

As of 6/13/07, these minutes
have not been approved by
the Board of Directors.



BOARD OF DIRECTORS MEETING

May 17, 2007 • 9:30 am • Stockman's Club - Fort Worth, Texas

BOARD MEMBERS PRESENT

Buck Adams
*Charlie Buenger
Tom Claassen
Aubrey DuBose

Ben Gravett
Scott Hughes
Gene Juranka
Kaso Kety

Dr. Bob Kropp
Tim Miller
Bob Moore
Christy Randolph

Lee Sherbeyn
Scott Simmons
*Larry Stewart
J. T. Wehring

*Elected to the Board of Directors at the meeting

BOARD MEMBERS NOT PRESENT

Richard Carlson
Bob Larson

Debra Lesyk
Fritz Moeller
Carla Jo Payne

Harvey Rassmussen
Col. Fraser West

STAFF MEMBERS PRESENT

Larry Barker
Brenda Cantrell

Jim Curry
Pam Dodson

Cole Dowden
John Jones

VISITORS PRESENT

Darlene Aldridge
John T. Baker
Paul Braswell
Wes Chancey
Mary Ann Crenshaw

Dean Goodner
Russell Hooks
Ken Johnson
Joel Lemley
Shirley Lemley

Trigg Moore
Kerry Mounce
Glenn E. Phipps
Kim Richey
Robert Richey

Elmer Rosenberger
Susan Rosenberger
Duane Spikes
Deborah Stewart

OPENING

Chairman of the Board Ben Gravett called the meeting to order at 9:30 am and welcomed all in attendance. He asked Board Secretary Scott Simmons to call roll of all present Board Members. After roll call, Mr. Simmons made a motion to accept the minutes from the last Board Meeting. Lee Sherbeyn seconded the motion. Motion passed.

ELECTION

Mr. Gravett discussed the vacant Board seats for Region 9 and 10. He stated that Region 9 had three nominees: Trigg Moore, Robert Richey and Larry Stewart. Region 10 had one nominee: Charlie Buenger. Mr. Gravett thanked the nominees for their participation in the election process and asked for ballots to be handed to Board Members to conduct a vote. After the votes were cast, the ballots were tal-

lied and Mr. Gravett announced that Larry Stewart was elected to represent Region 9 and Charlie Buenger was elected to represent Region 10.

Both Mr. Stewart and Mr. Buenger were congratulated and asked to join the Board to represent their regions during the meeting.

TREASURER'S REPORT

Mr. Gravett complimented and thanked Board Treasurer Buck Adams for all of his hard work and dedication. He then asked Mr. Adams to give the Treasurer's Report. Mr. Adams thanked Mr. Gravett for his kind words. He stated that this report consists of where we came from, where we are currently and where we are going. He explained that the figures were skewed because of the way the finances were handled in the past. The financials will continue on the same system until the end of this fiscal year, which is June 30, 2007. As of today, many good systems have been put in place. He stated current tax returns are filed with the IRS and we have no issues. The audit for years 2005 and 2006 is scheduled.

He then introduced John Jones as the new cashier for the TLBAA and said he is very encouraged by Mr. Jones because of his credentials and attitude. Mr. Jones, in his position as cashier, will be responsible for accounts payable, accounts receivable and payroll. Because of the amount of work that is involved with this position, Mr. Adams recommended additional staff to be hired.

Mr. Adams complimented accountant Leslie Mosley for her efforts and stated that she has been a great asset in the transition period. He said that she would stay with us through this fiscal year.

He then thanked newly elected Board Member Charlie Buenger for his expertise in reviewing the legality of contributions from the foundation to the association and the non-profit status. Mr. Adams referred to a letter written by Mr. Buenger stating that he found, "no activity that would jeopardize the non-profit status of the foundation. Additionally, I find nothing that would prohibit contributions by the foundation to the TLBAA."

Mr. Adams stated that we are going to create an accounting system involving a new format that will be easy to read and understand by all. We have established new procedures and the budget will be produced with input from the department heads. The budget will be presented to the Board of Directors in July.

He said that to summarize, in the past we were in a state of financial chaos, today we are in disarray and

that we will be in a state of reconstruction through mid-2008. His hope is that after we come out of reconstruction, we can get back to creativity.

