterday and we had asked at the
23 October meeting when they'd be completed and we were
24 told the end of October, the beginning of November, and
25 we'd asked that we see these prior to this meeting.

1 When I look at the letter on the front pages of both of
2 these documents, it's dated December 5th, 2008. When
3 were these completed?

4 MR. PARR: December the 5th, your audit
5 letter, just so everybody will know, an auditor's
6 letter is the end of field work. That's when we pulled
7 out of the field. There were some things, as Fritz
8 mentioned earlier, some things that you may want to go
9 into executive session. There were some things that
10 came up that kind of slowed this down, some things that
11 we wanted to look at and check out before we released
12 them completely.

13 And so the audit field work for these
14 financial statements was technically done on December
15 the 5th; however, we held off into probably the week of
16 Christmas and with the holidays and everything, didn't
17 get to them until the first of January. Then we had a
18 little printing snafu and got them Friday and decided
19 to hold them as opposed to charging you for overnight
20 delivery so that you'd have them in your packet. But
21 we're going to be here all week so we can answer any
22 questions at all.

23 At the time of that meeting when we said
24 we'd be finished with them, things occurred after that
25 that caused us to slow down a bit and take a little

1 harder look at a few things.

2 DR. MOELLER: What happened, Steve, as you
3 know, was that we had some improprieties with our
4 financial person in the office and so we had to wait
5 until the resolution of that, and that's why we will be
6 going into executive session because it is a personnel
7 issue and we would like the entire Board, as promised,
8 to know exactly what we investigated, what we found,
9 and why that person and her assistant were terminated.
10 So we will talk about that today before the night is
11 over.

12 Where are these other financials? Is
13 Brenda Friday here?

14 MS. FRIDAY: Yes, sir.

15 DR. MOELLER: Brenda Friday, would you
16 stand up for me. And maybe you could come up here if
17 you would.

18 MS. FRIDAY: Sorry?

19 DR. MOELLER: Do you want to come on up?

20 Brenda Friday is our fill-in temporary
21 financial officer accountant that's in the office
22 helping us to sort out the additional mess that our
23 last financial officer left us with.

24 She is an employee of yours, isn't she,
25 Reggie?

1 MR. PARR: Yes, sir.

2 DR. MOELLER: Correct. Okay.

3 Our other bean counter, excuse the -- is
4 this young lady we all know, who is a real go-to
5 person. Even Reggie goes to her. Cheryl.

6 So we have some additional financials.
7 Have those been passed out?

8 MS. FRIDAY: I think that's what Allison
9 just passed out.

10 DR. MOELLER: Okay. Now, there is an error
11 on these which I found today, and Brenda Friday will
12 explain that.

13 MS. FRIDAY: What we found was on the sales
14 department, because these are listed out by department,
15 we are short on these financial statements \$26,000 in
16 revenue that was earned at the West Sale in December
17 and that revenue didn't come to my attention until two
18 days ago, was it? I found out what it was today. I'm
19 sorry.

20 And so I will have to account for that. I
21 think I will go back and restate the December
22 financials and issue them again to you rather than try
23 to confuse you by putting it on the January income
24 statement and then you seeing it's another -- this
25 26,000. So the true -- the true amount that was made

1 at the West Sale was 9,000, not -- was a \$9,000 income,
2 not a -- not the \$16,000 loss.

3 DR. MOELLER: Now, I know you guys haven't
4 had time to look at these, and again we apologize. We
5 were getting these on a monthly basis, but again,
6 because we had a little -- another glitch in the office
7 in our financial department -- when we started 18
8 months ago with this regime, we had a gentleman called
9 John Jones, I believe was his name, and unfortunately
10 he had to be terminated. Then we had Dennis Wright,
11 and then we had Shaunda. And it's just been -- it's
12 just been a litany of incongruity and lack of
13 continuance. So every time we take a two-step forward,
14 we take one step backward.

15 The numbers are correct. We just have to
16 crunch them different ways so that we all understand
17 them and make sure that they are correct. So --

18 MS. TAYLOR: I have a question.

19 DR. MOELLER: Yes.

20 MS. TAYLOR: Stacey Taylor. And, I'm
21 sorry, what was your name again?

22 MS. FRIDAY: Brenda.

23 MS. TAYLOR: Brenda. Question for you.

24 Because the West Sale made \$9,000, in looking at this
25 statement, the income statement for the last -- for the

1 six months ending December whatever, does that mean
2 that our net income for this year was about negative
3 \$49,000? Is that what that --

4 MS. FRIDAY: In total --

5 MS. TAYLOR: Yes.

6 MS. FRIDAY: -- if you add 26 to the bottom
7 line, yes, ma'am.

8 MS. TAYLOR: Okay. So for the six months
9 we were negative almost \$50,000. Okay.

10 DR. MOELLER: That is the Special Events
11 department which includes sales and shows.

12 MS. FRIDAY: No, I think --

13 MS. TAYLOR: No.

14 MS. FRIDAY: -- they are looking at the
15 total.

16 MS. TAYLOR: I'm looking at the total for
17 the TLBAA.

18 DR. MOELLER: Are you just looking at the
19 sales?

20 MS. TAYLOR: No. I'm adding the 9,000
21 profit into that, Fritz. If you look on page 4, I
22 added \$9,000 to that, so -- actually you subtract it
23 because it was a profit. So looking at -- again, I'm
24 just trying to understand --

25 MS. FRIDAY: Actually --

1 MS. TAYLOR: -- everybody out there, what
2 we are looking at.

3 MS. FRIDAY: I'm sorry. You would add
4 26,000 to the bottom line.

5 MS. TAYLOR: Okay. So we're negative --

6 MS. FRIDAY: 31,000.

7 MS. TAYLOR: -- 31,000 for six months?

8 MS. FRIDAY: Yes.

9 MS. TAYLOR: Okay.

10 MS. FRIDAY: I'm sorry. For six months?
11 Yeah.

12 MS. TAYLOR: Okay.

13 DR. MOELLER: Are there any other
14 questions?

15 MR. ZUNKER: Fritz, I -- Steven Zunker,
16 Region 12.

17 I do have a question because we are talking
18 about the Best at West Sale from December, and back in
19 our June 6th Board meeting on page 57 of the court
20 reporter transcripts it was stated that Allison was
21 instructed to send each Board member copies of reports
22 and recaps on all events including income and expenses.
23 We received one for the World Show, we received one for
24 the August 2008 Best at West, but we have not received
25 anything since then. So if these had maybe been sent

1 to the directors in December when the recap was done,
2 we might have caught that mistake.

3 DR. MOELLER: The recap on the December
4 West Sale was done today, finished today.

5 Is that correct? Didn't you and I work on
6 that today?

7 MS. FRIDAY: Yes.

8 DR. MOELLER: Okay.

9 MR. ZUNKER: So we are taking 45 days to do
10 a recap on an event?

11 MS. FRIDAY: Let me go ahead and speak to
12 that. I don't work in the office 40 hours a week
13 because I'm there to help get through this time until
14 some -- a full-time person is brought in. So I'm only
15 in that office maybe two days a week. So in my
16 learning curve and getting at least to this point where
17 I could get you financials tonight, getting things
18 straightened out from what was there to begin with,
19 yes, we have been very much behind on a lot of things.

20 I don't have on my desk a list of the
21 things I'm supposed to be providing to the Board. It
22 may be somewhere that Shaunda had it but I have not --
23 I don't have that. I'd be happy to do what I can to
24 get that information, but again, like I said, this is
25 not -- I'm not there 40 hours a week.

1 MR. ZUNKER: Because we were --

2 DR. MOELLER: And that was as requested by
3 the Board on one of our telephone conferences?

4 MR. ZUNKER: We were told that all we
5 needed was somebody two to three days a week during
6 that conference.

7 DR. MOELLER: A day and a half to two days
8 a week.

9 MS. FRIDAY: That was providing --

10 MR. ZUNKER: So we were misled, then. We
11 actually need somebody for more time than that?

12 DR. MOELLER: Once we get the routine down,
13 her learning curve is over with, that's what we
14 anticipate we'll only need. But we also said, to
15 remind you, that we felt it was important to get an
16 executive director in place and let him decide how he
17 was going to handle the financial department. Is that
18 not true?

19 MR. ZUNKER: We discussed that we would
20 discuss an executive director, but looking at these
21 financials, I don't think we can afford one right now.

22 DR. MOELLER: As I said earlier, I don't
23 think you can afford not to have one, but -- any other
24 questions?

25 DR. DAMERON: Well, on the balance sheet

1 here of December 31st, I'm looking at our money that is
2 in checking accounts, through all of these accounts
3 - one of them is overdrawn - we have \$4,000 and we have
4 \$60,000 in the Foundation, and we're spending, you
5 know, approximately a hundred thousand dollars a month
6 a lot of months; how are we going to go forward? We
7 don't have any big money coming in here any time soon.

8 MS. TAYLOR: And that's not a question for
9 you.

10 DR. DAMERON: We don't get money -- we get
11 \$200,000 in June on renewals and we get about, well, we
12 got 12,000 this month for registration and transfers,
13 usually we have about 25,000. It's not enough money to
14 have an ongoing operation unless you start selling
15 assets.

16 DR. MOELLER: So what is your question,
17 Dr. Dameron?

18 DR. DAMERON: Well, we need money. \$4,000,
19 that's what you say we have.

20 DR. MOELLER: So what are you proposing?

21 DR. DAMERON: Well, I propose we get it
22 where we are current in our money and don't lose money
23 all the time.

24 DR. MOELLER: And where would we get that?

25 DR. DAMERON: I don't know. That's the

1 problem.

2 MS. TAYLOR: I think in a family situation,
3 a lot of us are dealing with that right now. We are in
4 a recession. I've been taking cows to the sale,
5 they're selling for 34 cents a pound right now. At my
6 home we are evaluating our expenses. I think as a
7 Board that is something we need to sit and do. Whether
8 that means we cut staff, whether that means that we go
9 to a bi-monthly magazine instead of a monthly magazine,
10 we've got to do things where we are financially
11 solvent.

12 DR. MOELLER: Stacey, let me ask you. I
13 know you didn't -- you haven't stayed for all the Board
14 meetings, I think you missed one and you left early in
15 a --

16 MS. TAYLOR: I haven't missed any of the
17 Board meetings, Fritz. I jumped out of the conference
18 calls a bit early. So your question was?

19 DR. MOELLER: Question was, have we not
20 reduced staff in the last six weeks?

21 MS. TAYLOR: Yes, sir, we have, but in
22 looking at these financials, not enough.

23 MR. LADNIER: That won't show up, Stacey.
24 We paid these people -- we didn't want to lay them off
25 and let them go home Christmas without any money. We

1 paid them through December. It will not show up until
2 next month.

3 DR. DAMERON: Well, Maurice, we don't have
4 any money to pay. We've got \$4,000.

5 MR. LADNIER: We already paid them, Zech.

6 DR. DAMERON: No, the ongoing. After
7 January 31st we've got \$4,000.

8 MR. LADNIER: We've already paid the people
9 we laid off.

10 DR. DAMERON: What about January?
11 February? You don't get money until June.

12 DR. MOELLER: Well, I think that's -- I
13 think we all recognize that. Again, some of us don't
14 like to have a history lesson, but in the 45 years this
15 organization has existed we have never had excess funds
16 in our accounts. We've always, in my experience of
17 nine years on the Board, borrowed from Peter to pay
18 Paul. Sometimes there hasn't been Peter there to
19 borrow from to pay Paul. I can remember three years
20 when I was on the Board, maybe three years ago this
21 occurred, we had no money whatsoever.

