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Texas Longhorn Breeders Association of America

Board of Directors Meeting

November 8, 2007

5:04 p.m. to 7:28 p.m.

The Radisson Hotel

2540 Meacham Boulevard

Fort Worth, Texas

1
2 Texas Longhorn Breeders Association of America

3 Board of Directors Meeting

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5 5:04 p.m. to 7:28 p.m.

6 The Radisson Hotel

7 2540 Meacham Boulevard

8 Fort Worth, Texas

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10 DR. MOELLER: We need to call this meeting
11 to order.

12 This is a meeting of the board of directors
13 of the Texas Longhorn Breeders Association of America.
14 Today's date is November the 8th. I would like to
15 begin with roll call. Scott, could you take care of
16 that for us, please?

17 MR. SIMMONS: Keso Kety.

18 MR. KETY: Here.

19 MR. SIMMONS: Deb Lessick. Scott Simmons.
20 Here. Maurice Ladnier.

21 MR. LADNIER: Here.

22 MR. SIMMONS: Gene Juranka. Harvey
23 Rasmussen. Aubrey DuBose.

24 MR. DUBOSE: Present.

25 MR. SIMMONS: Kerry Mounce.

1 MR. MOUNCE: Here.

2 MR. SIMMONS: Robert Richey.

3 MR. RICHEY: Here.

4 MR. SIMMONS: Charles Buengner.

5 MR. BUENGER: I'm here.

6 MR. SIMMONS: J.T. Wehring.

7 MR. WEHRING: Here.

8 MR. SIMMONS: Paul Braswell.

9 MR. BRASWELL: Here.

10 MR. SIMMONS: Dr. Bob Kropp.

11 DR. KROPP: Here.

12 MR. SIMMONS: Fritz Moeller.

13 DR. MOELLER: Here.

14 MR. SIMMONS: Bob Larsen.

15 MR. LARSEN: Here.

16 MR. SIMMONS: Col. Frasier West.

17 COL. WEST: Here.

18 DR. MOELLER: All sitting board members are
19 here but three?

20 MR. SIMMONS: Yes, sir.

21 DR. KROPP: Gene Juranka is here.

22 DR. MOELLER: We will count him present
23 when he becomes present.

24 We are going to start off with Mr. Wiseman
25 who is our attorney.

1 As you all are aware, we completed our
2 arbitration. The decisions have been made and I asked
3 him to come today to give us kind of a final rundown
4 and allow board members to ask him questions and
5 frankly if there's anybody in the audience that would
6 like to ask a question, just raise your hands and I'll
7 be glad to acknowledge you. As long as it stays civil
8 and nice, we'll let everybody participate. If anybody
9 from the audience, and even us up here, when you're
10 going to make a comment identify yourself for our court
11 reporter, please. And as much as it hurts, because the
12 other day TCU - this man is an alumnus of TCU - beat
13 the dickens out of the University of New Mexico - who I
14 am an alumnus of - I will still introduce Mr. Richard
15 Wiseman. Would you commence your report? And we
16 understand we are under a time constraint. We've got a
17 lot of things on our agenda and I know you have another
18 board meeting to attend, so if I might ask you to be as
19 brief as possible and for questions to be as brief as
20 possible. That said, go ahead.

21 MR. WISEMAN: Out of respect, I'll
22 certainly stand. I don't want you to think that my
23 eyes can't look all the way down to this paper, but, if
24 you don't mind, I'll sit. It will be a little easier
25 for me to present the report. Can everyone hear me?

1 Okay. Good.

2 Again, my name is Richard Wiseman. I am
3 with the firm of Brown Dean Wiseman Proctor Hart and
4 Howell here in Fort Worth and I was the attorney hired
5 by your association to proceed with investigation - and
6 then prosecution through either litigation or
7 arbitration - of funds that were found by our forensic
8 auditor to have been perhaps taken unlawfully and
9 should be paid back to the association. For those of
10 you that perhaps have not read some of the information
11 that has been put out through the association's
12 magazine or e-mail letter, I'll just briefly tell you
13 about when the arbitration was held.

14 The arbitration hearing began on August the
15 17th of this year and it was before the arbitrator
16 whose name is Roland K. Johnson. He does a lot of
17 arbitrations. He was an arbitrator that was chosen by
18 the parties to be the person that would decide this
19 dispute on behalf of those that were involved. The
20 parties involved were the TLBAA and the Texas Longhorn
21 Breeders Association of America Foundation, so you
22 actually had both of your entities as plaintiffs or
23 claimants in the arbitration and they were represented
24 by me as their attorney, and the chairman at that time
25 Ben Gravett was there as a representative on behalf of

1 your association. Don King was represented by an
2 attorney here in Fort Worth by the name of Mark Daniel,
3 and Suzanne Spindor, who was there, was represented by
4 her attorney, Stephen Maxwell. The hearing went all
5 day on that Friday, August the 17th, and then we also
6 continued on Saturday August the 18th and went a full
7 day that day. In fact, it went until late into the day
8 and we still did not get completed.

9 I think all the parties - lawyers
10 included - anticipated that this would get through
11 sooner than two days which the arbitrator scheduled.
12 So we reconvened again on August, Tuesday, August the
13 28th. At that time, Dr. Moeller as the representative
14 for the TLBAA appeared on behalf of the association
15 with me as its attorney, and the same two parties and
16 their attorneys were there. We did not complete it
17 that day. We went a full day. And I wanted to have it
18 heard quickly and so we heard it that following
19 Saturday, September the 1st. Because of the short
20 notice, Dr. Moeller could not attend. And it really
21 wasn't necessary, we were really just completing final
22 presentation and cross examination of Mr. King. He was
23 the final witness. And we went that day, we started
24 about 1:30 and went until about 6:00 that evening.

25 The award, again, was issued by the

1 arbitrator and I think you have seen that. I'll go
2 over that again if it's necessary. But it can be
3 confirmed as a judgment this coming Monday. The award
4 can be confirmed by -- when I say confirmed, that means
5 that an arbitration is an informal process and we have
6 an award that's binding but in order to enforce that we
7 would need to file a suit in the court and then have
8 the judge of that court say, "I find the arbitrator
9 made this decision and so I give a judgment to the
10 association for the same remedies that the arbitrator
11 awarded. And that only becomes necessary if Mr. King
12 and Ms. Spindor do not pay the amounts that were
13 awarded to the association by that date. And if we do
14 have to file the condemnation award and get it
15 confirmed by the court, then you are entitled to
16 additional attorneys fees. In fact, you get additional
17 five thousand dollars of attorneys fees that would be
18 awarded jointly and severally against Mr. King and
19 Ms. Spindor if we have to go to court and get a
20 judgment and so forth. If they were to appeal that on
21 to the court of appeals, there's additional attorneys
22 fees if they were to appeal to it the Supreme Court,
23 but would I just tell you, and I think the lawyers
24 which were good lawyers on the other side, as they are
25 well aware, it is virtually impossible to appeal an

1 arbitration award, and it's -- they're 99.99 percent
2 appeal proof and so it would be rather foolish for them
3 in my opinion to appeal that because all they would be
4 doing is getting more attorneys fees against them and
5 so I would expect that that would not be done. In fact
6 I'll tell you a little bit more about what I think is
7 going to happen. I wanted to let you know that I had
8 contact with the assistant district attorney, David
9 Lobingier, after the award was made because I wanted to
10 let him know because, he'd asked me to, when we first
11 when he was first notified about possible criminal
12 activity. He is the assistant to Joe Shannon in what
13 we call the white collar crimes department of the
14 Tarrant County District Attorney's office and he had
15 already received a copy of the award from Mark Daniel,
16 the attorney for Don King, when I called. And I just
17 called him I think on Tuesday of that week after I
18 talked with Dr. Moeller to make sure that that was
19 acceptable and I had left a message with him that we
20 had gotten an award and that I had a three-ring binder
21 of evidence that if he needed that he certainly had it
22 available to use in going forward with any type of
23 criminal activity. Mr. Lobingier said that they group
24 their cases -- right now they are overloaded with white
25 collar crime cases. He said that he is personally

1 handling 70 cases right now, which is the most he has
2 had in his entire 32-year career at the office and that
3 they group the cases together and they have several of
4 the lawyers and the investigators that are in the white
5 collar crime department to look at those and then
6 decide what they will present to the DA -- I mean, to
7 the grand jury for indictment. He said that based upon
8 their backlog, that it probably would be three months
9 to six months before they would have this particular
10 case in with the group of similar cases that they would
11 then discuss and then present to the grand jury for
12 possible indictment and he wanted me to keep the
13 documents that I had in the event that that happened so
14 that he could use it.

15 Just by way of background, although I am a
16 civil lawyer, I like to say there's a crime in every
17 civil case I try, and sometimes there really are, and I
18 have had in the past five occasions where I've had
19 cases that involved criminal activity as well as a
20 civil claim that have gone to the Tarrant County
21 District Attorney's office and that they have
22 successfully prosecuted. In fact, they never had to be
23 tried. They all pled guilty. I had two that went to
24 the U.S. attorney's office, they were federal criminal
25 activity. They also did not have to try them. They

1 pled guilty. And just to let you know, also, three of
2 those five, we received restitution a hundred percent
3 because when people are faced with the possibility of
4 going to prison or serving any type of jail time, it's
5 just amazing how they come up with the money. And that
6 has been successful in at least three of the five that
7 we have had in the past.