Bob Moore made a motion to accept the Treasurer's Report. Lee Sherbeyn seconded. Motion carried unanimously.

GENERAL MANAGER'S REPORT

Mr. Gravett invited General Manager Larry Barker to give the General Manager's report. Mr. Barker thanked Mr. Adams for all of his work on the accounting system.

Mr. Barker reported that TLBAA attorney Richard Weisman informed him that the parties involved in the misappropriation of funds are now working to set a date for discoveries. An arbitration date has not been set, and he was told that witnesses would be called to testify.

Board Secretary Scott Simmons asked if arbitrations are open to the public. Board Member Charlie Buenger answered that it can be, but is up to the parties to make this decision. In Texas, Mr. Buenger continued, arbitration is private. Mr. Gravett stated that he didn't think that it would be open to the public.

Board Member Maurice Ladnier requested that Mr. Weisman provide an update to the Board of Directors on a more consistent time frame. Buck Adams replied that we might be able to do this in the form of a communiqué. Mr. Gravett said that may be possible on a bi-weekly schedule. Larry Barker is to contact Mr. Weisman for the feasibility and the cost effectiveness of such a report.

Mr. Barker gave a personnel update and introduced an organization chart representing all TLBAA departments, their managers and staff.

Mr. Barker gave an update regarding a formal protest on the qualifying World Show circuit. The protest committee ruled on the protest and upheld the protest. Because the protest committee found that there was no malice or intent to deceive, the protestee was allowed to voluntarily remove the animals in question from the show circuit. The protestee exercised the option to voluntarily remove the protested animals from the show circuit.

Mr. Barker concluded his report with an update about the Autobahn Motorcar Group Youth Tour program, stating that this year John and Diann Chase have increased their contribution of scholarships given away to \$180,000. The increase is due to the Prairie Expo show being added to the Youth Tour circuit. He stated that the TLBT is the envy of all other

breeds because of the amount of scholarship money that is involved and thanked the Chase's for their continued support. He told the Board that he is available 24 hours a day, seven days a week if they need him for anything.

Board member Christy Randolph asked Mr. Barker about the Horn Showcase sponsors not getting two sales this year, due to the fact that the summer Horn Showcase has been canceled. She wanted to know what they would receive at the World Show this year. Mr. Barker told her that they would get the same recognition at the show, as they would have received if the sale took place. He gave examples such as banners in the arena, tickets to banquets and advertisements in the program.

SALES MANAGEMENT

Mr. Gravett asked Sales Manager Jim Curry to give a Sales Management update. Mr. Curry thanked Mr. Gravett and Mr. Adams for their support. He reported that sales have continued to get better as the year has come along. The May West sale average was substantially more than the March West sale. He stated that there have been five TLBAA managed sales since January: The Gathering, Select Heifer, March West, Cherry Blossom, and May West. All five sales were profitable.

He stated that upcoming sales include the Best of Texas in July and he is working with members to have a sale on the East coast and possibly a sale in Nevada in 2008.

A question from the audience was raised in regards to sales reports on animals that are PO'd at a sale and then are later sold and run through the sale office, which is the proper procedure. After discussion, it was decided that future sale reports in the Trails and E-Trails will identify those transactions by placing an asterisk next to the animal name.

Mr. Curry said that one of the most time consuming issues in the Sales Management department is the incomplete paperwork that is submitted by sale consignors. He asked the Board to communicate to their regions the importance of filling out paperwork correctly and completely.

After Mr. Curry's presentation, Mr. Gravett excused the Board Members to break for an hour-long lunch.

TRAILS

Mr. Gravett invited *Trails'* Editor in Chief Brenda Cantrell to give an update. Ms. Cantrell thanked Mr. Gravett and the Board for their support during her first year as editor. She reminded the Board that at the first Board Meeting she attended last summer, she set a goal to mail the magazine by the first of the month within her first year. She said the goal has been met and that the June issue will be mailed on June 1. Ms. Cantrell commended the *Trails'* staff and the membership for working together to achieve the deadline goal.