22 DR. DAMERON: We don't have any money now.
23 That's the problem.

24 DR. MOELLER: And we didn't know where the
25 money was that we had. So I think we would be open and

1 I think your next Board would, I would encourage the
2 next Board to be open to suggestions, and if you had a
3 valid suggestion how we change 45 years of history, I
4 bet you that next Board would sure be glad to hear from
5 you.

6 I will recognize Dr. Aldrich from the
7 audience.

8 DR. ALDRICH: Thank you, Fritz.

9 I have a couple of suggestions, one being
10 our memberships all come due in June and so that's the
11 big influx of cash. I know that software can be set up
12 to run membership from the time that they start a year
13 ahead and I don't see why our software can't be changed
14 to reflect that so if we have somebody join in March,
15 they renew in March. And then that way that would give
16 us income on these memberships throughout the year,
17 which I think would help us tremendously.

18 Another thing is that right now it's my
19 understanding that we are offering a full year
20 complimentary membership to a lot of new people. I
21 don't see why our software can't -- again, can't be set
22 up to reflect something like a four-month complimentary
23 membership with a renewal when these people are excited
24 about getting in this business and excited about
25 getting cattle, rather than a year from now. Let's

1 give them four months, something like that, and then
2 let's send them a renewal notice.

3 I think these are two suggestions that
4 would help spread the income throughout the year and
5 also get more income in from our new members.

6 Thank you.

7 DR. MOELLER: Valid suggestions. And to
8 remind everybody, the basis, the real nut that we can
9 depend on of our income are transfers, registrations
10 and memberships. We have added events in order to
11 create income, like the Horn Showcase which does
12 produce a sizable income for us, our Select Heifer Sale
13 which we have this weekend which always produces a
14 significant income for us. Every other month we have a
15 sale at West which produces income for us. We have
16 income coming in from our parking lot. We have income
17 coming in on a monthly basis on our credit cards. So
18 we're not devoid of a monthly matter of income, but
19 those are still our basis.

20 Now, along those lines, I asked Melanie
21 yesterday, I said, "Melanie, have you seen" - thinking
22 of the economy - "have you seen in the last three
23 months a drop in the number of registrations and
24 transfers?"

25 She said, "They are coming in daily, the

1 stacks are there, the paperwork is overwhelming. No, I
2 have not seen a reduction in that." So that was good.

3 We had -- our slowest month for memberships
4 was December. I think we had 32 or 33 new members in
5 December. Every month we have new members. So we
6 still depend on that. That's -- it's not like we are
7 devoid of any income on a monthly basis. And as I
8 said, the every-other-month West Sale, we can depend on
9 a 10 to \$15,000 income in that respect.

10 Dr. Dameron.

11 DR. DAMERON: Fritz, you are talking the
12 rental of the parking is about \$1200 a month, we have
13 more or less 70 to a hundred thousand dollars worth of
14 expenses every month which will go from now until June
15 every month, several hundred thousand dollars, and
16 we've got no money to pay them. Now, how are we going
17 to do it?

18 DR. MOELLER: We have money in the
19 Foundation that we continually borrow.

20 DR. DAMERON: Don't take it out of the
21 money that I got for you last year. Don't take it out
22 of the Mosser Scholarship. I'll just tell you, don't
23 do it.

24 DR. MOELLER: We solidified that
25 scholarship money in our October membership meeting,

1 did we not?

2 DR. DAMERON: That's correct.

3 DR. MOELLER: So that is not. Now, I will
4 tell you this.

5 DR. DAMERON: It can be attached if we --
6 if you have to or somebody wants to, I guess.

7 DR. MOELLER: Well, let me tell you this.
8 Some of that scholarship money, and Mr. Parr would have
9 to tell us specifically which one that is, some of that
10 scholarship money is owed to the TLBAA general fund.
11 And the reason why, Shaunda was not aware that those
12 scholarship payments had to come out of that fund. She
13 took them out of our general fund. So our scholarship
14 fund owes us money.

15 DR. DAMERON: Well, we probably have a
16 hundred thousand dollars in the scholarship fund. You
17 say \$130,000 on these papers. So you -- but still
18 that's not enough money to run this thing for six
19 months. And you're getting 25,000 average a month for
20 transfers and registrations. You're spending three
21 times that.

22 DR. MOELLER: And our solution is?

23 DR. DAMERON: Cut your costs.

24 MR. ZUNKER: Dr. Moeller? I may have an
25 incomplete financial statement. I don't have a balance

1 sheet for the Association in mine. I do for the
2 Foundation but I don't for the Association. I have an
3 income statement but not a balance sheet.

4 DR. MOELLER: Can our finance people
5 address that?

6 MR. ZUNKER: So obviously Zech had it in
7 his packet, but I didn't have it in mine, if he was
8 able to quote those numbers.

9 DR. MOELLER: Okay. Are there any other
10 questions relative to the financials?

11 MR. ZUNKER: Do you have a balance sheet
12 for the Association? Balance sheet for the
13 Foundation --

14 MR. HYDER: Is the second page.

15 MR. ZUNKER: The Foundation.

16 MR. HYDER: Second page is the Foundation,
17 but I don't have one for the Association.

18 MS. FRIDAY: No, there's not one for the
19 Association.

20 MR. ZUNKER: How did you get one early?

21 DR. MOELLER: Was not -- was one not
22 prepared?

23 MR. KETY: I don't have that.

24 DR. MOELLER: I am looking at our treasury
25 department over here. Can one be prepared?

1 DR. DAMERON: Here's copies of it. Who
2 wants it?

3 MR. HYDER: What's the date on it? When
4 was it completed?

5 DR. DAMERON: December the 31st.

6 MR. ZUNKER: But it was faxed to him on
7 January 12th.

8 MR. TAYLOR: It was faxed to him on January
9 12th?

10 MR. KETY: That's the fax date.

11 DR. DAMERON: Do y'all want one?

12 MR. TAYLOR: We don't have one. Yeah, we
13 want one.

14 DR. MOELLER: Where did you get those,
15 Zech? Nobody else has one.

16 DR. DAMERON: I operate like the FBI, baby.

17 MR. ZUNKER: I think we all should get
18 these at the same time.

19 DR. MOELLER: We're all supposed to get
20 them at the same time.

21 MR. ZUNKER: Well, it was faxed from
22 817-625-1388 on January 12th. Whose fax number is
23 that?

24 MS. CANTRELL: That's the TLBAA fax number.

25 DR. MOELLER: I didn't get one.

1 MR. ZUNKER: I didn't either.

2 MR. KETY: Zech, do you want to tell us how
3 you got one?

4 DR. MOELLER: Well, again, I think you
5 notice that we -- we did have another little stumbling
6 block, and of course the object -- I'm a lame duck
7 chairman so I can't impose my will, but I did tell the
8 financial department today that we need to get back on
9 track, making sure that our Board of Directors gets
10 their financials on a regular basis prior to any
11 meeting, and even if we don't have a meeting, we were
12 on the 15th of the month scheduled. I'd like to see
13 that re-occur, but that's up to your next
14 administration.

15 Is there any other, any other business from
16 the treasury department, Mr. Treasurer, Ty Wehring?

17 MR. WEHRING: No. Other than what we've
18 got to talk about our personnel.

19 DR. MOELLER: Okay.

20 All right. Any other questions, additional
21 questions? I think if you have time to look at these
22 things you might have some other questions to ask at
23 the 1 o'clock meeting tomorrow.

24 Next on our agenda is the Trails report.

25 MR. ZUNKER: I'd like to back up to

1 financials, then.

2 DR. MOELLER: Okay.

3 MR. ZUNKER: I just want some clarification
4 because I think we've got to get a grip on things that
5 are going on, and I just want some clarification on --
6 it's my understanding when Mr. Adams was treasurer that
7 there was an attempt to get the lease from the Autobahn
8 Group cancelled on the 2006 Volvo that SuzAnn Spindor
9 incurred on behalf of the TLBAA. That could not be
10 cancelled and the automobile has been used by Trails.
11 It appears in the notes that I can find that that lease
12 will be up on Friday, July 3rd of 2009, and I'd like to
13 ensure that we do not incur any unexpected additional
14 costs. So I'd like to know that we've made sure that
15 we are within the mileage on the lease and that we are
16 not going to be going over that mileage, that we have
17 compiled and complied with all the required maintenance
18 of the lease, that we have copies of any required
19 records that we need to provide if any are to be
20 provided when that vehicle is turned in. I'd like to
21 be assured that the vehicle is in good condition and
22 the condition of the vehicle has been maintained so
23 that there will not be any additional charges to the
24 Association at the expiration of the lease, and I'd
25 like to know who is going to be responsible for

1 returning that vehicle on July 3rd, 2009, at the
2 appropriate location.

3 I just want to make sure everything is in
4 order, that we've got this down so we don't go past
5 that date and incur any additional costs.

6 MS. CANTRELL: We have 6,000 more miles on
7 the Volvo before it has to be turned in. It's parked.
8 It's not being driven.

9 DR. MOELLER: Maurice, would you like to
10 answer that question?

11 MR. LADNIER: Yeah, we've checked with
12 Brenda on this, we took care of that. There is no
13 problem with the Volvo.

14 MR. ZUNKER: Okay.

15 MR. LADNIER: It's in perfect condition.
16 We're not over the miles. Brenda's aware of all that.
17 That's took care of.

18 DR. MOELLER: And it will be terminated, it
19 will be terminated when that lease is up. We did try
20 and get out of the lease.

21 MR. ZUNKER: Right.

22 DR. MOELLER: Brenda, would you like to
23 give a Trails report, please?

24 MS. CANTRELL: After that, on the lighter
25 side. Well, it's nice to see all of y'all again this

1 evening. It's a quick report for me because I feel
2 like I just saw y'all a couple of months ago, so
3 there's just a little bit of an update and then I feel
4 like I'm going to be repeating myself over and over
5 again over the next couple of days, so try not to fall
6 asleep when you see me up here again.

7 Since our meeting in October we have had
8 another staff reduction. Rick Fritzszy has agreed to
9 work for straight commission and to forego his health
10 insurance. So he is no longer on salary or withdrawing
11 any health insurance from the TLBAA; that is effective
12 January the 1st. So they did pay him a salary and keep
13 his health insurance up through Christmas, which I was
14 appreciative. Thank y'all very much for allowing me to
15 do that.

16 I hope that y'all noticed with the December
17 issue, we did it much quicker than I thought we were
18 going to do. In October I talked to y'all about I was
19 looking into reducing the weight of the paper to see if
20 I could reduce our printing costs and our mailing
21 costs, and y'all agreed that that would be a good thing
22 for us to do, and so in December you received a
23 magazine that had an 80-pound cover and 60-pound guts.
24 I don't think anybody really noticed it, I didn't hear
25 any comments, and I was quite pleased with the

1 production of that magazine. The bill that I recall
2 most recently was the December -- the January bill from
3 Branch Smith which is around \$12,000 for my printing,
4 which is much less than it has ever been. It's usually
5 about 23 to 24,000 average. So that was a great
6 reduction of costs for us.

7 I don't have the postage percentages yet
8 because I haven't been able to get that report from the
9 post office. Branch Smith will send that to me at a
10 later time. But I feel very confident that because it
11 weighed less I should see a reduction in our postage
12 costs.

13 As y'all know there's a lot of slowdown in
14 the economy right now and ad sales is the same way, but
15 on top of that, in any -- in our publication field,
16 December and January are the slowest months for
17 advertising sales in this industry. Everybody is
18 saving their money for Christmas presents, they don't
19 know what's going to happen on the new year, and so
20 they're just holding back to see what everybody else is
21 going to do. I hope that y'all realized when you look
22 at the newsstands in December and January that the
23 magazines nationally are much smaller. If you got your
24 Cattleman, it was, like, 48 pages. So, very very
25 small. I don't want y'all to feel defeated, however,

1 because as of today our February Herd Sire issue is at
2 \$40,000 in advertising sales. So we have more than
3 doubled what we have been able to do over the past two
4 months for December and January. And that issue is
5 still open for anyone out there that would like to
6 purchase an ad for the Herd Sire issue, and we are also
7 going to be auctioning off that July cover at the
8 Awards Banquet tomorrow night. So come and bid high on
9 that cover.