8 I did tell Mr. Lobingier that I had talked
9 with Mark Daniel and when I talked to Mark Daniel
10 shortly after the award was issued and before
11 Mr. Daniel got involved in this five-week murder,
12 capital murder trial that he is in currently,
13 Mr. Daniel told me that it was his best belief that
14 Mr. King intended to pay the entire amount of the
15 awarded to the association and that he was already
16 working toward that end, and I told Mr. Lobingier that
17 and Mr. Lobingier said that would be great, we
18 certainly would consider that but just as he made it
19 clear to me and I think Mr. Daniel when this first was
20 brought to his attention, the district attorney's
21 office makes a decision about to prosecute or not and
22 even if the parties decide and get paid and they say
23 that they may not want to prosecute, he makes the
24 decision, which is right, because, if you think about
25 it, they are representing the public, they are not just

1 representing this association, they are representing
2 the public. Because if it's criminal activity, it's
3 not just a crime against this association, it's really
4 a crime against all the public. And so, you know, he
5 just wanted to be sure to clarify that to me again.
6 And I think that was the extent of our conversations.
7 Those -- some have asked and I'll just repeat it again,
8 you know, who testified at trial for us, who testified
9 for the other side, and how that went. And I will tell
10 you first of all Carla Payne was our first witness. I
11 called her and prepared her. She did a very good job.
12 Dr. Bob Kropp was our second witness. I prepared him.
13 He did a very good job. And then we called Mr. Bob
14 Moore by deposition testimony. Mr. Moore did not
15 attend the arbitration hearing and because of that his
16 attorney decided to take his deposition and through
17 cross examination I was able to get a lot of valuable
18 testimony that I thought helped our case and so I took
19 those portions of that deposition and highlighted them,
20 gave them to the arbitrator and then read his
21 testimony, my questions and his testimony into the
22 record and in my opinion I thought Mr. Moore was a
23 witness for us although he had originally been
24 designated as a witness for the other side.

25 And then we had our most important witness

1 which was Mr. Brown, the former FBI agent who was the
2 forensic auditor. Mr. Brown was on the stand for quite
3 some time because I presented all of his report and
4 then two huge three-ring binders of back-up evidence
5 that supported his findings in his report. And then I
6 concluded our testimony with my testimony about
7 attorneys fees that we had incurred on behalf of the
8 association.

9 And then for the respondents, they called
10 Mr. Tim Miller, Mr. Tom Claassen, Mr. Sherman Boyles.
11 They did not -- and they appeared voluntarily on behalf
12 of Mr. King and Ms. Spindor. They subpoenaed Larry
13 Barker. He did not voluntarily appear. They had --
14 which they have the right to do, they had a subpoena
15 issued through the arbitrator's office and Mr. Barker
16 was called to be a witness and they were able to
17 examine him and I think he told the truth and then I
18 was able to cross examine him and he gave, again, I
19 thought some very good evidence from our position of
20 the case because he had that information. There was a
21 lot of information they asked him that he was not privy
22 to because he didn't know a lot of the things that had
23 gone on between Mr. King and Ms. Spindor. And then
24 they called Susan Spindor and she was called as a
25 witness, and then Don King, then Mark Daniel gave his

1 testimony about attorneys fees and Mr. Maxwell gave his
2 testimony about attorneys fees. Both Mr. King and
3 Ms. Spindor filed counterclaims against the association
4 in which they said they were owed money and they were
5 seeking that money plus their attorneys fees. And of
6 course as you know, the arbitrator denied that and
7 denied their counterclaims.

8 If you have been reading any of the Fort
9 Worth papers, you will know that Mark Daniel has been
10 the criminal attorney representing the defendant in a
11 capital murder trial that has been going on for five
12 weeks. We have had an article in the paper every day
13 about the testimony because it involved the death of a
14 police officer, Officer Nava, and that's a very high
15 profile case. And it just so happens today the court
16 had to dismiss the proceedings for the day because of
17 an expert witness couldn't be there, so Mark Daniel
18 called me and said, "I just wanted to let you know that
19 it is my belief that Mr. King will have the full amount
20 of the award available on Monday, he's been working
21 very hard to get that paid, however I'm going to still
22 be in trial, I'm going to be in trial through Wednesday
23 of this next week and I would like to do a formal
24 closing where the association would give a release of
25 their arbitration award in exchange for payment of the

1 amounts that Mr. King owes," and I assume that
2 Ms. Spindor's amount will be in that as well. At least
3 that's my understanding. I have mentioned that to
4 Dr. Moeller and I think that would be appropriate. If
5 I'm paying the judgment on behalf of my client, I would
6 certainly want a release. And all that means is they
7 pay us everything we have been awarded by the
8 arbitrator in our award, then we simply give them a
9 release saying we release the right for us to go file
10 that as a judgment because you've paid us in full, and
11 I certainly would recommend that that be done. If we
12 just waiting a few days, I do not see that as any
13 problem, there's still interest that's accruing and we
14 will certainly require that that interest be paid as
15 well, it will save the time and expense of filing a
16 judgment when in fact he's really going to pay it and I
17 think that the request he has made is reasonable, so I
18 certainly would recommend to the board that that be --
19 that they do that and allow us to do a formal closing
20 and of course that they authorize Dr. Moeller to sign
21 that release and of course I would review the release
22 to make sure it was appropriate before I would allow
23 him to sign it.

24 I think that is all the information that I
25 had to present. I would now be open to any questions

1 that any of you might want to ask if you have any.

2 Yes, sir?

3 COL. WEST: One question. The arbitrator,
4 was he an attorney?

5 MR. WISEMAN: Yes, he is. Mr. Johnson has
6 been an attorney, very well respected attorney here in
7 our legal community for about 27, 28 years. He is a
8 former president of our Tarrant County Bar Association
9 and regularly does arbitration. That's the majority of
10 his practice right now. But he has been in private
11 practice in his earlier years.

12 COL. WEST: Thank you, sir.

13 MR. WISEMAN: Yes, sir.

14 MR. MOUNCE: I think I understood you to
15 say, but clarify it again, you think King is going to
16 write a check for the total of \$190,815.76 which would
17 include both, what, defendants' amounts? That is what
18 you are led to believe?

19 MR. WISEMAN: That is my current belief.
20 In fact, it actually will be a little more than that
21 because that was the amount up to a certain date and
22 there would be -- I think that that may be through the
23 12th. So there may be a little bit more, a few more
24 days' interest, but yes that is my current belief.

25 MR. MOUNCE: Just a financial question, and

1 Frasier asked if he was an attorney, who paid for the
2 arbitrator?

3 MR. WISEMAN: Actually the arbitrator split
4 it up in thirds. We paid one-third and Mr. King paid a
5 third and the other paid a third. Now, that was just
6 in the beginning. When the arbitrator gave the award,
7 he kind of wrapped up all of the things in one award
8 so, conceivably, because he found in our favor, then
9 that -- that -- he didn't -- that portion would be
10 included in within -- within our award.

11 MR. MOUNCE: Thank you.

12 DR. MOELLER: But we did write a check for
13 our third.

14 MR. WISEMAN: Yes, we did we did write a
15 check for our third to the arbitrator.

16 DR. MOELLER: Questions?

17 MR. WISEMAN: Yes, sir?

18 MR. SIMMONS: How much easier would this
19 have been if we had had all our previous meetings court
20 reported?

21 MR. WISEMAN: You mean our meetings here?

22 MR. SIMMONS: In the past.

23 MR. WISEMAN: I think that it probably
24 would have been helpful because one of the issues, one
25 of the major issues in this arbitration was the

1 approval by the board of payments that were alleged to
2 have been made to Ms. Spindor for commissions,
3 specifically commissions having to do with the -- not
4 the commissions for sales of ads. Sponsorships. Yes.
5 Thank you. Commissions for sponsorships. And of
6 course we had no -- we had no record of those
7 discussions, so we had some of the board members saying
8 yes, I remember us discussing that and we had others
9 that testified for us and said I've never heard that at
10 all. And so that certainly would have helped had that
11 been there because then there -- that certainly
12 wouldn't have been left to someone's memory, you would
13 have had it down in writing.

14 MR. SIMMONS: This is Scott Simmons, by the
15 way. Would you recommend to keep this going long term
16 with the court reporter?

17 MR. WISEMAN: For me personally, I will say
18 this: I have been involved with a lot of boards and
19 associations in the past and there's not too many, I'd
20 say it's rare that I have them to actually do their
21 court reporting, but also as an attorney who represents
22 a lot of clients especially in the construction and
23 business litigation area, I'm always wanting to have
24 more documentation than less because I always take the
25 position -- I kind of see life as black and white, I

1 see it that I represent the good guy with the white
2 hats - or good guys with black hats - and the other
3 side is the bad guys with black hats. And so I always
4 feel that if we have documentation, it will support a
5 good position. That's just my personal opinion from my
6 30 years of law practice.

7 DR. MOELLER: Any other questions from the
8 board? Go ahead.

9 MR. BUENGER: Charlie Buenger. The amount
10 of money we were told in January by Mr. Brown that he
11 thought had been stolen and the amount of money found
12 by the arbitrator to have been stolen differ. The
13 amount was lowered quite a bit.

14 MR. WISEMAN: That's correct.

15 MR. BUENGER: And I felt like always that
16 that would be their game plan to try to reduce that as
17 much as they could.

18 MR. WISEMAN: Well, certainly that was
19 their game plan. Not only did they say they didn't owe
20 any money, they said we owed them money. So yes,
21 that's very true.

22 MR. BUENGER: And I would like to know, we
23 had two sitting board members, Tim Miller and Tom
24 Claassen, testify against the association while they
25 were on the board and then Sherman Boyles who had been

1 previously on the board testify against. I'd like to
2 know what those guys said that hurt the association and
3 allowed them to reduce those damages.

4 MR. WISEMAN: All right. Well, let me
5 first say that I don't want to say that they testified
6 against the association. They were called by the other
7 side and they did not have to be subpoenaed. And they
8 gave testimony that tended to support the other side.

9 MR. BUENGER: Well, that's my
10 characterization, not yours. But in 31 years of trying
11 cases, I don't call witnesses to help the other side.