Ms. Cantrell reported that there are no changes in staff since her last report in January. She stated that she conducted an advertising revenue review and that advertising sales have been on a continuous decline since September of last year. She attributed these figures to membership controversy of certain issues, drought and the current legal allegations of misappropriation of funds by past TLBAA employees. But, she also stated, the July issue is picking up many past, current and future advertisers and she is optimistic that advertising revenue will increase as the issues previously mentioned become resolved.

Ms. Cantrell told the Board that she continues to get good responses from members regarding the look and readability of the magazine and is confident that they will continue to make improvements in both areas. She explained that even though the magazine continues to be mailed earlier each month, many members are still receiving the magazines at a later date. Because of this, she has initiated a Periodical Watch with the United States Postal Service (USPS). The Watch began on April 5, when the April issue was mailed and will be conducted for two issues. Within 70 days of the time the Watch began, the USPS will submit their results. In her estimation, she should receive results around June 15 and will give an update to the Board.

Ms. Cantrell has kept printing and mailing costs down by decreasing the size of the issues. This has resulted in an estimated savings of \$29,000 in printing cost over the past five months compared to last year's printing and mailing costs.

In conclusion, she once again thanked the Board and the membership for the opportunity to serve as editor of the *Trails*.

EVENTS & REGISTRATION

Mr. Gravett introduced Pam Dodson to present her report on Events and Registration. Ms. Dodson began her update by reporting on good news from the registration department. She stated that starting at the first of this year, the department was behind almost three months on registrations and transfers. With the help of Rick Fritsche and newly hired employee Deandra Berger, they have decreased the number dramatically to only eight days. She also reported that errors are down to a minimum, as work is being checked twice before leaving the office. Ms. Dodson reported that her goal was to have a three-day turnaround on registrations and transfers with a less than three percent error rate.

Ms. Dodson told the Board that a new member to the staff, Cyndee Ross, has been assigned to member services and is handling all of the member mailing and new member packets. Ms. Ross is also responsible for assisting members in many capacities, from answering phones to mailing merchandise.

According to Ms. Dodson, the show season is about to wrap up with only one show remaining in New Mexico. Entries for the World Show continue to come in and this year looks to be as big as last year's show. She said that the World Show schedule has been adjusted this year to accommodate the ever-growing Autobahn Motorcar Youth Scholarship Tour. She stated that judging changes were made this year to the Trophy Steer show. They will place the top five in each class with the first place coming back in for the Junior and Senior Champion drives. Junior and Senior Champions will then return for the Grand Champion Trophy Steer. Ms. Dodson concluded by thanking the Board for their continued support.

OLD BUSINESS & COMMITTEE REPORTS

I. Reconciliation of Funds

Mr. Gravett began his report stating that the main objective of the arbitration is to recover our funds. The question was raised about what is our recourse if they don't have the funds to pay.

Mr. Buenger responded that it is remarkable that when one is confronted with jail time they suddenly will find the money to pay, and he feels that we are doing the right thing.

It was asked once again by the Board, if the arbitration process precludes the ability of the District

Attorney to prosecute the case as criminal. Mr. Gravett answered no and Mr. Buenger agreed.

There were questions about contacting the District Attorney. After much discussion, Buck Adams made the motion to have Charlie Buenger act as the Board's liaison with the District Attorney of Fort Worth and to give updates on the case of Don L. King and SuzAnn Spindor. Scott Hughes seconded the motion. Motion carried.

II. Conduct & Ethics Committee

Board member Christy Randolph was asked to give a report on the progress of the Conduct and Ethics Committee recommendations. Mrs. Randolph stated that she, Evelyn Rassmussen and Darlene Aldridge had prepared their recommendations in a handout for the Board. She said that she would like to table specific discussion and for the Board members to review the handout for discussion at the next Board Meeting.

Mr. Gravett thanked Mrs. Randolph and the committee for their hard work.

III. Horn Showcase & Symposium

Board Member Dr. Bob Kropp thanked the members of the Horn Showcase committee: Mike Bowman, Zech Dameron III, John Randolph, Larry Stewart, Bob Loomis, Lana Hightower, Ron Marquess and Rex Mosser for all their hard work.

Dr. Kropp read certain areas of a prepared report, which was based on the 2007 Horn Showcase Committee's recommendations after their meeting on Saturday, February 17, 2007.