10 I don't have anything else to report right
11 now, but if y'all have any questions I'd be more than
12 happy to answer them.

13 Yes?

14 MS. LESYK: Deb Lesyk, Region 1.

15 Is there any follow-up on the tractor
16 supply, on how things are going from that?

17 MS. CANTRELL: Actually I don't think --
18 they have not given me another report since the one
19 they gave me in August. I believe I should be getting
20 one at the end of this month because it will be another
21 three months that they will be able to look at, which
22 is September, October -- I mean October, November,
23 December. So I should be getting another report. And
24 I think that we are going to really have to seriously
25 discuss the newsstand and what is the cost to us for

1 the Trails to incur an additional \$3,000 a month, is
2 what the printing was before we had a reduction in the
3 pound of the paper. And we have not gotten any checks
4 for cover sales yet, which makes me feel that we are
5 not selling as many as I was hoping we would be able to
6 do.

7 And as I mentioned to y'all in October, we
8 need to look at that also as a membership-driven
9 marketing tool for us. Fritz had said that we didn't
10 get a lot of new members in December, but I have a
11 piece of paper that y'all are going to view tomorrow
12 which shows that we had -- I think I counted 122 new
13 members from our last meeting in October. So those
14 represent, you know, that's a lot of new members. And
15 I don't know if they're all coming from our sales or if
16 y'all are out there encouraging people to join, but I
17 think that the Trails -- that the -- that the newsstand
18 sales probably had something to do with that influx of
19 new members.

20 Yes, Steve?

21 MR. ZUNKER: Steven Zunker, Region 12.

22 First of all, congratulations and thank you
23 on reducing the printing costs.

24 (Applause.)

25 MS. CANTRELL: Thank you, Steven. I

1 appreciate that.

2 MR. ZUNKER: That is wonderful.

3 MS. CANTRELL: Thank you.

4 MR. ZUNKER: Fantastic. Fantastic job.

5 One of the things I would encourage in the
6 Trails is when we do have an event coming up like this
7 weekend, is that we do maybe a little more publicity or
8 just kind of a chart showing what's going to happen
9 what day so it's easier.

10 MS. CANTRELL: I'm so -- I dropped the ball
11 on that. I'm so sorry.

12 Since we met in October we produced three
13 magazines in a nine-week period because we wanted to
14 get the Horn Showcase magazine to y'all, and so I
15 really worked our staff to death and we were a little
16 bit brain-dead and dropped the ball on that. I do
17 apologize to the whole membership.

18 MR. ZUNKER: And one other thing is during
19 the October 16th meeting, on page 122 of the court
20 reporter transcripts you had stated that you would get
21 back with us on a recommendation in January - and that
22 may be something you are going to do tomorrow -
23 regarding the sale of the balance of the ten covers.

24 Brenda: Oh. Oh. Yes, yes, we'll be
25 talking about that at the 1 o'clock Board meeting.

1 Anybody else have a question for me?

2 DR. KROPP: Brenda - Bob Kropp - what was
3 the weight of the cover and the weight of the paper
4 before you switched?

5 MS. CANTRELL: The weight of the cover was
6 a hundred-pound and the guts was 70, and it fluctuated
7 between an 80 and a 70 depending upon the paper that
8 month. I mean, if I got a better deal on an 80-pound
9 and it looked really good, I'd get that 80-pound. If
10 the 70-pound looked just as good as an 80-pound but it
11 was a lot lesser -- or a lot less expensive, I'd go
12 with the 70.

13 Yes?

14 MR. TAYLOR: Donny Taylor.

15 We cut our costs \$11,000 just by reducing
16 the weight of our paper?

17 MS. CANTRELL: Pretty much. I think that's
18 what we're going to see. I'm real excited about seeing
19 the January financials from my standpoint because I'm
20 going to be less another staff person and I'm going to
21 be able to show the reduction in our paper costs. So,
22 and I think that that's going to -- you know, it's not
23 going to happen overnight, in two months or three
24 months, but in the long run we made a really good
25 fiscal decision.

1 MR. TAYLOR: Congratulations.

2 MS. CANTRELL: Thank you. Thank you so
3 much.

4 DR. MOELLER: Very good. Did you -- you
5 mentioned the fact it cost us less postage with less
6 weight?

7 MS. CANTRELL: Yes. I don't know what that
8 percentage is yet, though.

9 DR. MOELLER: Okay. Allison.
10 Allison is going to give us a report on the
11 events and sales.

12 MS. CHIPMAN: Thank you, Fritz.

13 I am going to start with our show business.
14 We get to do the fun department where we give our
15 members in this organization an opportunity to
16 participate in the breed through shows and sales. And
17 this has been a great year. We have had a lot of
18 really fun activities. Not only fun, very good for
19 this breed and progressive.

20 And I wanted to start by talking about
21 what's coming up next week, which is the Fort Worth
22 Stock Show. We do have an open show on Tuesday at
23 5:00 p.m. and the Linda Moore Classic is on Wednesday,
24 so while you are in town you should stop by. We
25 actually had an increase in entries this year so that's

1 a good thing, and we're really excited about this
2 year's show. So if you are going to stick around, you
3 need to stick around and participate in that.

4 I wanted to let you know the dates that
5 have become available for us for the World Show for
6 2009. Those dates are June the 17th through the 20th
7 here in Fort Worth. Right now we are looking at the --
8 we have the option between the John Justin and the Watt
9 Arena, and we are looking at what's going to pencil out
10 most economical and feasible to do that since this year
11 we are pushing to make sure that this is a funded
12 event, self-funded event. The 2008 World Show, we
13 worked really hard to bring down the cost since
14 historically that show has not paid for itself. We
15 worked very hard to make sure that we got a lot closer
16 to self-funding, and this year we are going to pound it
17 that the show needs to pay for itself by the
18 participants and we are going to do a lot of
19 fund-raising and campaigning within that group, within
20 the industry. So we are very excited about the
21 upcoming 2009 World Show. Mark your calendars the 17th
22 through the 20th here in June.

23 And if you would like to participate in any
24 of the planning or discussions that will surround that
25 event, tomorrow morning at 9:00 a.m. we will have our

1 World Show Committee Meeting here and we will discuss
2 the 2009 World Show and some show circuit business.

3 I also wanted to briefly mention the Horn
4 Showcase. I am not going to talk very long about the
5 Horn Showcase because Brent is here, and also I am
6 going to let Lana -- on your agenda she will also be
7 talking about World Show a little later on. But this
8 year's Horn Showcase was another really great event for
9 the TLBAA. We did have a little bit of competition in
10 the market this year but it turned out to be a really
11 good event. It was a tough time in the economy and the
12 economy continues to be tough, but we feel very pleased
13 with how that event turned out as well as the sale.

14 The 2009 Horn Showcase dates I am pleased
15 to announce are slated for the 14th through the 18th of
16 October here in Fort Worth, and that would put the sale
17 on the 17th.

18 I would also like to take a moment to put a
19 shameless plug in for Saturday's sale. I hope that
20 everybody is in attendance and that you all have
21 trailers or have made arrangements to transport your
22 new young ladies home. We do have 80 heifers at this
23 Premier Heifer Sale. Starts at 4 o'clock on Saturday.
24 We are very, very, very pleased to have drawn such a
25 wide array of females and there's something for

1 everybody to take home. So whatever your goals are
2 within your herd, I think that you will find someone
3 that will compliment your herd quite well. And thank
4 you to Brent Bolen for all of his work and efforts on
5 helping us put together another really good Heifer
6 Sale.

7 The West Sales continue to be well attended
8 and strong. The December West Sale we actually sold
9 185 head of registered cattle. We ran 198 head through
10 and sold 185 head. We had over 270 commercial animals
11 that went through that sale, and I apologize that that
12 recap did not get to you sooner but you will get a
13 recap on -- oh, did I unplug it? Sorry. You will get
14 a recap on the December West Sale as well.

15 DR. MOELLER: What did you do?

16 MS. CHIPMAN: I guess it was done with me
17 talking.

18 Okay. The December West Sale, I will
19 mention our average was about \$440 on the registered
20 head. We did have several really high dollar animals
21 go through the West Sale, so we were really excited to
22 see the divergence in prices. So there was some really
23 great animals and we are very happy to continue that
24 service for our members there in west Texas.

25 The Horn Showcase sale, as I previously

1 mentioned, will be October 17th, 2009, here in Fort
2 Worth. So we will start soliciting quality, high
3 quality Texas Longhorn cattle for that sale. So get
4 ready, start looking at who you would like to add and
5 who you would like to take home once that cattle all
6 comes out.

7 I just wanted to take an opportunity to
8 mention to you, I was looking at the calendar today,
9 and from this weekend forward until the end of June
10 there are 16 sale opportunities from coast to coast
11 within the Texas Longhorn breed. So there's a lot of
12 opportunities out there right now to sell your animals
13 and a lot of those opportunities are sponsored by our
14 TLBAA members, if not the TLBAA. So take advantage of
15 those opportunities to add to your herd and to support
16 this unique and historic breed. It's really exciting
17 to see that you've got those opportunities ahead of you
18 this year.

19 Does anybody have any questions for me?

20 No?

21 Yes, sir. Donny Taylor.

22 MR. TAYLOR: Donny Taylor.

23 You are talking about it being a
24 self-funded event for the World Show. Do you -- the
25 money that we pay from the affiliate show, we pay you

1 \$5.00 a head per. Do you take that money into
2 consideration under -- where does it fall?

3 MS. CHIPMAN: The \$5.00 a head World
4 qualifying fee that Donny is talking about is when you
5 enter any show, affiliate sponsored show that is a
6 TLBAA World qualifying show - that means you are
7 showing animals to obtain qualifying letters so that
8 you can bring them to Fort Worth and show them against
9 the best Longhorns in the show industry for the breed
10 that year - that \$5.00 fee is taken out of your entry
11 fee to help cover the maintenance, the publishing of
12 all of the results, the housekeeping basically on
13 points and information.

14 MR. TAYLOR: What balance sheet is that
15 carried on?

16 MS. CHIPMAN: I believe it would be carried
17 on the Association balance sheet. It should be.

18 MR. TAYLOR: So none of that money goes
19 directly towards the World Show?

20 MS. CHIPMAN: I think it's accounted for
21 separately.

22 DR. MOELLER: It goes in the general fund
23 because we pay an individual to keep track of the
24 points and whatnot, so it's just in the general fund
25 and that's part of the salaries of people that keep

1 track of that.

2 Steve?

3 MR. ZUNKER: Can you explain on the \$5.00
4 fee which animals get charged the \$5.00 fee?

5 MS. CHIPMAN: Yes. Any animal that is
6 shown to qualify. So that would be haltered animals,
7 non-haltered animals -- non-haltered females, because
8 we do not have a non-haltered bull show at the World
9 Show, so haltered bulls, and females. Trophy steers do
10 not get levied a \$5.00 qualifying fee because they do
11 not have to qualify. And then in the TLBT shows, those
12 animals are qualifying for the World Show as well, so
13 those TLBT entries are also assessed the \$5.00
14 qualifying fee.

15 MR. ZUNKER: And staff is aware that if it
16 is a steer in the Youth Show they're supposed to be
17 charging the \$5.00 fee?