12 MR. WISEMAN: Well, that's true. That's
13 true. The issue, as I said, had principally to do with
14 about \$66,000 of commissions that Mr. Brown found no
15 support in the records for payment from the association
16 to Ms. Spindor and he probably -- he did the right
17 thing, there was -- there -- when he looked at the
18 records, he could not find any board minutes, he could
19 not find anything, there were certainly payments of
20 sponsorships to other people, but not for Ms. Spindor
21 and because Ms. Spindor and Mr. King had such a close
22 relationship and they controlled every single check
23 that went out of that association, it was Mr. Brown's
24 opinion that therefore, without any support, if you
25 can't give me support for that, then I want to -- I'm

1 going to say that you owe it. And there, as you may
2 know, we actually, with this association's help,
3 Mr. Barker's help when he was here, we sent out a
4 survey to all the directors and the majority of them
5 said they'd never heard of that. There were some that
6 said that they did and those that said that they did
7 were those that were there that testified and they said
8 that they did recall that there was discussion held -
9 although it may not have been in the minutes - among
10 the directors and, you know, whether they kind of
11 merged the full board as opposed to the executive
12 board, I think the arbitrator felt that there was
13 evidence that Ms. Spindor at least some of the board
14 members - maybe they were considered inside board
15 members - knew of and had approved of those payments to
16 Ms. Spindor. Let me make it clear. Those weren't just
17 payments that were -- she did actually earn -- there
18 were monies that came in that supported the payments to
19 her. In other words, that \$66,000 supported
20 approximately \$660,000 in sponsorships that supposedly
21 - and she did - get and secure. The issue was, if you
22 didn't have board approval for that, why should she be
23 paid that over and above her salary? That was the
24 issue that Mr. Brown was looking at. He had no support
25 in the minutes. And so I think the arbitrator took

1 that into consideration, I think he said there was
2 evidence to support that. And I think another thing
3 that the arbitrator said is that he said that while,
4 yes, a board should expect that their paid employees
5 are honest and that they do things with integrity,
6 especially in a non-profit association, that the board
7 has some responsibility as well to have some checks and
8 balances in place to -- at least this is what I read in
9 between the lines of his opinion, that they need to
10 have a little more involvement to make sure that
11 there's not the opportunities that were obviously here
12 go forward. And I understand that this board has since
13 taken some steps in that area to do that. So I think
14 he was saying that was one issue. Then the last thing
15 I think the arbitrator said that probably reduced that
16 amount is he said part of this investigation would have
17 been required because of the association's fiduciary
18 duties to its members anyway, even if Ms. Spindor or
19 Mr. King had not taken anything, and so I think he
20 looked at that saying that part of your costs of just
21 being a board that is doing a good job and looking at
22 your finances and what's going on with your employees,
23 I think the arbitrator was saying that there was
24 probably, that that -- some of that would have been
25 done anyway. So that's what I read through the

1 arbitrator -- I can't talk to him personally about the
2 issue, but I read between the lines.

3 MR. BUENGER: But what provided him the
4 evidence to make that conclusion was the testimony of
5 these three that they remembered some discussion about
6 it even though the majority of the surveyed members
7 said they'd never heard it.

8 MR. WISEMAN: I'd say that is correct.
9 Also the testimony of Ms. Spindor and Mr. King.
10 Ms. Spindor was on -- was a full day, her testimony,
11 and they were quite fervent in their support of that
12 too.

13 One last thing that I should say, too.
14 There was also this issue, it was a lot easier for any
15 payments to Mr. King to be -- not be -- to be found
16 against him that were not supported in the minutes
17 because if you remember your bylaws state that his
18 compensation is set by the board and so you've got to
19 have a contract that tells what his compensation is.
20 But then Mr. King as the CEO or whatever he called
21 himself, executive director, CEO, president, he had the
22 responsibility to hire all the other employees and set
23 their salaries. This board can do that. They only saw
24 the global budget and so there was argument and I, you
25 know, you argue against it the best you can that, well,

1 hey, Mr. King set that compensation, that was part of
2 her compensation and he had the right just like he set
3 compensation for any of the employees to pay those
4 amounts. And I -- you know, that was kind of hard.
5 Our argument to that was, well, that's different, you
6 know, when Mr. King made bonus payments to others who
7 got sponsorships or that did a good job at a sale, and
8 there was quite a bit of that to Mr. Barker,
9 Mr. Curry -- is it Curry?

10 DR. MOELLER: Curry.

11 MR. WISEMAN: Yes, some of those after
12 sale, he said -- they -- they argued, well, hey, if
13 they made them to them, why can't he do it to
14 Ms. Spindor as well? Well, there's a little bit
15 different relationship. They didn't write the checks.
16 Mr. King and Ms. Spindor did. They had complete
17 control of the check writing. So that was our argument
18 in response to that. But I think that that certainly
19 was a I think a viable argument on their behalf.

20 DR. MOELLER: Does that answer your
21 question, Charlie?

22 MR. BUENGER: I think so. I mean, I don't
23 want to mischaracterize what you've told me but what
24 I'm gathering is the way they were able to reduce the
25 amount is through whatever Don and Suzanne said - which

1 I choose not to believe - but whatever they said plus
2 the testimony of these other three supported that.

3 MR. WISEMAN: I would say that is a correct
4 statement.

5 MR. BUENGER: Okay.

6 DR. MOELLER: Keso?

7 MR. KETY: I hope I can ask this question
8 without it getting too confusing, but it kind of
9 parallels what Charlie was talking about. The award
10 was substantially less than what we were seeking. So
11 obviously there were activities under dispute, some as
12 to whether they were approved or not approved, say
13 trips or whatever it was.

14 MR. WISEMAN: Correct.

15 MR. KETY: If these board members stated
16 that they knew of the activities and had approved them
17 and then the arbitrator found that the activities were
18 improper and the other witnesses did not recall them
19 being approved or having any knowledge of them, would
20 then those board members be admitting to knowing of
21 improper activities going on?

22 MR. WISEMAN: Well, I can't -- you know, if
23 in fact a board member testified that, "Yes, I recall
24 us as a board discussing that Suzanne Spindor could be
25 paid a 10 percent commission on any sponsorship she got

1 over and above her salary," I can't say that that's an
2 illegal activity. I mean, you know --

3 MR. KETY: Let's use an example of saying
4 maybe Don King making trips to Brazil.

5 MR. WISEMAN: Okay. That's a different
6 matter. You know, without the board knowing about
7 that, him taking a trip, just my personal view, this
8 association was run pretty loose and I think that's one
9 reason why what happened happened. When you're making
10 a lot of money, it's easy to not see money gone. I
11 mean, you still -- to his credit, I mean, I can't
12 dispute this, while Mr. King was here, even though I
13 was opposing him, he took this association from when it
14 was close to bankruptcy and produced, with his efforts
15 and Ms. Spindor's efforts, got it to where it was
16 producing a lot of money. I think the problem is that
17 just because it was producing a lot of money is no
18 excuse for taking money. And that's where I think the
19 fault was. And it just happened, I've just seen a lot
20 of people over the years when they are doing a good job
21 and they're working a lot of hours or working seven
22 days a week they begin to rationalize in their mind
23 that, you know, I'm doing a good job and, you know, I
24 deserve this, and they lose that fine bright line
25 between what's right and what's wrong, and I think

1 that's what happened. In my personal opinion, that's
2 what happened here with Mr. King and Ms. Spindor.

3 DR. MOELLER: Any other board questions?

4 MR. RICHEY: I was wondering regarding the
5 board's responsibility in general, is it your
6 understanding that the -- a board member or a board has
7 no legal responsibility for misappropriation of funds
8 if they don't see it happening or whatever, is there
9 something in Texas that says, you know, as a board
10 member I'm to do the best job I can but I don't have a
11 real standing if something screws up?

12 MR. WISEMAN: I think the law generally in
13 Texas is this -- I serve on a lot of boards, too, and
14 I'm just like you, a volunteer, I work hard long hours
15 like all of that are on this board do and I have to
16 expect that those hired persons are honest and they do
17 a good job. But as a board member, if I'm going to be
18 a board member, I at least do the minimal duty of
19 making sure that, you know, I at least look at things,
20 that I see the budget, that I see the financial
21 statements, and so I think there is some responsibility
22 on board members at least to do that minimum. But as
23 far as could you be held liable for what Mr. King and
24 Ms. Spindor did? No. You know, how could you know?
25 They actually took measures to hide payments, and you

1 did not have the responsibility to go back behind and
2 look at each one of those checks and do a forensic
3 audit yourself as a board member, what you had to hire
4 a professional to do. I think from a board standpoint
5 you needed to, if there was something that gave you a
6 red flag, it should have been explored as a board
7 member I think it would be maybe not legal, any
8 liability, but I think it's your responsibility to this
9 association to put in the kinds of things that wouldn't
10 allow that to be done such as I know a lot of boards
11 that I represent have done, we have a regular audit
12 done, you know, every so often. And of course you had
13 that here, but you had an accountant that happened to
14 not be really a CPA that kind of fudged on the audit.
15 So was that board, you, board responsible? No, it was
16 not. You were doing, the bylaws said you do an audit
17 by a CPA, and that was what you were told and what we
18 were led to believe, and that turned out to be not
19 true. I don't think you had the responsibility of
20 having to go behind the scenes and check that out.
21 Does that kind of --

22 MR. RICHEY: Yes, sir.

23 MR. WISEMAN: Again, it's not a bright line
24 there about what your responsibilities are. But as far
25 as criminal activity, no. Unless it was something that

1 you knew about and you didn't take action, then I think
2 there might be some exposure.

3 DR. MOELLER: Mr. Buenger?

4 MR. BUENGER: I want to just ask about the
5 release for a minute. Assuming they do pay it.

6 MR. WISEMAN: Yes, sir.

7 MR. BUENGER: Suppose we find something
8 else next month that they did. Are we going to be
9 bound, have we lost that cause of action?

10 MR. WISEMAN: If it was something that was
11 during the period of time that this audit went on, I
12 would say yes because our claims were brought for that
13 period of time up to the time of the -- of this
14 arbitration award and I think that if you found
15 something else, you would be prohibited -- well, I
16 think you would prohibited by it even if we didn't give
17 a release because the arbitrator has looked at all the
18 facts that we could present and all the facts that they
19 could present and he came up with this award. And so
20 the release is simply saying that they have paid the
21 award of the arbitrator.

22 MR. BUENGER: The reason I ask that is I've
23 been doing some title work on our land and I've come up
24 with an oil and gas lease that Don King signed. I
25 don't know yet where that money went. We may have

1 gotten the money. But if we didn't, have we lost that
2 cause of action?