Board Member Tim Miller asked if they were recommending adding an additional day to the event. Dr. Kropp said yes that is what they would like to consider but it may not be possible. Dr. Kropp discussed that one of the recommendations was to replace the expensive bronzes with plaques to save money. Scott Simmons stated that many people, that have yet to win a bronze, would rather have a bronze than a plaque. Dr. Kropp indicated that this is all up for review by the Board.

Mr. Gravett said that there were possible rule changes that could be discussed during this meeting and voted on. He asked Dr. Kropp to continue with the proposal.

Dr. Kropp made the motion to change the total horn measuring procedure to: *The total Horn measurement should be measured from the back side of the horn and across the back of the poll.* Ty Wehring seconded. Motion carried unanimously.

Dr. Kropp made a motion to add a new division called Composite Horn division. The motion read:

The Composite Horn Division will consist of the sum total of three horn measurements: 1) Tip-to-Tip measurement, 2) Total Horn measurement and 3) Base of Horn measurement, measured as the circumference of the base of both horns. Maurice Ladnier seconded. Motion carried unanimously.

The Board of Directors, after much discussion, decided to table a new proposed rule that would include a production requirement for Horn Showcase entries.

Dr. Kropp attested to the lengthy discussion that the committee had in regard to the eligibility of clones and the willingness of both sides to compromise, the expressed intent of the committee to limit the number of clones, including the donor, that could be exhibited by an owner of a member of a clonal family (cell line), but not restrict the ability of any TLBAA member to market his/her clones to other TLBAA members in an open market system was realized.

The new clonal family (cell line) rule would read as follows: *The original owner of the clonal family (cell line), including partnerships or legal entities, is entitled to exhibit only one entry of that clonal family (cell line), including the donor registered Longhorn. Any other owners of members of said clonal family (cell line) may exhibit only one member of that clonal family (cell line). The offspring of clones will have no restrictions or limits.*

Trusting breeder integrity allows for the simplicity of the clonal family (cell line) rules. However, any attempt by any TLBAA member to circumvent the spirit and purpose of the clonal family (cell line) rules shall provide cause for the establishment of a hearing of a TLBAA Protest Committee for possible breeder sanctions and/or penalties.

Larry Stewart made a motion to accept the Eligibility of Clones rule as read above. Tim Miller seconded. Motion carried unanimously.

Dr. Kropp made a motion to accept the rule regarding Horn Showcase Sale to read as follows: *All consignments in the Horn Showcase Sale will be required to enter a minimum of one division of the Horn Showcase Show. The Horn Showcase Show entry fee will be added to the consignment fee.* Christy Randolph seconded the motion. Motion passed unanimously.

Dr. Kropp read the proposed Showcase Schedule and after much discussion it was decided to let the TLBAA staff review and give input before making a decision on the schedule.

After the Horn Showcase Report, Dr. Kropp presented his schedule and budget for the Breeder

Symposium to be held June 29-30 in Stillwater, Oklahoma. Mr. Gravett asked Dr. Kropp if they feel confident that they will break even. Dr. Kropp responded that if by June 1 they don't see a significant number of participants, he would cancel the symposium. Mr. Gravett agreed that would be the best thing to do and added that this did not require a vote from the Board. Mr. Gravett thanked Dr. Kropp.

IV. By Laws

Mr. Gravett invited Board Member Maurice Ladnier to the podium to present his report on the By Law Committee's suggestions for changes. Mr. Ladnier handed out the By Laws Committee's recommendations for changes within the By Laws and briefly discussed some of them. Mr. Gravett thanked Mr. Ladnier and suggested that the Board Members study the proposal for discussion at the next Board of Directors Meeting.

NEW BUSINESS

I. Board Size

Mr. Gravett asked to change the agenda to discuss Board size first instead of second. Mr. Gravett asked if any of the Board Members agreed with him that the Board of Directors should be smaller in number. After discussion about the history of the Board size, Mr. Miller made a motion to start proceeding on having the Board of Directors down to a membership of 12.

Mr. Adams suggested the discussion be tabled and to carry the issue forward to the next meeting and place it on the agenda. Mr. Ladnier asked if the Board needed to break down by area. Mr. Miller commented that he believes it should be by area. Mr. Barker told the Board that this year is the election for Division B and the following year Division C, after that we will come back to a Division A election, thus going full circle.