18 MS. CHIPMAN: They're supposed to be, yes,
19 sir. Did you get by with not having anybody charged?

20 MR. ZUNKER: Well, our treasurer is so
21 honest that he keeps calling back saying, "You are not
22 coming up with the right number." We figured out what
23 they were doing is they were not charging for the
24 steers in the Youth Show. So if they are doing that to
25 us, are they doing it to all the other affiliates?

1 MS. CHIPMAN: I don't think that they are.
2 One thing that we put out at the -- I believe we sent
3 it out last April. I think it was April. It may have
4 been August, I'm having a hard time remembering. But
5 we sent out to our affiliate presidents and show chairs
6 that we were certain were show chairs, we were sending
7 them -- basically it's a sheet, a summary sheet so that
8 you can tally your own. And we do try to check that.

9 Now, I am not aware that they were not
10 levied that fee. They should have been. So that's
11 something we will have to pay close attention to in the
12 office if that hasn't been done.

13 MR. ZUNKER: On our last show it was not,
14 and our treasurer caught it and called back and said,
15 "You're not billing me enough."

16 MS. CHIPMAN: I'm so glad that you guys
17 paid because a lot of times we have to chase down our
18 show chairs and affiliates to pay those fees. So it's
19 really nice that you guys are willing to actually pay
20 it.

21 MR. ZUNKER: One more thing back on that.
22 With our affiliate I kind of got hammered because --
23 and we understand why, but we had requested the TLBT
24 list to do a mailing, and we know that you can't give
25 it out for privacy reasons since most of the youth are

1 under the age of 18, but we were told if we sent you
2 the material that you would do the mailing for us and
3 bill us.

4 MS. CHIPMAN: Mm-hmm.

5 MR. ZUNKER: And Daniel Harabis took you
6 some stuff at the Butler Sale, and we have three Board
7 members who have youth in the TLBT and they said their
8 youth never got the mailing.

9 MS. CHIPMAN: Well, we did mail that out.
10 We actually I think mailed that out -- we have at least
11 better than a two-week turnaround on that mailing. I
12 don't know why they didn't get it, but I would think
13 that most of our youth would have gotten it. I
14 don't -- I don't have an answer for why those
15 individuals didn't, but we did mail that out of our
16 office. I mean, I don't -- I don't really -- you can
17 go in my office and see if there's a box sitting there
18 and I don't think you'll find one, because they were
19 pre-stuffed envelopes that Daniel had taken the time to
20 do, and we slapped the labels on them and mailed them
21 out. So they should have received those.

22 MR. ZUNKER: Okay. And when you do that,
23 who generates the bill to the affiliate to pay for the
24 mail?

25 MS. CHIPMAN: We work through accounting to

1 do that, and we have had some changes within the
2 offices and if a bill has not been sent out, you will
3 receive one shortly.

4 MR. ZUNKER: Thanks.

5 DR. MOELLER: Stacey.

6 MS. TAYLOR: I do have a question because I
7 don't understand exactly like how much money is
8 generated from these \$5.00 fees that are assessed.

9 Steven, on y'all's affiliate, when you guys
10 had your show, what is an approximate amount that you
11 guys had off those fees?

12 MR. ZUNKER: Our Wharton Show I believe
13 had -- Patsy, help me, or Glen.

14 MR. WEST: 289.

15 MR. ZUNKER: 289, but some of those were
16 trophy steers, so we sent a check for --

17 MR. WEST: Eighteen were trophy steers.

18 MR. ZUNKER: Eighteen were trophy steers,
19 so we sent a check for probably \$1,040 or something.

20 MS. TAYLOR: Because my thought is if we
21 are expecting the World Show to be self-supporting,
22 kind of what Donny I think was talking about, is we
23 really need to have a special thing that goes like in
24 the Special Events budget where that money is I guess
25 shown just for that, because otherwise it's going into

1 a general fund that is negative anyway.

2 MR. ZUNKER: But the fee was originated --
3 I believe if Dr. Hightower is here he can tell us about
4 that fee. It was originated to cover the accounting,
5 to cover your staff doing the work of keeping the
6 points.

7 MS. TAYLOR: For the World points or
8 whatever?

9 MR. ZUNKER: For the World Show, because
10 they pay an entry fee to get into the World Show, but
11 they keep the points for the youth and also which
12 animals are qualified, because if you qualify at -- say
13 our December show the first two animals qualify. Well,
14 if those animals show at another show and they are
15 already qualified, then they will go to the second and
16 third animal or the third and fourth animal, depending,
17 so that we can get more animals qualified for World
18 Show.

19 MS. TAYLOR: Okay. Well, then, I just was
20 trying to think of a way to keep those funds
21 specifically to help out the World Show because, I
22 mean, that's a pretty big responsibility. I mean,
23 that's a lot, it costs a lot of money to operate that
24 show and if you've got, you know, money coming in it
25 might be helpful --

1 MR. ZUNKER: But you've also got the staff
2 person who is there --

3 MS. TAYLOR: -- for the points.

4 MR. ZUNKER: -- when those results come in,
5 calculating it, and I'm sure keeping up with the youth
6 points can get a little confusing.

7 MS. CHIPMAN: Yes.

8 MS. TAYLOR: Okay.

9 MS. CHIPMAN: Leslie Gandy is the one in
10 our office that keeps a running tabulation on Hall of
11 Fame, both in the animal Hall of Fame and in the Youth
12 Hall of Fame, so she maintains those numbers for us
13 in-house.

14 Dr. Hightower?

15 DR. HIGHTOWER: That was my baby years ago
16 suggested this \$5.00 fee for the purpose of -- not of
17 funding the World Show. Those of you that have been to
18 the staff office and seen the work that they do for the
19 World -- for the qualifying shows all over the United
20 States, all this material comes in, it takes staff to
21 get that work done. Time. And time is money, and
22 we're paying these people. I know our show we sent in
23 what, Lana, a thousand, \$1100?

24 MS. HIGHTOWER: 1200, 1400.

25 DR. HIGHTOWER: Per show. Well, there's

1 what, 30, 32 affiliates maybe. We're looking maybe at
2 funding one staff member is all we're doing, maybe
3 more, but we in the show circuit need to step up and
4 get more sponsors, get out and seek more sponsors to
5 fund this World Show. This is a service that TLBAA
6 does to the members -- does for the members, and I know
7 how hard we worked in our affiliate and I know how hard
8 the staff works. We're -- we show people are going to
9 have to step up -- and our affiliate, we go out and
10 solicit banks, feed stores, anybody that we can hit up
11 for a hundred dollars or \$200 or \$500 to support our
12 shows so that we can promote the breed, help the TLBAA,
13 and we're going to have to do it -- with the economy
14 the way it is now, we're going to have to do more of
15 that.

16 MS. CHIPMAN: We've already started tapping
17 some of our people, corporate type sponsors that we had
18 approached last year and we have gotten some positive
19 response back from that, so we are encouraged by that.
20 Our TLBT president's mother, Patty Vizza, along with
21 Carole Phillips and some of the other officer and
22 director parents have access to some money that they
23 are going to be utilizing for youth awards and prizes.
24 So that's really going to help our budget this year.

25 But that, with that being said, it's still

1 a very expensive event to put on. Even when you cut
2 costs tremendously you still have a very large expense.
3 So we will spend a long time tomorrow morning in our
4 World Show Committee Meeting talking about how we are
5 going to raise the money to make this show happen and
6 make it a great success that the TLBT -- excuse me, the
7 TLBAA and TLBT show participants have enjoyed for so
8 many years.

9 So I really do appreciate all of the
10 volunteers that help with all of our Special Events and
11 our Board members that are so supportive of those
12 events and give of your time and your talents and also
13 of your gifts to make those possible. So I just wanted
14 to take that -- take that right now and tell you thank
15 you very much. The staff greatly appreciates
16 everything that you do to support these events and
17 sales.

18 Okay, before I exit, I would like to ask
19 Paul Braswell to come take the microphone for just a
20 few minutes. He has some ideas along the lines of
21 sales and marketing that may help this industry and
22 this breed greatly, so he's been working with some
23 others within the breed to develop some really
24 interesting ideas that may be beneficial.

25 DR. MOELLER: While we are waiting for Paul

1 to make his way up here, let's remind the Board that,
2 going back to our sales, the Horn Showcase, we measured
3 as many animals this year as we did last year in spite
4 of the fact that we did not require all of the sale
5 animals to be measured. So basically we measured more
6 than we did last year.

7 The Heifer Sale we've got Saturday, another
8 little -- you're going to hear me all weekend promote
9 that. We had over a hundred heifers submitted, and our
10 committee sifted through that to get to those 80. And
11 if you look at your sale catalog, a pretty nice group
12 of cattle. So please attend our sale on Saturday. We
13 will look forward to seeing you there.

14 Paul?

15 MR. BRASWELL: Thank you, Fritz.

16 I am here tonight as a member of the TLBAA.
17 In the last year or so I have had the privilege of
18 starting to work with some folks in an organization
19 called the Texas Longhorn Co-Op, and the Longhorn Co-op
20 is basically just a group of people who raise
21 Longhorns; it doesn't matter what association they are
22 affiliated with. But during the last year while I've
23 been working with these folks, we have come up with
24 some knowledge and some experience in promoting our
25 beef.

1 The co-op is making some good strides in
2 getting some of our beef marketed where it will make us
3 some money. The most recent numbers we're looking at
4 are somewhere around \$6.00 a pound for hamburger, and
5 even with a 40 percent yield that's not a bad chunk of
6 change at \$6.00 a pound. And there's expenses in that,
7 so -- but it sure beats \$125 down at the Roper Sale.

8 However, one of the things we've found is
9 that we're not able to get hold of everybody. We've
10 got a lot of little breeders out here who have got --
11 oh, they've got 20 acres and five head, so they don't
12 have enough grass to feed their cows as it is and they
13 are not getting rid of any one of them because all of
14 them are named, and we all know what that means. So
15 they've got two or three good candidates every year for
16 our grass-fed beef program potentially, but there's not
17 a way for me as a grass-fed beef producer to buy that
18 calf currently within our Association and to present
19 that calf as, A, compliant with COOL, which is the
20 Certificate of Origin documentation.

21 Dr. Kropp, you correct me if I say
22 something wrong, please, sir.

23 DR. KROPP: Country of Origin.

24 MR. BRASWELL: Country of Origin. Thank
25 you.

1 We don't have a way to get that to us. We
2 want Longhorn beef. That's what we're selling,
3 Longhorn beef. So we need to be able to certify it's a
4 Longhorn, and the best way to do that is to know who
5 mama and daddy's numbers are. So we need a cow and a
6 bull's number on this.

7 And then there's a couple of other things
8 they can stipulate to us. One is they have never been
9 in a feedlot situation, never have been confined. And
10 then the optional thing on that is that it has never
11 had any grain, it's been grass fed. So what we would
12 like to see the TLB provide us, the TLBAA provide us
13 with is that calves up to an age of 90 days could be
14 registered, kind of a pre-registration deal, and that
15 registration certificate would just give you a number
16 for that calf, the day it was born, who bred it, the
17 parentage on it. It would be a 4 or \$5.00 certificate
18 that the TLBAA office can provide back to the breeders.

19 Now, as part of that deal, now that person
20 can bring that animal to us, and we've got all those
21 requirements I listed out on that piece of paper, where
22 we can buy those cattle from some of our smaller
23 breeders and put them into these programs.

24 Now, I'm not trying to get the cart before
25 the horse. I'm just trying to see if we can't expand

1 the opportunity for some of these people out here like
2 myself to buy some cattle, and expand the opportunity
3 for the rest of our breeders to be able to sell some of
4 their cattle into another program and hopefully get a
5 little better market price on them. To the breeder's
6 benefit also, if they register it with this
7 pre-registration by the time their calves are 90 days
8 old, then up until the time that animal is 2 years old
9 they would be able to register it with the full
10 registration that's transferrable, regular certificate,
11 for just \$12. Okay?