3 MR. WISEMAN: That, I'm not sure. That's a
4 little bit different. That would be really outside of
5 what was brought at this hearing, and I am not prepared
6 to say that that would be a cause of action --

7 MR. BUENGER: It may be.

8 MR. WISEMAN: It could be, but that's a
9 little bit different. Even though it occurred during
10 the time, it's kind of outside the purview of what he
11 was doing as a CEO, you know.

12 MR. BUENGER: Okay. One other thing. I
13 just want to call your attention to this if they pay
14 the money and you have to review a release. Under our
15 charter, charges have been filed to expel both of them
16 from the association. So be careful in the release
17 because we want to go forward with that.

18 MR. WISEMAN: This release will be only for
19 the award that was given and so that -- which they
20 would be entitled to, so that we can't go file a suit
21 on that award since we've already been paid. So I hear
22 you, and that's a good point. Good point.

23 DR. MOELLER: Any other board questions?
24 If not, I'll recognize Darlene. You still have a
25 question?

1 MS. ALDRIDGE: My question is when the
2 judgment was rendered, was it just basically a lump
3 sum? In other words, he didn't -- the arbitrator
4 didn't find that Don King owed us the \$16,000 rent or X
5 dollars that he paid his employees, did -- was it
6 detailed at all or was it just a lump sum?

7 MR. WISEMAN: It's what's called a reasoned
8 award. It was not that detailed. He did not break it
9 down in that response. What he did do, though, is he
10 found lump sums that Don and Ms. Spindor were jointly
11 liable for, then he found those that Don was just
12 liable for and then he found those that just
13 Ms. Spindor was liable for, and then he found them
14 jointly and severally liable for the attorneys fees.
15 And I think I -- did we not -- wasn't there a letter
16 that kind of broke that down?

17 DR. MOELLER: Yes.

18 MR. WISEMAN: I think there was a letter
19 that went out where I kind of broke down what each of
20 the -- yes. A letter that I prepared to Dr. Moeller
21 back on October the 15th where I had those that were
22 awarded against King individually, against Spindor
23 individually, against them jointly and then against
24 them on -- they were held jointly for attorneys fees
25 and jointly for experts' fees.

1 MS. ALDRIDGE: I did see that letter and
2 that's what I was wondering, if that was as detailed.

3 MR. WISEMAN: That was about as detailed as
4 he got in the reasoned award. I mean, he gave some
5 reasons that he felt that, you know, that they had done
6 things that were not right and that were wrong, he felt
7 that there was some evidence of commissions were --
8 commissions to Ms. Spindor were, you know, approved by
9 at least some of the board and that she actually did
10 earn the money. I mean, I want to make that real
11 clear. The issue wasn't that she just took \$66,000.
12 She actually brought in \$660,000 of sponsorships and
13 the issue was does she get 10 percent of that like
14 other employees might have because she's the finance
15 director and she shouldn't be getting that on top of
16 her salary. That was the issue that we were bringing
17 to the arbitrator.

18 MS. ALDRIDGE: And then I had a second part
19 of my question. Was the amount that they were found
20 liable for, if it is prosecuted, do those amounts
21 constitute a felony?

22 MR. WISEMAN: Yes, they do.

23 MS. ALDRIDGE: For both parties?

24 MR. WISEMAN: Yes. There's several degrees
25 of felony. First degree, second degree and third

1 degree. I'm not a criminal lawyer.

2 I know that in excess of \$200,000, it is
3 the highest felony you can have. But I believe from
4 15,000, over \$15,000 is a felony. So yes, both of them
5 would be subject to felony indictments for the amounts
6 awarded because the jointly and severally liability of
7 both of them vastly exceeds \$15,000.

8 MS. ALDRIDGE: And then one more question.
9 What you just said, would you explain jointly and
10 severally?

11 MR. WISEMAN: Okay. What jointly and
12 severally means is that they both are liable for the
13 amount that has been found against them and if you
14 couldn't collect it from one, you could collect a
15 hundred percent from the other. And, you know, as
16 between themselves, they, you know, if one pays for the
17 other's liability, they have to work that out among
18 themselves. What it means is that they both are
19 equally responsible for 100 percent of that amount, as
20 opposed to if they were both found for that amount and
21 let's say it was a thousand dollars, he's responsible
22 for 50 percent she's responsible nor 50 percent. When
23 you are jointly and severally liable, you are each
24 responsible for 100 percent.

25 MR. GARLITS: What happens if they decide

1 to declare bankruptcy? How does that impact the award?

2 MR. WISEMAN: Again, I am not a bankruptcy
3 attorney but I certainly have been involved in a lot of
4 bankruptcies for some of my clients that have awards.
5 If they were to file bankruptcy, it certainly could
6 have some impact on this. But I will tell you, we had
7 a major change in our bankruptcy laws and that's why we
8 had so many bankruptcies filed, I think it was as of
9 January 1st of this year, there was just a plethora of
10 bankruptcies filed because they made it much, much
11 harder for people to get out of owing the money that
12 they, you know, charge up a hundred thousand dollars on
13 credit cards and then, you know, they go free. They've
14 made it a lot harder. This would be more difficult for
15 them because it did involve fraud and criminal
16 activity. And even if under our old bankruptcy laws if
17 you were to file bankruptcy for a fraudulent claim that
18 was found against you, you can't discharge that in
19 bankruptcy. So that would continue to follow them, and
20 if they filed bankruptcy and didn't pay this amount,
21 then we would file a proof of claim and we would argue
22 that this was an award based upon criminal activity and
23 fraud and therefore is not dischargeable in bankruptcy.
24 But for whatever it's worth, Mr. Daniel, although he
25 was on the other side, he is a very well respected

1 criminal attorney and he's one of those kinds of guys
2 that I don't need something in writing to support, his
3 word is his bond, and when he tells me that he thinks
4 they're going to pay Monday, I feel pretty confident
5 about that, whatever that's worth, based upon his
6 reputation.

7 MR. HIGHTOWER: Gene Hightower. I have a
8 tax question.

9 MR. WISEMAN: Yes, sir.

10 MR. HIGHTOWER: All these funds that Don
11 King and Suzanne Spindor received, all this monies,
12 were tax records given to them showing this as income
13 to them?

14 MR. WISEMAN: Very good question. That was
15 an issue in the proceedings. We had requested -- first
16 of all, by the time the auditor got to the records, we
17 could find no 1099 forms for Suzanne Spindor or Don
18 King for the payment they received.

19 MR. HIGHTOWER: That was my question.

20 MR. WISEMAN: We requested that those be
21 produced. Ms. Spindor said she would produce them.
22 They were never produced. And we just -- the forensic
23 auditor and I believe that the reason -- and we asked
24 for tax returns because if the those were legitimate
25 payments, they should be on the tax returns as income,

1 that additional income. We believe that that probably
2 was not reported and that there may well be some IRS
3 liability, but that wasn't our job in this case.

4 MR. HIGHTOWER: I mean, we had -- we were
5 not -- we do not incur any taxes or have to pay --

6 MR. WISEMAN: Oh, no, no no. You're a
7 non-profit association and this association does not
8 pay taxes.

9 MR. HIGHTOWER: Well, my concern is
10 somebody or some entity needs to make the Internal
11 Revenue Service aware of this.

12 MR. WISEMAN: That may well be the case,
13 yes, sir, and that was something that was brought out
14 during the arbitration hearing and that we argued to
15 the arbitrator as proof for our position.

16 MR. HIGHTOWER: Thank you.

17 DR. MOELLER: In the back?

18 MR. ZUNKER: Stephen Zunker. You kept
19 saying that Suzanne Spindor earned these sponsorships.
20 Did she prove that she earned them? If I as a member
21 decided that I wanted to be a sponsor and I called into
22 the office and said "Hey, I want to sign up to be a
23 sponsor," did she actually go out and acquire that
24 sponsorship when the member called in? I mean, was
25 that proved that she went out? You kept saying she got

1 these sponsors. And if a member directly called in,
2 then why would she be entitled to a commission off of
3 that sponsorship?

4 MR. WISEMAN: Well, that was one of the
5 arguments that we made. Their argument on the other
6 side was just like when you go out and you sell an
7 insurance policy and it gets renewed each year, that
8 insurance salesman continues to get his commission each
9 year of that that policy is renewed and their
10 argument -- or I should say her argument, her
11 attorney's argument was that very point was brought out
12 during the proceedings that someone renews a
13 sponsorship that next year, even if she got it the
14 first year, if they called back on their own, did she
15 really earn that? That was a point. This would be a
16 point where someone needs to have a policy about
17 sponsorships. You didn't have a policy about
18 sponsorships. Sponsorships were a verbal commitment by
19 Mr. King as the CEO who had the right to set the
20 salaries of all the employees. Just the same as there
21 was no policy about bonuses at sales. Again, Mr. King
22 is the CEO. And I'm not saying that these bonuses
23 weren't deserved because I could see the actual records
24 of sales that benefited this association and I have no
25 doubts that those employees worked very hard, worked an

1 entire weekend, maybe worked five weekends in a row and
2 maybe they were entitled to a bonus. But having a
3 policy where you very definitively define when you do
4 and when you don't I think was something that was
5 missing and it would be very beneficial for keeping
6 this from happening in the future.

7 MR. ZUNKER: I have some other questions.
8 As a member, I was constantly told that it was
9 attorney-client privileged so it was very hard to get
10 information. I'd like to thank this board that
11 information comes much more freely now. But I've got a
12 couple of questions. What was the period the audit
13 covered, what were the accounts that the audit covered,
14 where is the audit, does the board have copies of the
15 audit, has it been presented for them to look at, and,
16 if we were to do other audits maybe on accounts that
17 weren't audited for a prior period, by signing the
18 release does that cover those periods and maybe
19 accounts that weren't audited?

20 MR. WISEMAN: Okay. The audit period ran
21 basically from January 1st, 2003 up through November of
22 2006 when Mr. King resigned. The auditor went back and
23 looked at the period just before 2003 and he just
24 couldn't find that activity didn't really -- that there
25 was -- he could not find any activity, he felt that

1 going beyond that was really not worthwhile, would not
2 be in the association's best interest to have him go
3 back because it really didn't start until about --
4 about February or March of 2003 when we started seeing
5 some of these payments and then it just began to grow
6 as time went on. So that is the period that it
7 covered. And what did you ask.