Mr. Gravett then asked the Board if they would allow Tom Claassen to continue representing his Region until the end of this year and then hold an election for his replacement, due to his recent move out of his Region. He explained that Mr. Claassen was familiar with his constituents and that his attendance at the next two Board Meetings would allow them to be represented by a Board Member that was up to date on their issues. There was much discussion for and against this proposal. Mr. Claassen then addressed the Board and asked them to let him stay on for the next two meetings and then Iowa can have a special election in the fall. Tim Miller made the motion as Mr. Claassen suggested. Lee Sherbeyn

seconded. Motion carried: 9 for/5 opposed.

II. I.T.L.A. Papers

Mr. Gravett expressed his concerns in regards to the problems that the TLBAA has with I.T.L.A. papers. He said that the TLBAA has no way of knowing if the information is correct when they are sent in and that is very concerning. He also said that it costs the TLBAA more man-hours and money to process these papers. He made a motion that as of January 1, 2008, the TLBAA will no longer accept the I.T.L.A. paperwork and after six months an I.T.L.A. animal will not be in our registry.

Board Member Scott Hughes stated that he sees complications with this motion and suggested we place a special fee to handle I.T.L.A. papers. Mr. Gravett again stated his concerns about the credibility of the information. Mr. Buenger suggested that if the paperwork is causing the problem, the TLBAA certificate shows it is I.T.L.A. Mr. Miller stated that the problem is that new members don't know I.T.L.A. information. Mr. Adams suggested forming a committee to investigate. Mr. Moore added that this has been a problem for some time and made a motion that as of January 1, 2008, the TLBAA will not accept any I.T.L.A. papers. Mr. Miller seconded. The motion was denied.

A suggestion was made that we check with the membership. Mr. Buenger stated that we have waited this long so two more months doesn't matter. Board Member Keso Kety expressed his concerns that shutting down the papers may lose new members for the TLBAA. Mr. Claassen suggested that we table the discussion. Mr. Sherbeyn volunteered to meet with Mr. Barker to get more information to present to the Board at the next meeting.

III. Parliamentary Suggestions

Larry Barker called the Board Members attention to the handout of suggested changes to the By Laws that was submitted by Betty S. Green, a parliamentary consultant that attended the January Board Meeting. He asked that the Board review and have discussion on these suggestions at the next Board Meeting.

IV. New Affiliate

Pam Dodson presented the application for a new affiliate: Idaho Texas Longhorn Producers Association (ITLPA). The officers are: President, Dean Goodner; Vice President, Dan Fuhriman; Treasurer, Dusty Weitz and Secretary, Melissa Weitz.

Dr. Bob Kropp made a motion to accept the new affiliate. Keso Kety seconded. Motion passed unanimously.

V. A. I. Certification

Ms. Dodson submitted the following bulls for AI Approvals for consideration:

<u>BULL'S NAME</u>	<u>TLBAA#</u>
<u>Owner</u>	
664 MR3 HIGHWAY REBEL <i>Rodney Maddox</i> SIRE: REBEL RED 01/9 DAM: HIGHWAY GIRL	B68762
665 TEJAS STAR <i>Taylor Cattle Company</i> SIRE: STARLINER DAM: DELTA VAN HORNE	BT75445
666 J. R. TRIBUNE <i>Kent & Christine Bladen</i> SIRE: J. R. HOCUS POCUS DAM: J. R. TWINI #1	BI71259*

Bob Moore made a motion to accept the AI Approvals. Seconded by Scott Hughes. Motion carried unanimously.

MATTERS PRESENTED FROM THE FLOOR

Mr. Gravett asked if there were any matters to be presented from the floor. Dr. Kropp held up an airline magazine, *Peaks & Plains* with a Longhorn painting on the cover. He found it on the Great Lakes Airlines, while recently traveling.

Mr. Gravett asked if there were any more matters to be discussed. There being none, Mr. Gravett asked for a motion to adjourn.

Lee Sherbeyn made a motion to adjourn. Gene Juranka seconded. Motion carried unanimously.

Meeting was adjourned.

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