12 So if they go out here and they've got a
13 calf and they take them out there and they take six
14 little bull calves and turn them into steers and throw
15 them in the pasture and get these pre-registration
16 certificates to help them get through this other
17 program a little easier, they get those calves up to 18
18 inches and they've got a steer out there that's got 48
19 inches of horn and just growing and looking fabulous,
20 they can register him, 12 bucks, and we're all done.
21 They get a little heifer like that, they can do the
22 same thing. So it gives them another year and a half
23 to -- almost two years, at \$12. So total income to
24 TLBAA would be 16. So I'd like to see if we can do
25 that.

1 That's the first part of this. Do you want
2 these one at a time to see if somebody wants to do
3 something or not?

4 DR. MOELLER: Go on.

5 MR. BRASWELL: All right. You want me to
6 keep going to the second part? All right.

7 Second part of this deal is that we are
8 currently giving our cattle away pretty hard at these
9 sales, especially in the commercial market sales, and
10 part of getting the certificate program running -- I'm
11 not really ignoring this side of the room. It's just
12 my head's on this side of the microphone. I'll move
13 this way. Part of this deal is we want to set up a way
14 to where we can transfer papers with these commercial
15 cattle, these commercial calves at our Roper Sale, at
16 our affiliate sales, including the West Sale, to where
17 when you drive up in the back you can give them this
18 little certificate that you got for \$4.00 from the
19 TLBAA, fill it out and sign it, and the staff there at
20 the sale would go ahead and pass that on to the
21 purchaser. Calves would be tagged so that the buyers
22 could tell that they've got them and what the
23 certificates are going to be, and then they're going to
24 have a little fee in the back end of that on the seller
25 to accommodate that.

1 MS. TAYLOR: How much work does that create
2 for the staff at the sale?

3 MR. BRASWELL: Allison?

4 MS. CHIPMAN: It would create additional
5 work because it depends how you would tag it or
6 identify those animals, but basically you would have to
7 run all the animals that we would be lumping into this
8 category of the sale, they would have to be tagged
9 probably with an ear tag or special hip tag. And
10 there's costs of course with that.

11 MS. TAYLOR: Right.

12 MS. CHIPMAN: So there would be additional
13 fees that we would have to levy, but just in early
14 conversations with Paul I think that the actual
15 material for doing that -- you're looking at something
16 that's not reproducible, obviously. If you are running
17 about \$2.00 probably per tag --

18 MS. TAYLOR: I'm thinking more like staff
19 time, like is this something that's actually doable or
20 is this a lot of stuff?

21 MS. CHIPMAN: It's doable at -- it depends
22 how big the actual -- the answer is it's doable. Yes,
23 there will be additional people, manpower required to
24 do it, but I think that the hope that Mr. Braswell is
25 laying out is that it will pay for itself in the end.

1 But yes, there will be additional time and manpower and
2 money to make that happen.

3 That was a long way to answer a very short
4 question.

5 MR. BRASWELL: Any other -- any questions?

6 DR. MOELLER: There was somebody raised
7 their hand back here. Yes, sir?

8 MR. URBANTKE: Yes. I am Dennis Urbantke
9 from San Angelo, Texas.

10 I have one question about your situation of
11 raising a calf, that if -- even if you had a calf you
12 put on this program, most of the people when you start
13 getting west of the hundredth meridian in Texas are
14 going to have to feed their cattle, and if you've got a
15 round bale sitting out there and you've got a calf that
16 you want to certify as grain fed -- not being grain
17 fed, how are you going to feed that calf?

18 MR. BRASWELL: I feed mine hay and alfalfa.

19 MR. URBANTKE: I read the book on that and
20 you can't feed them anything that has a grain in it.
21 I've read all of those, that information concerning
22 that.

23 MR. BRASWELL: This, you're getting into
24 USDA questions, and the USDA, you can have hay. You
25 can't have grain-bearing hay. You can't go -- you

1 know, that's into a USDA question.

2 MR. URBANTKE: You raise Haygrazer, it's
3 going to have grain in it.

4 MR. BRASWELL: Well, that's why I use
5 Coastal. That's --

6 MR. URBANTKE: We don't have enough rain to
7 put Coastal in the ground.

8 MR. BRASWELL: I understand it may not fit
9 everybody's program.

10 MR. URBANTKE: That's right.

11 MR. BRASWELL: But grass fed, not have any
12 grain and free roaming is what we're trying to
13 facilitate the sale and purchase here of; just a
14 service for the membership to where they can have
15 another opportunity to be able to buy and sell cattle
16 in just a little bit different venue.

17 Yes, sir?

18 MR. KETY: But you did say that once the
19 program gets off the ground and rolling along well,
20 that they were going to incorporate partially fed
21 cattle? I mean, there were different classifications
22 of --

23 MR. BRASWELL: Yes, there's -- there are
24 currently -- I'm sorry. Thank you.

25 The co-op currently has three labels that

1 have been approved by the USDA. Okay? The first one
2 is grass fed. No grain, period. The second was what
3 most people raise, which is you feed them a few cubes,
4 you feed them a little bit of grain. They're free
5 roaming and out in the pasture, they've got hay,
6 they've got grass and you're giving them some grain.
7 And then there is a third label for flat fat,
8 literally, grain pushed cattle. So all three of those
9 opportunities are there.

10 This is -- we're not looking for a blanket
11 certificate. What we are looking at is a piece of
12 paper that can have two or three statements on it you
13 can check "yep this calf is" or "nope this calf isn't"
14 and sign the appropriate places, so that those cattle
15 can be transferred between our membership in a way that
16 we can do more commerce.

17 Tell me if I'm taking too much time.

18 DR. MOELLER: If I can interrupt now?

19 MR. BRASWELL: Okay.

20 DR. MOELLER: Unless there's a motion ready
21 to be made from the floor that we could act on this
22 tonight, I've suggested to Paul that we - we each have
23 this in front of us; is that correct? - that the Board
24 consider this and hopefully our next chairman of the
25 Board will see that that is put on the agenda to their

1 next Board meeting for action. We don't need to keep
2 tabling this and tabling this and tabling this, but
3 give us a chance to talk about it and think about it.
4 It is going to require a little office help, a little
5 effort in the office, and it is going to require a new
6 category of paper from the TLBAA.

7 Glen, if you -- if your comment is brief
8 I'll let you make it.

9 MR. WEST: Well, I was going to ask if we
10 had a status on the current progress of the Longhorn
11 Cooperative, or is that to be addressed at a later
12 date?

13 MR. BRASWELL: I'm here. You can talk to
14 me. I mean, if you want me to give you one, Fritz, I
15 can give you about a three-minute rundown. Can I buy
16 three minutes of your time?

17 DR. MOELLER: Go ahead.

18 MR. BRASWELL: Thank you.

19 We have gotten some fabulous marketing
20 material. If you go to the co-op website you can look
21 that over. Mike has done a great job. Mike Crawford;
22 is that right?

23 AUDIENCE MEMBER: Yes.

24 MR. BRASWELL: Has done some really
25 yeoman's work on getting us some good advertising.

1 We've had I believe two meetings with a -- with a
2 grocery store this month regarding our product. We've
3 got our packaging equipment running and we currently
4 have our slaughter requirements through August
5 scheduled. So we're deferring those right now, but we
6 do have enough animals in the program right now to go
7 through August on this, with this grocery store on the
8 grass fed program.

9 AUDIENCE MEMBER: So the product is going
10 on the shelf?

11 MR. BRASWELL: Not just yet, but we're
12 awful darn close.

13 DR. MOELLER: Mrs. Braswell.

14 MRS. BRASWELL: Mari-Kathryn Braswell. I
15 hate to point out something he left out.

16 DR. MOELLER: Speak up.

17 MRS. BRASWELL: This pre-registration is
18 going to increase fees to the TLBAA if people will
19 register their roper at \$4.00 apiece instead of taking
20 them to the scales for nothing. So it will increase
21 fees.

22 DR. MOELLER: Okay. Thank you. The Board
23 will consider that.

24 Bob Kropp?

25 DR. KROPP: Bob Kropp.

1 You know, we have tackled a lot of
2 different things in this association over our tenure,
3 but the one thing that we really haven't been able to
4 tackle is the meat issue, the lean meat issue. I know
5 a lot of breeders have kind of done their own thing,
6 and really what it runs into is a supply issue. If you
7 don't have a constant supply of product, and the same
8 is going to happen with this, we may be able to get in
9 Central Market but if we don't have a constant supply
10 of product and if that shelf goes empty, then you've
11 lost a customer, and so we really have struggled with
12 trying to get our product out in the meat circles.

13 I personally feel like that this is an
14 outstanding avenue, but at the same time there are some
15 issues with that. And if we're going to have to
16 harvest these animals less than 30 months of age -- is
17 that right, Paul?

18 MR. BRASWELL: If we are looking for sliced
19 meat on a grass-fed animal, you are looking at 18 to 22
20 months of age.

21 DR. KROPP: Well, but less than 30.

22 MR. BRASWELL: Less than 30, yes.

23 DR. KROPP: That's that USDA term. It's
24 A-bone cattle.

25 MR. BRASWELL: It's what?

1 DR. KROPP: It's an A-bone cattle. In
2 other words, it's young cattle.

3 MR. BRASWELL: If it's a A-bone cattle with
4 a few T-bones located in it. That's good for slicing.

5 DR. KROPP: Okay, but -- and we all raise
6 Longhorns, you know. We know it's going to be hard to
7 get a marketable size animal at -- you know, if I'm
8 going to harvest that animal less than 30 months of
9 age. I mean on grass. I'm talking on grass. And so
10 that in itself is going to be difficult. I think that
11 if we could figure out a way that we could do some
12 grain feeding but not get them feedlot fat and get our
13 product into Central Market, whatever -- you know, I
14 just bought some ground beef for my son. He ran out of
15 ground beef and so I bought some the other day and it
16 was \$4.00 a pound at 93 percent lean. Well, we could
17 do that ourselves, you know, 93 percent lean, and
18 rather than the common is 27 percent fat, 73 percent
19 lean.

20 And so I think we've got a lot of
21 opportunity as breeders. I think it's great that we
22 would bring it up, but the one thing that I think that
23 we could have 100 percent of our membership, is being
24 involved in something like this with our bull calves.
25 100 percent of our membership can benefit from this if

1 we all get behind it and do something with it. We're
2 going to have to kind of loosen up some of the
3 reservations on this grass fed. I think we have
4 trouble meeting our demand with that, but that --
5 that's personal.

6 The \$4.00 certificate, basically what that
7 would be is really -- and again, this is USDA
8 terminology. It gives us age and source verification.
9 And this is crucial as you go to retail in that you
10 have to have something that will verify that, and just
11 us kind of rolling up there beside the pickup saying,
12 "Oh, that calf was born in March, I think," won't fly.
13 Okay? That won't fly. You have to have age and source
14 verification on some of these cattle and that's what
15 that certificate will do. I think we ought to really
16 give it serious thought.

17 Yes?

18 MR. SPOONER: I have something, I don't
19 know if I'm a new member to know this or not.

20 DR. MOELLER: Please speak up and identify
21 yourself.

22 MR. SPOONER: Rich Spooner from Washington
23 state.

24 There's several states in the northwest
25 that have prohibited Longhorn cattle going to sales now

1 because they can't go in the feedlots, so that's
2 something we need to think about and might be a heck of
3 an advantage for us, and I think other states are going
4 to follow through, too, to refuse our cattle for
5 commercial sales.