8 MR. ZUNKER: What accounts did it come
9 from.

10 MR. WISEMAN: All the accounts. He looked
11 at every single account the association had. And for
12 both -- not only the association, but for your
13 foundation as well because some of the payments came
14 from the foundation's account, some payments came from
15 the association's account. And if you notice when you
16 look at the award, the arbitrator made the payments
17 jointly to the association and the foundation because
18 he didn't want to take the time to go through and see
19 who had taken what, and left it up to the association
20 to decide which one of those accounts those funds would
21 be paid.

22 DR. MOELLER: Are there any other
23 questions? Time is running out. If it's a short
24 question. Go ahead, Darlene.

25 MS. ALDRIDGE: It was my understanding that

1 the sales management accounts were not audited. Is
2 that correct?

3 MR. WISEMAN: No, they were as well. There
4 was just that -- by the time, again, Mr. Brown got
5 there, they were in disarray. The records were just --
6 it was extremely difficult. Sometimes the sales
7 management records were just sitting in a box,
8 different times different places, other times there
9 were gaps missing, and at least from his perspective
10 either, one, the records were not kept in a very
11 orderly fashion, or, two, someone before he got there
12 had gone through those records and perhaps removed some
13 of the records.

14 MS. ALDRIDGE: One of the rumors I guess
15 you might say floating around had been that there had
16 never been any cash deposits made from the sale of the
17 cattle and there has been, I mean, I've heard a lot of
18 people question what was -- was there cash income to
19 these sales; in other words, did people who bought cows
20 pay for them with cash and was that cash ever accounted
21 for?

22 MR. WISEMAN: I remember that. I heard
23 that rumor as well as I was going through this process
24 and I do know that there were a lot of documents that
25 supported deposits from those sales and I just at this

1 time do not recall from my memory whether that is a
2 true statement or not. I think Mr. Brown would know
3 but I don't -- I just -- there just was so much
4 information, I just -- not that I'm getting old and
5 losing my memory, it's just I've got a lot of stuff up
6 in my mind and I just don't remember that particular
7 fact.

8 DR. MOELLER: One more quick question.

9 MR. BRANTLEY: Carl Brantley. Were there
10 ever any investigations into the inventories that King,
11 Spindor/SK Ranch, of their cattle and the transfers of
12 their cattle vis-a-vis the shenanigans that took place
13 with the cow in question at the Hill Country Sale,
14 anything that was crazy about them switching monies and
15 cows and what-have-you, is there anything about that?

16 MR. WISEMAN: Oh yes. Very much. Yes, in
17 fact, Mr. Brown in his initial report had a sizable
18 amount that he was holding against Spindor and King for
19 cattle that they had supposedly purchased but not paid
20 for and then we were able -- he was able to find and
21 they produced for us the actual payment of that that
22 went to the sale. So he took that back out of the
23 audit. And the famous Delta Amber, was that --
24 everybody knows that story. Well, on that particular
25 action, what really happened there is there had been a

1 run-up of the sale and it was more than what the cow
2 was going for and supposedly it was -- the bell rang
3 and it sold for that amount but it really didn't and
4 then the testimony was that Mr. King just gave the cow
5 to Mr. Moore and it was -- currently the cow is on
6 Mr. Moore's ranch. And I said, "It was just a gift?"
7 And he says, "Yes, just a gift." And so there never
8 was a sale of, in my opinion, a legitimate sale of
9 Delta Amber.

10 MR. BRANTLEY: But was there ever anything
11 else found that was similar to that that happened
12 vis-a-vis their inventories or anything?

13 MR. WISEMAN: No that was pretty much a
14 one-time, according to Mr. Brown and everything that I
15 saw, a one-time very strange and bizarre event.

16 MR. BRANTLEY: Thank you.

17 DR. MOELLER: Time for one more?

18 MR. WISEMAN: Sure.

19 DR. MOELLER: One more.

20 MR. GARLITS: Roger Garlits. Based on
21 everything you have experienced, what does this board
22 need to do going forward to make sure we don't fall
23 into this again?

24 MR. WISEMAN: Well, one, I'm not here to
25 take on the responsibility that this board has and if

1 they asked me to help and advise them as they are
2 crafting policies or rules, I certainly would do that
3 but have you some very capable people on this board and
4 I think this has been a -- you know, the board is a lot
5 different than it was a few years ago and it's my
6 understanding, I haven't seen yet, that the board is
7 working on some checks and balances that hopefully will
8 not allow this to happen in the future; but what has
9 been done I don't know at this point.

10 MR. GARLITS: But it's basically putting
11 policies and procedures in place that are written and
12 documented and managed, too?

13 MR. WISEMAN: Yes, just have something in
14 writing. You know, What is a bonus? When do you pay a
15 bonus? Is it going to be left up to the executive
16 director or are you going to have a specific policy
17 that, you know, someone works X number of hours over
18 their regular hourly, you know, regular work week, they
19 might be entitled -- and there's a sale that produces a
20 certain volume, they might be entitled to bonus. If
21 someone gets -- legitimately gets a sponsorship rather
22 than just having somebody call in and renew, I think
23 maybe then they might get a sponsorship. Because
24 paying money gets back to -- that's the whole idea of
25 capitalism. You get a reward.

1 MR. GARLITS: Thank you.

2 DR. MOELLER: The board has already
3 instigated several things. One, of course, is we have
4 eliminated commissions on any cattle sales or -- the
5 only thing that we have commissions on are ads sold in
6 the Trails and that's 10 percent across the board. Is
7 that correct? So we have closed that loophole. And to
8 kind of answer a little bit of Darlene's question, we
9 recently, relatively recently discovered another
10 software program in the sales department, a Peachtree
11 software program that was separate from our regular
12 Peachtree software program that was being sent to
13 Houston every month, we are in the process right now of
14 taking that and combining those so there's no ancillary
15 programs going on where money's in and money's out that
16 we don't know about. It's all being put in one pot.
17 And the CPA that's working on that has promised me that
18 he would have that done by the annual meeting. In
19 addition to that and concurrently with that, by that
20 time they will also -- he will also be able to furnish
21 to the board - and our records are open - a monthly
22 statement which we have never had. And he says that it
23 will take him -- he will be able to produce that for us
24 within two weeks after the close of the previous month.
25 So we don't have to go quarterly or six months or a

1 year before we find out what's going on. We'll know
2 what happened last month. He has assured me that he
3 will have that ready for us by the annual meeting.
4 They are herculean tasks based on the status of the
5 mess that was there.

6 MR. WISEMAN: I'm going to need to go. Let
7 me say one other thing I forgot, I wanted to say one
8 other thing to the gentleman on the back about you
9 didn't get a lot of information because of
10 attorney-client privilege. There was and there is
11 attorney-client privilege and when we first began the
12 investigation we felt that it was very important that
13 we not reveal what we might be finding because, once it
14 gets out, then we would lose that privilege and the
15 other side has a right to find that and then they could
16 use that and be better prepared for the hearing. Once
17 we started the hearing, the arbitrator invoked what is
18 called the rule and that meant that witnesses and
19 parties and attorneys that were there at that
20 proceeding could not divulge any of the testimony of
21 anyone that was there and the reason for that was
22 because if you didn't invoke the Rule or he didn't make
23 that the rule, then one party that testified could go
24 out in the hallway, talk to another witness, tell them
25 what they did and then they could kind of, together,

1 conspire to have the same testimony. You get a
2 fresher, more honest testimony that way. So that's why
3 Dr. Moeller, I or any of the other witnesses could not
4 disclose anything until the arbitrator finally made his
5 award and that's why I can disclose that to you today.
6 I am going to have to go. Thank you. I appreciate the
7 board allowing me to represent them. It has been an
8 honor and I feel very comfortable about the award and -
9 knock on wood - we will get paid next week and get that
10 into your coffers so that y'all can do the good work
11 that you do. Thank you.

12 DR. MOELLER: Thank you, Richard. I'll
13 talk to you Tuesday. Okay. Thank you.

14 The next item on the agenda are the minutes
15 from the previous meeting and we did have court
16 reporting of that. That's all been published. I don't
17 know, I would defer to our parliamentarian, de facto
18 parliamentarian how we might handle that.

19 MR. BUENGER: I just move to approve the
20 transcript.

21 MR. WEHRING: Second.

22 DR. MOELLER: Okay. There has been a
23 motion made and seconded to approve the transcripts
24 from the last meeting.

25 MR. WEHRING: Charlie Buenger made the

1 motion. Ty Wehring seconded it.

2 DR. MOELLER: Any discussion, any
3 corrections or changes? Dr. Crop?

4 DR. KROPP: Bob Kropp. I think that it
5 would behoove someone to go through and do a little
6 editing on it, names, et cetera. I mean, that's, you
7 know -- I know he's doing a good job, but it was going
8 pretty fast last time.

9 DR. MOELLER: Why would you think that,
10 Bob?

11 DR. KROPP: Well, there's just some
12 misspelled names and stuff.

13 DR. MOELLER: Just names?

14 DR. KROPP: The names and just
15 misspellings. If you're going to have a document, it
16 needs to be somewhat clean. I don't care. We can --
17 we can --

18 DR. MOELLER: Any other discussions on
19 that?

20 MR. MOUNCE: Can we ask the court reporter
21 a question?

22 DR. MOELLER: Yes.

23 MR. MOUNCE: If by having the court
24 reporter here and you are doing your level best to
25 figure out whether Buenger is BEU or BING or Mounce is

1 a variety of different spellings, as long as you are
2 putting fort your best effort, do we need to worry
3 about legally clarifying whether Charlie Buenger's last
4 name is this way or my last name is that way? Is your
5 best effort in putting this effort forward good enough,
6 or do we need to go back and edit it.

7 THE REPORTER: It's up to you.

8 MR. BUENGER: Good answer. My only
9 concern, Bob, with doing that is it may have some
10 errors in it but it's unedited it's untouched and
11 nobody can say it was tampered with the way it is right
12 now. It is what it is.