6 DR. MOELLER: Dr. Dameron.

7 DR. DAMERON: There's one other thing.
8 Darol Dickinson told me two days ago that he grinds
9 these things and makes money, but he gets a 37 percent
10 yield with grinding. So that's what you'd have to
11 sell.

12 DR. MOELLER: Steve?

13 MR. ZUNKER: Just a quick question and I
14 don't know who to direct this to, but what would we
15 have to do with the registry? Would there be anything
16 particular to market -- to mark the certificate? When
17 we do one of these certificates, somehow it's got to go
18 into the registry that this animal has been registered.

19 MR. BRASWELL: Steve. If I may?

20 DR. MOELLER: Paul.

21 MR. BRASWELL: The discussion -- and if you
22 can't hear me I'll come back up.

23 The discussion we have had within the
24 office is this is a piece of paper that has an assigned
25 number, has the sire, has the dam, has the birth date,

1 and that's pretty much it.

2 Now hold on. They don't need to go in the
3 registry.

4 MR. ZUNKER: Yes, they do.

5 MR. BRASWELL: No. It gives you -- the
6 piece of paper is a pre-registration piece of paper
7 that gives you the right to enter that animal into the
8 registry for \$12.

9 MR. ZUNKER: But, Paul, I could put a
10 different breed of bull on a Longhorn cow and I can get
11 you a calf that looks like a Longhorn cow.

12 MR. BRASWELL: I guarantee you when you
13 bring that down there and we strip it down, you're
14 going to see all that fat in the carcass and you'll get
15 the carcass back.

16 MR. ZUNKER: But I can go in there and I
17 can say the dam is this and the sire is this, and if
18 you don't log it into the system, then I can register
19 another calf with that dam and that sire. I can't keep
20 people from cheating.

21 MR. BRASWELL: Well, our position with this
22 Board is we are to keep this registry correct and we're
23 to keep this breed pure, and if we're going to get into
24 this business we have to ensure that we are going to do
25 that. So if we're going to do it, we've got to make

1 sure our system can handle it and flag it, and then
2 when you come back to register that animal it's already
3 recorded in there and you pop up the other certificate.

4 DR. MOELLER: Okay. Well, thank everybody
5 for their comments. And as I suggested before, you all
6 have this proposal in front of you, please think about
7 it and perhaps the new sitting Board can act or not act
8 as they wish.

9 Allison has one other quick comment here
10 and then we will proceed with our agenda.

11 MS. CHIPMAN: I just wanted to say thank
12 you to Dennis Urbantke, who -- if you want to stand up,
13 Dennis. He is the president of one of our newest, if
14 not the newest affiliate, the West Texas Longhorn
15 Breeders. He has worked diligently to get that
16 organization together. Not only are they a new
17 affiliate, but they are sponsoring their first
18 affiliate show this year at the San Angelo Stock Show.

19 So, thank you so much, Dennis.

20 (Applause.)

21 DR. MOELLER: And Dr. Richey for -- or Bob
22 Richey for guiding him through that.

23 MR. RICHEY: Give Dennis all the credit.

24 DR. MOELLER: Brenda has a report now on
25 the Awards Committee.

1 MS. CANTRELL: At our October meeting
2 Dr. Moeller formed an Awards Committee made up of
3 myself as chair, Deb Lesyk, Gail Kocian, Carolyn Hunter
4 and Colonel Fraser West, and I'd like to take this
5 opportunity to thank Deb Lesyk for bringing the need
6 for awards criteria to the table last year and not
7 letting go until we sat down and we made it work. I
8 want to tell you that it was a sheer joy to work with
9 this group. I think we could solve all the world
10 problems with this group, just let us have some time.

11 Our schedule -- I just want to tell you how
12 we went about this process so that whoever is on the
13 committee next year can improve upon it or take our
14 advice. Our schedule was as follows:

15 First we had a phone conference and we all
16 discussed each individual award and how we thought the
17 criteria should be worded, and with myself and Carolyn
18 Hunter on the committee the wording was pretty
19 important and Deb kept us in line most of the time.
20 But we did get that done quickly. I think we only had
21 one meeting on that. I wrote it up and I e-mailed it
22 out and there were just a couple of minor corrections,
23 and then after that it was published in the December
24 issue in which we asked for our members to submit
25 written nominations to me in the office by December the

1 26th.

2 We had 12 people submit nominations. We
3 were disappointed until we started thinking about it,
4 we'd never had the membership submit nominations
5 before, so I think that's pretty good for the first
6 time. Hopefully, y'all are hearing about it, we'll
7 have 24 next year, and maybe it will continue to double
8 until everybody starts thinking about participating.

9 After we received those nominations by
10 December the 26th, I took every nomination, copied it
11 down, did not put the person's name of who nominated
12 those individuals for each award, and I e-mailed all of
13 those to the committee along with the spreadsheet that
14 listed every single nominee with the award that they
15 were nominated for and how many nominations each one of
16 those received, because some received more than one.
17 They were able to review that for about a week and a
18 half.

19 We had another phone conference in which
20 everyone discussed who they thought the top two
21 nominees should be. There were some nominations that
22 had seven in a category and some that had six and five,
23 and we just wanted to narrow it down to a small amount
24 to send to the Board so it wasn't going to be too
25 complicated and hopefully y'all would participate. So

1 we finished the nomination discussion and were in
2 pretty much agreement on almost all of them. There
3 were no heated discussions. And then, as you know at
4 the Board, I sent y'all a memo and asked y'all to
5 return your ballots to me Friday noon last week.

6 Now, one of the things that was a problem
7 is that we had such a short time frame to get this
8 done, so my suggestion to the next committee is that we
9 need to start this process in September and get it into
10 the October issue and then -- so that you're not so
11 squished in getting it done so quickly or time
12 constraint.

13 Based upon sending that to the Board -- we
14 only had 14 Board members participate in voting. So
15 that's about half, and -- or more than half, but I was
16 hoping for a hundred percent participation and I hope
17 that next year we'll have that.

18 You're going to see something different
19 tomorrow night that you have not seen at an Awards
20 Banquet. We are going to have a lot of participation
21 from our members. We are going to have every person
22 that nominated the winner of the award get up and say a
23 few words about why they nominated that person and why
24 they should be receiving the award. So it's going to
25 give everybody an opportunity to really discuss why

1 they think that person should win, which we have never
2 had before. And we're also going to announce every
3 single nominee for every single award. So if you were
4 nominated this year and you didn't win, well, maybe you
5 can do something different, get nominated again next
6 year and win. We are hoping that that will kind of
7 spur people on to try to win these certain awards.

8 Do y'all have any questions about the
9 process or comments?

10 Okay. Thank you.

11 DR. MOELLER: Thank you, Brenda.

12 Lana? Lana will have another, and
13 Mr. Buenger will have another report tomorrow to the
14 general membership.

15 MS. HIGHTOWER: My report is on the World
16 Show circuit and I'm going to be brief because I'm
17 getting hungry, and Gene will tell you I get a little
18 bit mean when I get hungry.

19 So I just wanted to congratulate Allison
20 and her staff on the incredible World Show that she put
21 together. I don't think I'd ever seen one, never been
22 to a World Show, and it was just -- I really think she
23 needs a round of applause. It was tremendous.

24 (Applause.)

25 MS. HIGHTOWER: We also had -- we have a

1 committee of Trigg Moore -- this is our Steering
2 Committee, our Show Committee. Trigg Moore, Carole
3 Phillips, John Oliver, Bob Rubel, Steven Zunker and
4 Bodie Quarry. And we meet as often as we can to kind of
5 field questions and we just -- we really would like the
6 input of this entire group. We had two Board members
7 that were in the ring with pooper-scoopers. So y'all
8 missed that. We're looking for sponsors for this
9 year's World Show and we want to include everyone that
10 would like to participate in this. We had eight
11 donated calves, we had 12 -- or eight -- yeah. Eight
12 donated calves, four -- I'm sorry, 12. We had four
13 Hall of Fame heifers, four Gold Merit and four steer
14 for Showmanship.

15 Last year, as you know, we did a \$50,000
16 scholarship grant. We're going to work on it again
17 this year. I'm not sure what we're going to do. We
18 had 128 youth, 33 classes, paying out five spaces. It
19 was invested with Lincoln Financial, and I know there
20 are a lot of other investments out there. These kids'
21 money is secure. It was not invested. It is held in
22 trust. So their money is secure. Some of the other
23 programs, I know they've lost some money.

24 Our TLBT is very, very strong. We've got
25 an active, active group. We have 30 affiliate shows

1 across the nation and we have stock shows. TLBAA is in
2 most of your major stock shows. We are in the Denver
3 National, Houston, Dallas. I know -- I know a lot of
4 y'all aren't involved in the showing, but this is
5 advertising on the hoof and I would encourage y'all to
6 come to some of these shows. We are looking at
7 something in the future of combined shows. With the
8 economy the way it is, we are going to have to combine
9 maybe two or three affiliates in one weekend. This is
10 also income for that affiliate.

11 This year we initiated a show manual for
12 the affiliate presidents. It has worked out fairly
13 well. We've got forms that need to come in that will
14 help our staff, so if you are an affiliate president I
15 would encourage you to use those forms for tabulation.

16 Our judges file is coming along. We've got
17 about 30 that have responded. We wrote to these judges
18 and asked them if they would like to remain on the
19 list. If they would, they need to go through the
20 process of understanding the breed guidelines and then
21 they are approved judges.

22 I don't know how many of y'all went to the
23 World Show this year but we do a steer show and a
24 memorial, and we plan to do it again this year. Bob
25 Moore initiated this memorial and it's for those who we

1 have lost in the industry that were Longhorn breeders
2 that were dear to us, and Bob and I read the names back
3 and forth - this is a little emotional for me - and
4 it's done with horsemen bringing in the flags, the
5 flags are presented, the -- the riderless horse comes
6 in, it's all dark, there's a spotlight, there's a
7 trumpet, and we read the names back and forth.

8 Mr. Moore put his hand on my shoulder and he said,
9 "Lana, if I'm not here next year, remember to do this."
10 So it will be done this year and I want you all to be
11 there.

12 So that's -- I'll have more of a report
13 tomorrow when we talk with the -- when we have our Show
14 Committee.

15 DR. DAMERON: Good job, Lana.

16 MS. HIGHTOWER: The breed guidelines
17 actually -- that I sent to the affiliates is actually
18 in the show book. How many of y'all have a show
19 manual? It's in there. Your breed guidelines are
20 printed in there. Read them. Read them over. Those
21 are sent -- we have judges who have not even read our
22 breed guidelines that have been judging our cattle.
23 We're trying to change that. We are trying to get that
24 changed. And it's working. Just have to be patient.

25 DR. MOELLER: Thank you very much, Lana.

1 Mr. Bolen, you're up.

2 Brent Bolen and Allison are going to give
3 us a report on the Horn Showcase.

4 MR. BOLEN: Hello everybody, I'm Brent
5 Bolen.

6 We had 475 head this year that we measured
7 and that's a good number for us when you figure the
8 ITLA, within a month period, they showed a hundred
9 head. The TLMA also had a Horn Showcase at the same
10 time. They did 200 head, you know. So with us getting
11 475 head, I think we did a great job. I didn't do the
12 work. Allison did all the work. I just stood up and
13 looked pretty for the whole time.

14 Everybody's looking for money, you know.
15 No matter how you say it, we're all looking for money.
16 The biggest problem I think we've got right now is, is
17 if you take their 300 head, you take advertising from
18 this other magazine that's running right now, there's
19 \$155,000 that we lost in other affiliate showing shows.
20 And for us to do that, we've all got to get together,
21 be one group, one organization, and let everybody get
22 along. As far as the Horn Showcase next year --

23 (Applause.)