13 MR. WEHRING: What is is.

14 DR. MOELLER: There is a motion before the
15 board that's been made and seconded. Any other
16 discussion regarding this? All in favor of the motion
17 signify by saying aye.

18 ALL: Aye.

19 DR. MOELLER: Anybody opposed? Motion
20 passes.

21 Mr. Wehring, you have the floor regarding a
22 treasurers report. Before --

23 MR. WEHRING: Dr. Fritz, before you go any
24 further would, I like to -- for you to report what we
25 have found in the past week about Weaver & Tidwell and

1 the documentation because actually you can't do a
2 budget or a treasurers report until this stuff is done
3 and it ain't done.

4 DR. MOELLER: Okay. Here's the situation.
5 We have been operating without a budget, illegally
6 according to our bylaws. We didn't -- we failed to
7 pass the budget that that was presented to us in August
8 for whatever reason. That budget frankly is a little
9 unrealistic. I understand that. Obviously salaries
10 are different, sponsorships are different, there are
11 some figures in there that are could be a lot more
12 accurate. So the issue, the first issue I would like
13 for you guys to address is do we continue to operate
14 without a budget until hopefully by the end of this
15 year we will have a more realistic budget to present
16 you, or do we -- do we put an asterisk on that, approve
17 the budget so we are legal by the bylaws with the
18 promise that we will have a more realistic budget at
19 the end of the year. Now I've run this by the
20 executive board and everybody on the executive board,
21 unless they've changed their mind since I've talked to
22 everybody, agrees that we should just accept the
23 minutes with an asterisk, if you will -- I mean the
24 budget that Buck Adams presented and we will have a
25 more realistic one for the board to act on at the

1 January meeting. Is that not correct, Ty?

2 MR. WEHRING: That's correct. But the
3 thing of it is, to have an actual budget, we have no
4 idea, until we get our 2006 audit done, of where the
5 money has gone, what our total deal is, and we don't
6 have that because stuff did not get sent to them, and
7 we didn't find this out until, when, last week, week
8 before last.

9 DR. MOELLER: Here's the issue with that.
10 I knew we had this board meeting so I called our
11 auditor - not the forensic auditor - our auditor to ask
12 what is the status of these audits that you are
13 supposed to be re-doing of the illegal audits done by
14 the illegal CPA? And it -- I called him every day
15 except Sundays for two weeks. He finally called me
16 back last Friday and he said, "Zero." I said, "What
17 does that mean, zero?" And he said, "I haven't done,
18 we haven't done anything with those audits. I sent a
19 letter to Mr. Barker in December saying that I needed
20 this information before we could proceed with that and
21 I'm still waiting for that information."

22 So nothing was being done on those audits.
23 Our general manager - or whatever the terminology -
24 failed to act on that request.

25 So I said, "All right. What if -- I'm

1 going to be in Fort Worth on Tuesday." This was last
2 Friday. I said, "What if I can provide you that
3 information Tuesday?"

4 He says, "The soonest I could address that
5 would be April," he said, "because we didn't hear,
6 because you've had a change over there, we even made
7 the assumption that you don't want us doing that
8 anymore and other clients have now taken precedence and
9 I can't get to you before April."

10 So I said, "Thank you very much, can you
11 put in writing what our conversation was and attach to
12 that that original list that you sent?"

13 He said he would do that. He e-mailed it.
14 We got that the next day.

15 MR. WEHRING: On Monday.

16 DR. MOELLER: On Monday. This past Monday
17 and in the meantime I have called two separate -- two
18 different CPA firms to submit a bid to do our audits.
19 They are both anxious to do them. They are contacting
20 us the first part of the week. They said they would
21 like to come in and see what we have before they would
22 proceed, before they could make a bid - that's logical
23 - but they needed some information. I spent three
24 hours by myself in the office yesterday going through
25 some boxes that were cleaned out of Larry's desk. I

1 found the information we've been looking for. So we
2 don't have to re-invent the wheel. We're going to save
3 ourselves some money when those CPAs come in. This is
4 the information you need. I found the old, the illegal
5 audits done by the gentleman in Oklahoma so they have
6 that to work from so we're going to get our audits done
7 here pretty quick and we're going to have it done
8 pretty cheap. Now, the other side of that issue is,
9 and Ty and John are investigating this right now, we
10 have paid some bills to them we think for doing some of
11 that, to Tidwell for doing some of that auditing since
12 the first of the year. So we have asked for a readout
13 of what our checks to them have been and the invoices
14 so we can make sure we didn't pay for something we
15 didn't get because I've got it in writing he said he
16 hasn't done anything. So there's a possibility we paid
17 them for not doing anything.

18 So again, we, by slow increments, we're
19 getting things straightened out. And that's why I
20 think that we can have ourselves a realistic budget by
21 the first of the year. And it's the board 's, it's up
22 to the board. Do you wish to proceed without the
23 budget, illegal according to our bylaws? It might just
24 be a -- you know, may not make any difference. Or
25 should we approve the budget as presented by Buck and

1 then we'll get you a better one.

2 MR. LADNIER: I want to make a motion we
3 approve this proposed budget with an asterisk to the
4 effect that in January whenever we get to it, then we
5 can go back to a realistic amended budget.

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

8 MR. JURANKA: Second.

9 DR. MOELLER: Second has been made. Would
10 you --

11 MR. JURANKA: Gene Juranka.

12 MR. LADNIER: Maurice Ladnier.

13 DR. MOELLER: Ty, you've got a --

14 MR. WEHRING: Just a statement. If we
15 don't get those financials and get something that we
16 can base the budget on before January, we can't put
17 that together in a day or two or three, a budget.

18 MR. LADNIER: Or whenever. I said that
19 too.

20 MR. WEHRING: Okay. Whenever. Okay.
21 Because a true budget, you've got to have some
22 documentation.

23 DR. MOELLER: Yeah, but you have to
24 understand, a budget, and I don't mean to belittle a
25 budget, but a budget is just a figure. That's what you

1 anticipate you're going to get, it's a figure, this is
2 what we anticipate it's going to cost us. They're not
3 etched-in-granite figures. So it doesn't have to be to
4 the penny. It just gives us an idea of where we're
5 headed and where we think we are. Is there any other
6 discussion on that?

7 COL. WEST: How much did we pay this other
8 CPA firm that hasn't done anything? That's one
9 question. The other is what about this so-called CPA
10 in Houston with the Peachtree?

11 DR. MOELLER: Okay. I'll explain that to
12 you. Answer to your first question, we don't know
13 exactly. We paid some bills to them in the last six
14 months or so. We don't know exactly what it's for. Is
15 that correct, John?

16 JOHN: I believe most of what we already
17 paid was for the forensic audit to Weaver & Tidwell.

18 DR. MOELLER: Okay.

19 COL. WEST: Round numbers, how much?

20 DR. MOELLER: Well, not for the -- the
21 forensic audit is --

22 COL. WEST: I know. I mean this.

23 DR. MOELLER: What might be some of the
24 other figures? Would you make a guess?

25 JOHN: I couldn't even guess.

1 DR. MOELLER: Okay. And they may be
2 legitimate. We don't know if they were for the
3 forensic audit or not, but we're looking at that right
4 now. And I forget the second part of your question.

5 MR. MOUNCE: Peachtree in Houston.

6 COL. WEST: Peachtree in Houston.

7 DR. MOELLER: Peachtree in Houston. Help
8 me. Leslie Mosley who had been doing our work in
9 Houston. Here's the problem. They were taking our
10 software and sending it to her. She would work on it
11 when she could. There was times when it was out of our
12 office for three and a half weeks out of the month.
13 John could not put entries into that for payments or
14 payables because he didn't have the software program.
15 A real easy solution. We don't send it out of the
16 office. It never leaves the office anymore.
17 Fortunately, before I recommended that we terminate
18 her, she resigned. And we had the next day I guess it
19 was we had another man on board, Bill Sphor and he's
20 working with John now and myself and it's straightened
21 out now, our Peachtree, and he's the one helping us
22 combine the Peachtree programs. Again, just common
23 sense tells you that's not the way you do business.
24 We're trying to straighten that out.

25 Was there another question? Did I answer

1 all that? Yes, Scott?

2 MR. SIMMONS: The executive committee from
3 August 20th pretty well knows what the budget was. Can
4 you explain what will be different on the budget and
5 why it might be approved and not approved -- why it
6 might be approved now as to why it was not approved
7 then?

8 DR. MOELLER: I don't remember. I think it
9 was an oversight on our part. We had so much going on,
10 I think we just forgot to approve the budget then. I
11 mean, some of you were there. Do you feel different?
12 And Buck resigned.

13 MR. BUENGER: He never really presented it.
14 He quit.

15 DR. MOELLER: Yeah, and I don't think we
16 intentionally didn't approve it. I think it was an
17 oversight. Any other questions before we call the
18 question?

19 DR. KROPP: Bob Kropp. I think simply Buck
20 did not present the budget and as a result of him
21 leaving and then other people leaving behind him, it
22 was simply not presented and therefore it wasn't
23 approved. Period.

24 DR. MOELLER: Yeah. It wasn't intentional.
25 Any other discussion on the motion that's before the

1 floor? So hearing none, all in favor of approving the,
2 for lack of a better word, asterisked Buck Adams
3 budget, signify by saying aye.

4 (Ayes)

5 DR. MOELLER: Is there anybody opposed?

6 COL. WEST: Abstaining.

7 DR. MOELLER: Okay. So there's one
8 abstain. Col. Frasier West abstains.

9 Thank you.

10 Now, Ty, was there anything else that you
11 wanted to present to the board?

12 MR. WEHRING: Yes. I've got a business in
13 Houston, Texas that I run off of cash flow. We've got
14 a cash flow. And before I do this, I want approval of
15 the board to hand you our receivable list. And I don't
16 know how to ask for your approval, but I want the board
17 of directors of TLBAA every month to receive an
18 accounts payable list on our receivables, people that
19 owe us money, companies that owe us money and whatever
20 and I want permission for that. I make a motion.