24 MR. BOLEN: As far as the Horn Showcase
25 next year, we're looking to do the same thing. We're

1 hoping to get some input from everybody. You know,
2 there's always some glitches that happened. We had a
3 couple of classes that we had a mistake on. The book
4 was a little goofy on one class, but we feel we took
5 care of it. What we did is we split a class and made
6 two winners out of it. It made two people happy. But
7 no matter how you look at a Horn Showcase, everybody
8 thinks they should be a winner. So unless we break our
9 classes down and have one animal per class and give
10 everybody a trophy, there is going to be a loser. So
11 the best thing we've come up with is this year we are
12 going to go ahead and announce the classes. That way
13 when you enter an animal you know what the class is
14 going to be. It might be one animal -- it might be one
15 animal in one class, or there might be up to 20
16 animals. That's the input we are looking for back from
17 you people, is to see how we can make it easier for
18 people when you enter your animals.

19 Trophies are expensive. We are looking at
20 different ways. If somebody's got another idea for a
21 bronze to make it cheaper for us to be able to give out
22 more bronzes, it's great. Three years ago I went
23 through the Trails and there was 33 Mossy Horn
24 sponsors. Today there's two. If you take those
25 numbers, I don't even know what the percentage is but

1 let's get real, it's less than 1 percent that pays for
2 our function. We need more money, but with our economy
3 everybody needs more money. So maybe if somebody has
4 got some ideas on how to put this thing on and make
5 some money, would be greatly appreciated.

6 Right now I can't give you financials. I
7 do not have them, I have not seen them, so I can't tell
8 you how much money we made. All I know is somebody
9 said we made some money. Allison and the ladies did a
10 great job. They are the ones that did everything. I
11 just stood around and, like I said, looked good.

12 We've got a Heifer Sale tomorrow. I hope
13 you guys all come. Or Saturday. I'm sorry. Saturday.
14 I hope you all come. There are some great heifers in
15 there. I hope everyone right here buys at least two of
16 mine and one of somebody else's. It would make
17 everybody happy. Thank you.

18 Any questions? Any questions?

19 DR. MOELLER: Thank you, Brent.

20 Dr. Kropp, would you like to give us a
21 report on our Search Committee for an executive
22 director?

23 DR. KROPP: Good evening.

24 The Board established a committee of myself
25 as chair, Ty Wehring, Colonel Fraser West and George

1 Jones from Houston to write out a potential job
2 announcement of an executive director of our
3 Association. We as a committee edited that, got it
4 down to something that we could send out and it was
5 sent out to the Texas Society of Association
6 Executives, the Livestock Publication Council, and all
7 land grant ag universities in the United States. We
8 got back 30 applicants. Through screening those
9 applicants we came down to seven. Those seven have
10 been interviewed via telephone by George Jones, and I
11 can't tell you how much work he's done on this whole
12 project. But we identified two that we felt like were
13 real superior kind of candidates. We have interviewed
14 them via telephone conference with the committee plus
15 Maurice Ladnier.

16 We have some ideas. We thought about
17 bringing them here Saturday, but we feel like that it's
18 more important at this time to see where we are
19 financially and to assess that in our Board meeting
20 tomorrow and make a decision about bringing these
21 candidates to Fort Worth. And at the present time
22 we're probably projecting, if we do decide to go
23 forward, that we will have them here February -- the
24 weekend of February the 21st for the Select Breeders
25 Sale here in Fort Worth to interview those candidates.

1 Two outstanding people with a lot of experience. The
2 committee, I want to thank the committee immensely for
3 the work they have done, but I think that we've got two
4 candidates that have got lots of potential.

5 DR. MOELLER: Thank you, Bob.

6 George, would you stand up so everybody
7 knows who you are? George is our layperson on the
8 committee. The other two are Board members and George
9 is a regular member from the Houston area.

10 DR. KROPP: I wanted to have George stand
11 up. And, I mean, you can't imagine how much work this
12 gentleman did for us on this committee, and I think we
13 need to give him a big round of applause.

14 (Applause.)

15 DR. MOELLER: Anybody have any questions
16 for Bob?

17 Are you staying low or have you got a
18 question, Stacey?

19 MS. TAYLOR: No, I was waving.

20 DR. MOELLER: Okay.

21 Kaso. We have an add-on subject on here,
22 relative -- you know, we've had some changes in our
23 LonghornMax agreement. It's not on your regular
24 agenda. It's an add-on item. Kaso has been dealing --
25 I guess of any of the Board members he's got the most

1 knowledge with it, and if you would like, you can --
2 would you like to give a brief report on that?

3 MR. KETY: I could. Do you want me to come
4 up?

5 DR. MOELLER: Sure.

6 This is an FYI type of item.

7 MR. KETY: Thank you, Dr. Fritz.

8 I wasn't really prepared for this but I'll
9 do my best. I think they just want to see if a guy
10 from Louisiana can read.

11 But for a little background on this,
12 LonghornMax -- and this came to me because I was
13 overseeing the registrations department and not because
14 I am a fabulous computer person. The -- for a little
15 background, LonghornMax was a cattle software program
16 for computers for record-keeping, and it had -- as I
17 talked to members, I got a tremendous positive feedback
18 on LonghornMax. A lot of people loved it, a lot of
19 people using it. And when I say "a lot of people," I
20 need to qualify that, that in my discussions with
21 Terrell Miller he indicated that initially quite a few
22 people acquired LonghornMax, but over the years -- our
23 industry is small compared to others and their primary
24 business is Cattlesoft, and I'll read the thing here,
25 that they do market to 40 different breed associations,

1 and Longhorns are a very small part of that.

2 Like I said, I received a lot of feedback
3 from members with positive experiences with it. There
4 were also some members that had some issues with the
5 program that certain aspects of it didn't work as they
6 were supposed to. And there were also some issues --
7 we had to revisit -- there was a verbal agreement
8 between the Millers and Don King seven years ago, and
9 so it was up to this Board to revisit those issues when
10 the agreement was made. And so there was more than
11 just a few members that were having problems, and as I
12 alluded to or as they expressed to me, that the
13 LonghornMax is a very small part of their business; in
14 fact, a very, very tiny part of their business. I
15 think the amount of time that they could spend on that
16 became a question that -- to the point that they
17 weren't making any money.

18 So, with that background, I'll just read
19 the letter that they have sent to the Association.
20 It's dated December 1st.

21 "Dr. Moeller, after much deliberation we
22 are resigning LonghornMax as the official software of
23 the TLBAA. Though it was a successful relationship for
24 everyone over the past seven years, it is no longer
25 feasible for LonghornMax to continue in its official

1 status role. We have no intentions of making any
2 official exclusive relationships with any of the
3 Longhorn associations. CattleMax, our beef cattle
4 software program, is used by over 5,000 ranches,
5 interfaces with over 40 breed associations on a
6 non-official basis. This non-official, non-exclusive
7 status of LonghornMax will be more in line with our
8 company's arrangements with other associations.

9 "We look forward to continuing our
10 involvement in TLBAA by ensuring compatibility with
11 TLBAA processes, advertising in the Trails magazine and
12 sponsoring TLBAA events. In addition, we will continue
13 to register our own Longhorns with TLBAA. Our
14 commitment and support of LonghornMax will continue
15 unchanged and we will continue helping TLBAA members
16 download copies of their records into the software, as
17 well as printing registration and transfer
18 applications.

19 "We appreciate TLBAA's support over the
20 past seven years and look forward to helping the Texas
21 Longhorn breed expand by promoting good record-keeping
22 with LonghornMax and offering additional services to
23 Longhorn breeders such as The Longhorn Source online
24 service as an economical way to market Longhorn cattle.

25 "Sincerely, Terrell and Penny Miller."

1 So there we have it. They still are
2 working with us, are still available, they are just not
3 in an official capacity our official software.

4 MS. CANTRELL: And they are buying two ads
5 from us every month. Have y'all noticed the new ads?
6 So that's good news, too.

7 MR. KETY: In closing, I think it's a good
8 solid relationship; it's just not an official software
9 of the Association.

10 DR. MOELLER: And that is correct. It's a
11 good, solid relationship.

12 There's another item to be added onto your
13 agenda under Old Business and Committee Reports. It
14 will be number F. In your packet, the Board has a
15 letter from Joe Knowles. Joe Knowles is a breeder from
16 Springer, New Mexico. He's been a long-time Longhorn
17 member. He is very concerned about the direction that
18 some of our breeding is going, and in 2003 he asked
19 that this letter that's in your packet be read at a
20 Board meeting. He has essentially been ignored. This
21 has never been done.

22 Joe is getting on in years and a little
23 older and he called me in a crackly voice and is very
24 concerned about the direction our breed is going. He
25 says, "Is there any way you can get this read at a

1 Board meeting?" I assured him that we would do that
2 today. We don't need to read this entire letter, but I
3 would ask that our court reporter enter it in the
4 minutes in its full content, and therefore anybody can
5 read that once the court reporter gets his transcript
6 back. And each of you Board members has a letter.

7

8 "Dos Rios Ranch, HCR 60 Box 6, Springer
9 N.M. 87747.

10 "January 31, 2003

11 "Doris and Charley Synder, Don King, Sherman
12 Boyles ,Carolyn Hunter. Jim Curry:

13 "After receiving the request from Doris and
14 Charlie Snyder for in put for future direction of the
15 T.L.B.A.A. I have the following comments for your
16 consideration.

17 "Dr. Stewart Fowler ,at the time consultant
18 to the T.L.B.A.A.and 25 years ago, stated that the
19 Texas Longhorn was a "genetic goldmine". He also stated
20 that for any beef breed of cattle to be successful over
21 an extended period of time it had to possess a unique
22 trait or traits that would enable the commercial cowman
23 to more efficiently produce beef. Dr Bonzma an
24 internationally recognized breed development expert
25 states that single trait selection for a desirable
26 trait also produces an undesirable trait or traits.

27 "With the above basic breeding principles
28 in mind , I suggest that the powers that be in the
29 T.L.B.A.A. consider the following items in questioning
30 the wisdom of the "tape measure phylosophy"that the
31 T.L.B.A.A.leadership and a lot of the membership have
32 promoted for the last 25 years.

33 "25 years ago, the Texas Longhorn (genetic
34 goldmine)that nature had produced through basic
35 environmental and survi val of the fittest selection
36 for 500 years,weighed around 800 to 850 pounds and had
37 a horn of 3 feet plus or minus a few inches. The horn
38 was curved and in a shape to be an effective weapon(a
39 straight flat horn makes more inches on the tape
40 measurement but is not an effective weapon as nature
41 intended).She was fertile,had a calf unassisted
42 probably at or before 24 months,had genetic disease

1 resistance, conceived and did a good job of raising a
2 calf up into the late teens and some times older. I have
3 had several cows 23 years old that had just weaned a
4 calf and had the dentition of a 10 year old Angus or
5 Hereford cow. They were hustling good doing cows that
6 could

7 make it in un favorable
8 environmental conditions.

9 "I screwed up on the computer and dont know
10 how to fix it.

11 "Man's attempts at improving the traits of
12 other breeds has been frequented by many a "wreck" and
13 then attempts at correction of the "improvement".
14 Examples are; bigger is better, faster growth is better
15 , taller is better shorter is better, blocker is better
16 bigger fram score , smaller frame score, back straight as
17 a string , low tail head , not cut high in the flank.
18 Selecting for these traits to improve the breed
19 , especially single trait selection (Dr. Bonzma) has
20 resulted in bigger birth weights (growth rate in part is
21 determined by genetic trait at conception not at
22 birth) hence you get dystocia. Selecting for more muscle
23 in a female alters the estrogen -testosteron balance
24 and effects fertility and milk production. About in the
25 50's it became popular in the Herford breed to have big
muscular cattle This type won the shows and brought
the hightest price in the sales. The cows weresure big
, muscular and pretty , but they would not give enough
milk to raise a calf. The seed stock breeders concluded
that the answer to this problem was to get nurse cows
which alot of them did. These nurse cow fed calves
looked mighty good at weaning and when fed well brought
premium prices when sold as bulls. Every thing went well
until the man who bought the bull saved some heifers
out of him that had low fertility and poor milk
production. Rapid growth and bigger frame scores and
they produced post legged animals that had stifle
problems , ankle problems , poor locomotion. Shorter and
blocker selection resulted in "dwarfing out" both Angus
and Herford. Selecting for backs as straight as a string
and low tail won lots of shows and brought premium
prices but resulted in flattened pelvices with
resultant dystocia. Natures selection produced
quadripeds with sway backs and higher at the hips than
at the withers. Deer, antelope , elk, chetta, longhorns are
examples of this confirmation and they seem to get
around pretty good and the "weak back" as man calls it
does'nt seem to be a problem. I did'nt say it was pretty
or pleasing to my eye.

1 "Man in all his wisdom has "improved"the
2 Texas Longhorn(there are other longhorn breeds)to where
3 the cows have 5 or 6 feet horns(straight and lateral
4 growth to increase tape measurement is better),some
5 weigh 1200 lbs and have a bigger frame score.The bulls
6 weight 2000 lbs or more and have a lot more muscle and
7 frame score. This is man's idea of the traits of a
8 Texas Longhorn and a far cry from the balanced cow that
9 nature evolved over a 500 year period. What has
10 happened in just 25 years to the "genetic goldmine'in
11 changing these traits?Has following the "tape measure
12 philosophy"altered the other unique traitsof the Texas
13 Longhorn. If you apply nature's rules for rate of
14 growth, longevity,fertility(Bonsma says the bigger the
15 bovine the lower the fertility),characteristicsof
16 skelaton,muscle development hormone balance,you get a
17 good estimation of what is occuring.Alot of mistakes
18 made by the other breeds has been selecting for the
19 extremes and then "improving "in the other direction.
20 These mistakes by other breeds have been encouraged by
21 he shows ,sales and price premiums for the
22 entremes.Fads and novalties don't last too
23 long.Remember chicullas,emus, llams,pot belled
24 pigs,minature horses . etc

13 "I think some of the questions that the
14 powers that be in the T.L.B.A.A should be asking
15 themselves and membership that are knowledgeable in
16 breed development are; opinions on the above items,how
17 many breeders of 20 year s ago are still breeders and
18 still active in T.L.B.A.A. activities,what % of the
19 breeders are making a profit ,how many is it important
20 that they do so,is 99%of promotion directed toward 1%
21 of the cattle,how much of the change in traits was
22 brought about by infusion of genes from other breeds
23 ,how much effort has been epended on maintaining
24 purity(in constitution),what happened to the studies
25 done by Texas A and M. on feeding Longhorns and what
efforts have been made to use this information in
promoting commercial cattlemen into using Longhorn
genetics,Texas A and M. 's Ranch to Rail program says
that a calf that has had all his immunizations is worth
16 cent more per lb due to his disease resistance,what
is the genetic disease resistance in a Longhorn worth
and has this information been transmitted to commercial
cattelman, would more energy and resources directed
toward commercial cattelman in using Longhorn genetics
be benifical to the 99% of the cattle and
membership,how much space in the Trails is devoted to
the "tape measure mode" and how much is devoted to

1 those with out cows with 5 foot horns and other
2 problems in selling the other 99%.I realize that
3 practicle all your income comes from advertizers that
4 have the 5 foot horn.

5 "In my opinion the long term success of the
6 Texas Longhorn breed should be utilization of their
7 unique traits as shaped by 500 years of natures
8 selection and not of fads, extremes,and novality.

9 "We almost lost the Texas Longhorn the
10 early part of the last century.My hope is that we don't
11 lose to men's folly in this century.

12 "Please forgive me for my incorrect
13 spelling, grammer,punctuation,and lack of knowledge as
14 to how to operatethis dame computer keyboard.

15 "Joe [Knowles]."

16

17 DR. MOELLER: Are there any other old or
18 new business items to be brought before the Board at
19 this time?

20 Doctor?

21 DR. DAMERON: I would just ask the Board
22 and members here to look at the financial statements
23 very carefully and note that the balance sheet of the
24 Foundation, if we spend all of it, which we will do
25 under the current rate of expenditures to this
organization, you will gut it by June and then you will
have no way to pay it back because you'll need it for
the following year. So we need to do some changes and
hopefully the Board will, in their wisdom, will think
of some by tomorrow and we will do it sooner than
later.

DR. MOELLER: Thank you, Dr. Dameron.

1 Prior to adjournment -- prior to us going
2 into executive session, not prior to adjournment, I
3 would like to ask any Board of Director member that
4 wishes to speak briefly on any subject they choose to
5 speak of that's an item that's not on the agenda and
6 that maybe has been on their mind and on their heart
7 during this past year, please feel free to do so.

8 But right now let's approve -- we have one
9 AI bull to be approved. You all have that in front of
10 you. This is a bull called 703 Mile Stone, sired by
11 Mile Marker and the dam is All Present. The owner is
12 the Rugged Cross Ranch.

13 Melanie, is everything in order with this?

14 MS. THOMPSON: Everything is in order.

15 DR. MOELLER: Is there any reason we
16 shouldn't entertain a motion for acceptance of this
17 bull?

18 MR. LADNIER: I've got a question.

19 DR. MOELLER: Just a moment.

20 Melanie? Is there any reason relative to
21 our regs?

22 MS. THOMPSON: No.

23 DR. MOELLER: Okay.

24 MS. THOMPSON: Everything is copacetic.

25 DR. MOELLER: Mr. Ladnier?

1 MR. LADNIER: What's this asterisk for?

2 DR. MOELLER: What's the asterisk for,
3 Melanie?

4 MS. THOMPSON: The asterisk is he has a
5 ITLA registered ancestor. Part of the pedigree comes
6 from an ITLA registered animal.

7 MR. LADNIER: Can it be traced?

8 DR. MOELLER: Do we have DNA on that
9 animal?

10 MS. THOMPSON: Yes, we do.

11 MR. LADNIER: In the past, on our affidavit
12 of registration the asterisk meant that we had an
13 animal in the pedigree that couldn't be traced.

14 MS. THOMPSON: We've got DNA on sire and
15 dam and --

16 DR. MOELLER: Which animal has an asterisk
17 on it?

18 MS. THOMPSON: It's Mile Marker. The sire.

19 MR. LADNIER: I don't have a problem with
20 it. I just wanted to know what it was there for.

21 DR. MOELLER: I had somebody else raising
22 their hand over here. Bob, was that you?

23 MR. LARSON: No. I was pointing at
24 Maurice.

25 DR. MOELLER: You were pointing at me?

1 MR. LARSON: I was pointing at Maurice. He
2 was waving his hand.

3 DR. MOELLER: Okay.

4 Any further discussion on the approval of
5 this bull?

6 DR. DAMERON: I move we approve it.

7 MS. TAYLOR: I second that motion.

8 DR. MOELLER: Okay. We have the motion to
9 approve and the motion is seconded. Any further
10 discussion?

11 Bob?

12 DR. KROPP: If I get that Mile Marker bull
13 registered in the TLBAA, does the asterisk come off?

14 MS. THOMPSON: Only if Mister --

15 MS. TAYLOR: Darol Dickinson owns that
16 bull.

17 DR. KROPP: No, he doesn't.

18 MS. TAYLOR: He doesn't? I thought he had
19 it.

20 AUDIENCE MEMBER: No, he doesn't.

21 AUDIENCE MEMBER: No. He bred the bull.

22 AUDIENCE MEMBER: He bred the bull but he
23 doesn't own it.

24 MS. THOMPSON: He would have to be
25 re-registered. I would have to cancel those papers out

1 and he would have to be re-registered. He would have a
2 different registration number.

3 DR. KROPP: So if I brought him from the
4 ITLA into the TLBAA and I got a TLBAA registration
5 certificate, it would have to be different?

6 MS. THOMPSON: It would have to be redone.
7 Our system doesn't allow us to go in and change that
8 designation. If you bring an animal from the ITLA and
9 you've got an ITLA number and I register that animal,
10 but all of his -- that particular animal, say Mile
11 Marker, if his sire and his dam are also registered
12 with TLBAA, he would have never had that asterisk to
13 begin with. So to get that off, Mile Marker has to be
14 registered with the TLBAA. Not only that, but The
15 Shadow and Unchecked would have to be registered to the
16 TLBAA.

17 DR. KROPP: All right. So, I mean, I can
18 get him registered in the TLBAA, but he would still
19 have an asterisk.

20 MS. THOMPSON: Mile Marker himself would
21 still have the asterisk.

22 MR. LADNIER: Does all the progeny follow
23 this registration paper?

24 AUDIENCE MEMBER: Yes.

25 DR. MOELLER: And Mile Stone would also

1 have an asterisk?

2 MS. THOMPSON: Yes. Mile Stone carries the
3 asterisk because of the line he comes from is all --
4 the original. Let's see. The sire and dam of The
5 Shadow, which is the sire of Mile Marker, were TLBAA
6 registered. The Shadow is not TLBAA registered.

7 DR. MOELLER: Well, we're open for
8 discussion. I'm detecting a little hesitancy here.

9 Kaso, have you got any problems with that?

10 MR. KETY: If it conforms to our
11 regulations I don't.

12 MS. THOMPSON: Yes, there's no regulation,
13 we have no regulation that says that an animal that
14 carries an asterisk or pedigree or comes from the ITLA
15 cannot be DNA -- cannot be AI certified, as long as all
16 health requirements are made.

17 DR. MOELLER: Just a moment, please.
18 You've got somebody else to be -- sir. I'll let you
19 speak but let's be courteous.

20 Yes, sir?

21 MR. WILLIAMS: Yes, sir. Dr. Moeller, I am
22 the owner of Mile Stone bull in question. I did
23 purchase him from Dickinson Cattle Company. All of the
24 DNA has been turned in and checked through the
25 University of California and everything that's required

1 to be presented before the Board has been done.
2 Probably better than 50 percent of the members in this
3 room own animals from this particular pedigree.

4 DR. MOELLER: There's been a motion made
5 and seconded. Any other comments?

6 UNIDENTIFIED SPEAKER: Call the question.

7 DR. MOELLER: Question's been called. All
8 in favor of approving this bull, signify by saying
9 "aye."

10 (Collective "aye.")

11 DR. MOELLER: Anybody opposed?

12 Hearing none, we have approved the AI
13 certification on Mile Marker -- Mile Stone. Excuse me.

14 Next item on the agenda here is our
15 Division C director election results. I would like to
16 read those at the present time. Jim Johnson was
17 re-elected as director at large. Gary Cole was elected
18 as director at large. Region 13 is vacant. Region 14
19 is vacant. Region 15, Randy Briscoe has been elected.
20 Region 16, Glen Lewis has been elected. Region 17,
21 Richard Spooner is -- won by acclamation. And Region
22 18, Justin Hansen is our new Board member from out
23 California way. These gentlemen will be installed at
24 the end of our Annual Meeting tomorrow, and at
25 1 o'clock the new Board will sit and these gentlemen

1 will be seated and approved as official directors.

2 The next item of agenda is we are going
3 into executive session and then we will adjourn. So I
4 will ask the audience to respect that decision. What
5 we are going into executive session about is to discuss
6 the termination of our financial officer, our past
7 financial officer.

8 Let's take ten minutes and then we will
9 reconvene.

10 (Concluding at 7:13 p.m.)

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