21 MR. BRASWELL: Second.

22 MR. WEHRING: This is an accounts
23 receivable list of me, you, if I owe money, if you owe
24 mean, who does, who doesn't, who is, who ain't. And I
25 as a treasurer kind of take it my responsibility that

1 we need somebody to look over this and say, "Hey,
2 Fritz, you owe a hundred dollars, what's the problem?"
3 And we haven't had that and it's not cool, and I'm
4 asking do I have your approval to everybody on this
5 board getting this list every month?

6 DR. MOELLER: Is that a problem, John, for
7 you to do? Are you capable of doing that?

8 JOHN: It's no problem at all.

9 DR. MOELLER: Or Dana doing that for us?
10 Dana handles that, right?

11 JOHN: Yeah, no problem.

12 DR. MOELLER: Is there a second? Question
13 first?

14 MR. WEHRING: Paul seconded.

15 DR. MOELLER: Frasier West.

16 COL. WEST: These receivables, what are
17 they mostly? The ads?

18 MR. WEHRING: They're everything, Frasier.
19 They're all of our - me, you, Maurice, Charlie - they
20 are everything that all of our customers or what -- we
21 call them members. I call them customers. That owe
22 this association money.

23 COL. WEST: Well, why except for ads, why
24 do members owe?

25 MR. WEHRING: Because they don't pay.

1 DR. MOELLER: And they were never -- they
2 were either not asked to pay or somebody owed us \$600
3 for an ad and they sent in another hundred dollars in
4 registrations, those registrations were processed,
5 another hundred dollars was slapped on top of the \$600,
6 now they owe us \$700. So nobody was looking at that.

7 MR. WEHRING: This is yesterday, Frasier.
8 This is yesterday. What -- as Mr. Wiseman said, if
9 we're going to take control of this, we need to do it
10 properly. This is a business.

11 MR. BUENGER: Are those aged receivables?

12 MR. WEHRING: They are effective as of the
13 31st of October. They are aged on what date is on the
14 left.

15 MR. BUENGER: What I'm asking you is are
16 you suggesting that we get all the past due ones?

17 MR. WEHRING: Get everything. If there's
18 anything on this account list, it's no different than
19 your billing, Charlie, or my billing in my business.
20 It's through the end of the month. Some of them are
21 not past due, but some of them are.

22 MR. BUENGER: I think it's a great idea. I
23 would like for the board to also get a copy of all the
24 expenses every month so that we can review them monthly
25 as they go and if we have questions about this check or

1 that check, be able to ask.

2 DR. MOELLER: That's what Bill Sphor is
3 doing for us right now that he says is going to take
4 him to January to get us where we get it two weeks
5 after the end of each month.

6 MR. MOUNCE: He's going to give us
7 financials. The financials are just going to show up
8 as what our receivables are.

9 MR. WEHRING: But this is really the
10 receivable list.

11 MR. BUENGER: That's a list of everybody
12 that owes us money.

13 MR. WEHRING: Absolutely.

14 MR. BUENGER: And you're going to try to
15 collect all that.

16 MR. WEHRING: Well, I need help.

17 DR. MOELLER: And I'll tell you --

18 MR. BUENGER: Let's divvy them up and start
19 working.

20 MR. WEHRING: I'm not the miracle worker.

21 DR. MOELLER: Ty has collected some of
22 those real old big accounts and he scared the hell out
23 of some other people that owed us.

24 MR. WEHRING: I'm not a scare tactic guy.

25 DR. MOELLER: Yes you are. Somebody else

1 had a question?

2 MR. SIMMONS: Would this be something that
3 we would have to have like a telephone conference every
4 month to vote on, or would this be something --

5 MR. WEHRING: No.

6 DR. MOELLER: This is a for your
7 information deal.

8 MR. WEHRING: I don't think we're going to
9 have problems in the future. It's been in the past,
10 the good old boy thing that we've got that some of
11 these out there are pretty bad. Some of them are not.
12 This is not a collection sheet that you call and say,
13 "Hey, man, why don't you send your money?" It is to
14 help the old ones that have gotten out of hand that
15 maybe you've got a buddy that can get help on. And I
16 think -- make them vote yes or no do they want these.

17 DR. MOELLER: When they get through
18 discussing. Maurice?

19 MR. LADNIER: Have you called -- that
20 looked pretty thick to me. Have you called each and
21 every one on there?

22 MR. WEHRING: No.

23 MR. LADNIER: What are we going to do if we
24 ask someone? You're saying you need help. I call Ty
25 Wehring, "Why haven't you paid your bill? You owe us

1 \$500." "That was an ad that I was charged for that
2 they never run two years ago."

3 What am I going to tell him?

4 MR. WEHRING: What are you going to tell
5 me? Or who?

6 MR. LADNIER: Tell you.

7 MR. WEHRING: You're going to call John and
8 say, "John, can you print me that statement up for Ty
9 Wehring?" This is just numbers. Numbers. Numbers.

10 MR. LADNIER: We have statements on each of
11 those?

12 MR. WEHRING: They have statements on every
13 charge. Okay?

14 MR. LADNIER: That's all I wanted to know.
15 Okay.

16 MR. WEHRING: Yes. And it shows ad placed
17 so-and-so, you can go back and get the magazine on that
18 day and there is your ad.

19 MR. LADNIER: Gotcha. Gotcha.

20 MR. WEHRING: Or registrations that have
21 been not taken care of, or transfers that have not. It
22 was pretty loosely run, Maurice, I'm sorry.

23 MR. LADNIER: I understand that.

24 DR. MOELLER: We held up some registration
25 transfers for a long time on some sales that the sales

1 collected the \$15 for the transfers, sent the papers in
2 to be transferred but didn't send us a check.

3 MR. WEHRING: We're not going to transfer
4 them.

5 DR. MOELLER: So we have been holding some.
6 We've got them cleared up now. But we've been holding
7 those transfers until they send us money. Go ahead.

8 COL. WEST: I hope the board passes this to
9 back you up.

10 MR. WEHRING: Me too.

11 COL. WEST: But on those real old ones,
12 particularly on ads and so forth, let's turn it over to
13 a credit outfit to try to get some money.

14 MR. WEHRING: Yes.

15 DR. MOELLER: Well, Frasier, some of those,
16 though --

17 MR. WEHRING: There were deals made.

18 DR. MOELLER: There were deal made where
19 the people --

20 COL. WEST: So what?

21 MR. WEHRING: Or they say there are deals
22 made.

23 DR. MOELLER: Some of those old ones, the
24 people haven't even been asked, "Hey, do you know
25 you've got an old bill and is there a reason you

1 haven't paid it?"

2 COL. WEST: Then let's ask them. If they
3 reply, fine. If they don't reply, turn it over to a
4 credit outfit.

5 MR. WEHRING: Any more discussions?

6 DR. MOELLER: Let's see. There was a hand
7 in the audience. Mr. Gratty.

8 MR. GRATTY: I'm not on the board. This is
9 not business like. When everybody on this board starts
10 soliciting payment of people, that's not business.
11 Right over here, your accounting department, solicits
12 the payments.

13 DR. MOELLER: And here. The treasurer.

14 MR. GRATTY: The accounting department is
15 who sends out statements and solicits payments.

16 MR. WEHRING: That's being done now, Joe.

17 MR. GRATTY: When I get four or five people
18 calling me, they are meddling then.

19 MR. WEHRING: They're what?

20 MR. GRATTY: They are meddling. When four
21 or five people call me and say you owe this, you owe
22 this --

23 MR. WEHRING: I don't think you ever would
24 have that happen, Joe.

25 MR. GRATTY: Well, I don't think so either.

1 But, now, this is --

2 DR. MOELLER: Your point is well taken.

3 UNIDENTIFIED SPEAKER: I agree with Joe
4 about maybe the board needs to set a committee up that
5 would be influential over certain individuals that work
6 on the payroll and make it their job, they oversee
7 that.

8 DR. MOELLER: I've got several more
9 comments. I think Mr. Mounce was in before you.

10 MR. MOUNCE: Kerry Mounce. We haven't been
11 receiving this.

12 DR. MOELLER: No.

13 MR. WEHRING: What's on the floor right now
14 is does the board want to see this, and then we can
15 discuss this.

16 MR. MOUNCE: No, we are discussing it now.
17 The motion has been made and seconded to --

18 MR. WEHRING: But it's not about the board
19 getting these pieces of paper.

20 DR. MOELLER: Yeah.

21 MR. MOUNCE: That's the motion I
22 understood.

23 DR. MOELLER: That was the motion.

24 MR. WEHRING: I understand that, but the
25 questions that are being asked, will the board accept

1 these, you've got motions on, there it's not about who
2 is going to call who what. You asked me if I needed
3 help. Yes. John is the man. John has done very good
4 wonders for our association. Look, this thing it's
5 hard to read. Y'all haven't accepted this yet so I
6 can't talk about it. You are asking all these other
7 questions and all I asked was is it okay for the board
8 to get this, yes or no. And then when you get this,
9 then we can ask all these other questions and there can
10 be other motions made.

11 MR. MOUNCE: This goes to the question of
12 whether or not we need to receive that. And I think
13 it's good that it's been brought up, Ty. I, for some
14 reason, where this can be a slippery slope in certain
15 situations by opening the door on financial
16 information. I concur with a couple of our board
17 members that we should have a business practice in
18 place for collecting our past dues. I can understand
19 why we haven't in the past. We haven't had a lot of
20 things done right in the past but, in particular, with
21 collecting of past dues. You know as well as I do
22 we're interviewing people today that hopefully will
23 enforce those things and so on down the road and make
24 that list go down. I think those are good business
25 practices versus handing them over to the board.

1 However, and I don't know how you would address this
2 other than, you know, we've got a motion on the table
3 and I guess we vote on that, but in lieu of bringing it
4 up, I'd like to think about it further until the next
5 board meeting and table it.

6 MR. WEHRING: And then I've had people,
7 these constituents out in the area saying, Ty, what are
8 you doing to do this, do that? I bring it to the board
9 and you don't want to do it?

10 MR. MOUNCE: My constituents have not said
11 anything to me. I am sitting here as an individual
12 board director offering my idea on a motion on the
13 floor and I'll abide by what the board says. I'm
14 offering my two cents.

15 DR. MOELLER: Mr. Buenger, you had the
16 floor next.

17 MR. BUENGER: As a member of this board, I
18 have a fiduciary obligation to oversee the operations
19 of this organization. That means I feel like I have a
20 responsibility not to collect it - that's what we have
21 that department to do - but I have a responsibility to
22 know who are our past dues, who owes us money, I have a
23 responsibility to know where we get our money, I have a
24 responsibility to know how are we spending our money.
25 If this had been done for the last several years, we

1 would not be sitting in the situation we're sitting in
2 today with Don and Suzanne stealing the money they
3 stole. It's proper oversight for the board to know
4 these things. We have a responsibility to know these
5 things. And I on behalf of my people in Region 10,
6 want to know them.

7 (Applause.)

8 MR. BRASWELL: I have sat out there and I'm
9 now sitting here, and the board members who were
10 sitting here don't have enough financial information
11 about this organization, not because of our actions but
12 because of the actions that happened before August the
13 20th, I can't tell you much about the financial
14 situation of this board and not trying to brag, but I'm
15 on other organizations too, we get monthly financials,
16 we get monthly AR's, we get monthly expenditures and if
17 I've got a question about line 16, John's got the
18 answer for it.

19 MR. WEHRING: Absolutely.

20 MR. BRASWELL: This is something I don't
21 think we all need to pick up the telephone and go call
22 these people. I wouldn't pursue to do that. But if
23 we've got people who owe us money, that's part of my
24 job sitting here because otherwise I need to be sitting
25 out there or at home tending to the cows because I'm

1 not doing my job. My job is to take care of our
2 business, and that's our business.

3 MR. BUENGER: Call the question.

4 DR. MOELLER: Bob, did you have your hand
5 up before?

6 DR. KROPP: It's been said.

7 DR. MOELLER: Okay. Mr. Mounts, would you
8 like to say something else?

9 MR. MOUNCE: Respectfully to both
10 Mr. Buenger and Mr. Braswell, I agree with you, to the
11 point that we need to have our hands around what our
12 receivables are, hold our financial services person,
13 hold our executive director's feet to the fire to keep
14 our 90 day balances down, our 60 day balances down, our
15 30 day balances under control, and I believe that can
16 be done without disclosing the detailed list showing
17 that so-and-so owes us money. Now, I think that's good
18 business practices.

19 DR. MOELLER: Could you read the motion
20 back to us?

21 MR. SIMMONS: To receive a list of accounts
22 receivable and look it over every month.

23 MR. LADNIER: Make a motion to give to it
24 the board of directors. That was the motion. And it
25 was seconded by Paul Braswell.

1 DR. MOELLER: Okay. Motion has been made
2 and seconded. Is there any other discussion from the
3 board?

4 COL. WEST: Call the question.

5 MR. SIMMONS: And this is only just to look
6 at it. Not act on it.

7 DR. MOELLER: Yes. To have this handed out
8 to every board member.

9 MR. WEHRING: Instead of just me.

10 DR. MOELLER: Every month. And again, this
11 is probably going to stimulate some more activity and
12 that's what Ty is -- I think is what is driving him.

13 MR. WEHRING: Because here's another motion
14 I want to make after you look at these.

15 DR. MOELLER: Okay. All in favor of that
16 motion, signify by saying aye.

17 (Ayes)

18 DR. MOELLER: Is there anybody opposed to
19 this motion? Mr. Mounts is opposed to this motion.
20 Okay. Ty, do you have the floor still?

21 MR. WEHRING: Yeah, I'm handing them out.

22 MR. LADNIER: Dr. Moeller, can I say
23 something?

24 DR. MOELLER: Yes, sir, please.

25 MR. LADNIER: I'm going to have to agree

1 with Joe over here. We don't need each board member
2 getting involved in collecting our money. We've got a
3 bunch of people to do that.

4 DR. MOELLER: Yes, and that's not our
5 purpose.

6 MR. LADNIER: I know it's not, but I think
7 they're getting the impression that's what we are
8 planning on doing. That's not what we're talking about
9 doing, Joe.

10 MR. GRATTY: That's what it sounded like to
11 me.

12 MR. LADNIER: I don't want it implicated.

13 MR. WEHRING: No.

14 DR. MOELLER: This is a board meeting and I
15 need to address my board members before I address the
16 audience. Ty, would you go ahead?

17 MR. WEHRING: Okay. One of the things --
18 and this is not an easy thing. I've got some good
19 paying customers. One of them's sitting right here in
20 this audience, never had to call in my life, John
21 Parmalee. I'm proud of that. John knows what happens
22 in our industry when you don't pay, you know, liens
23 filed and all this kind of junk. I would also like to
24 talk about people that owe us big bucks of actually I
25 guess you call putting them on C.O.D., pay it all or

1 you don't -- pay to play. We've got some pretty big
2 receivables out there and I would like to make a motion
3 as the treasurer that if you are 60 days past due on
4 paying your bills to the TLBAA, which this is a
5 business, that you cannot register your cattle, you
6 can't enter shows, you can't transfer cattle until the
7 total sum of your bill is paid. Anybody want to second
8 it? You understand what I'm saying?

9 MR. BRASWELL: Could you state that one
10 more time?

11 MR. SIMMONS: Say it one more time.

12 MR. BRASWELL: Ty, can you restate that?

13 MR. WEHRING: I am asking the board to
14 approve a motion that if any individual is 60 days in
15 arrears of paying their bills to the TLBAA, that you
16 cannot pay for an ad and get it run, have you to pay
17 your complete bill, you can't transfer cattle, you
18 can't register cattle until your complete bill is paid.

19 MR. BRASWELL: Or resolved.

20 MR. WEHRING: Or resolved. Yeah, that
21 means paid.

22 MR. BRASWELL: Or resolved. Can you accept
23 that word?

24 MR. WEHRING: Absolutely.

25 MR. BRASWELL: Seconded.

1 DR. MOELLER: Okay. A motion has been made
2 and seconded. I am open for discussion now. Anybody
3 care to have comments on that?

4 MR. WEHRING: It's just a business
5 practice, Charlie.

6 MR. BUENGER: Oh, I'm not opposed to it. I
7 just --

8 MR. WEHRING: How are we going to control
9 our receivables? We've got people that love these
10 cattle as I do. I pay my bills. Most of our people in
11 here do. But you've got some people that think maybe
12 they don't have to, and they keep running, keep
13 running.

14 MR. BUENGER: I'm not opposed. I'm just
15 saying we really hadn't thought about it.

16 DR. MOELLER: Yeah, and what I would ask
17 Ty, and Ty and I have discussed this a lot, would you
18 consider, Ty, this board thinking about this motion
19 until the next board meeting?

20 MR. WEHRING: Sure. But we've got to do
21 something to take care of our money that is owed to us.

22 MR. BUENGER: I agree with you a hundred
23 percent.

24 DR. MOELLER: We all are in agreement with
25 that, especially you and I, but we are asking the board

1 to do some things that -- give them a chance to digest
2 this list and think about this and be aware that this
3 is -- we are going to discuss this again, we need to
4 address this problem, so you need to hitch up your
5 britches, boys, and let's see if we can address this
6 problem. Mr. Richey?

7 MR. RICHEY: Robert Richey. What is the
8 current collection procedure or whatever?

9 MR. WEHRING: We don't have one, Robert.
10 There's not one.

11 MR. RICHEY: So I can put an ad in --

12 MR. WEHRING: Not if I can say you owe
13 money, you won't.

14 MR. RICHEY: And I can put in another ad
15 and another ad.

16 MR. WEHRING: That's what's happened in the
17 past, Robert. That's why we've got these hundred and
18 something thousand dollars worth of receivables.

19 MR. RICHEY: But now we're going to run it
20 like a business.

21 MR. WEHRING: That's what I'm asking for.

22 MR. RICHEY: I understand that. But what
23 I'm saying is tell me back what kinds of business
24 practices would alleviate that.

25 MR. WEHRING: Correct.

1 UNIDENTIFIED AUDIENCE MEMBER: Interest.

2 MR. WEHRING: It doesn't matter. There's
3 interest on these and it doesn't get paid.

4 DR. MOELLER: And that's -- I don't want to
5 interrupt Ty's answer to you, but, again, what I'd like
6 Ty to do if he is willing to do this is maybe retract
7 his motion and utilize that motion as an alert to the
8 board that we want to address this thing as a board and
9 we want to be serious about it and if the board feels
10 like they need a few -- a little time to consider this,
11 I think that's reasonable. There's some ramifications
12 we may not think about right now today. Tomorrow we
13 might say, well, wait a minute, guys, we're going to
14 get in trouble if we do this or that. Maybe the wise
15 thing to do is just be aware of it. Our treasurer is
16 adamant about collecting some of our bills and putting
17 some practices in place, and I think we all would agree
18 with that.

19 MR. BRASWELL: I move we table the motion.

20 MR. WEHRING: I second it.

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

22 DR. MOELLER: What is the -- what is the
23 process, Mr. Parliamentarian? We've got a motion made
24 and seconded and then another motion was made. We have
25 to act on that --

1 MR. BUENGER: You've got to withdraw the
2 other motion first or act on it. But I have a --
3 Maurice had a question and I have a question, too.

4 DR. MOELLER: Okay. Maurice, you're first.

5 MR. LADNIER: What do we have in effect
6 now? If I call Brenda or whoever, Rick, Monday morning
7 and say run me a full page ad I'm going to e-mail you
8 some pictures, what's the procedure for collecting that
9 money?

10 MS. CANTRELL: From my department, if you
11 have not paid me within three months, you don't get to
12 run another ad. If you haven't paid for three ads you
13 get no more ads from me.

14 MR. LADNIER: Brenda, I've spent about
15 \$5,000 in the last two or three months. I don't think
16 there's very many people sitting around this table
17 don't pay with a credit card. Mine's paid for as soon
18 as you stick the credit card in.

19 MS. CANTRELL: Right. But not everybody's
20 like you, Maurice.

21 MR. LADNIER: We need to put something into
22 effect. This is serious.

23 MS. CANTRELL: As a staff person -- the
24 members are our boss, too. Right? And so we need
25 policy. Because you guys will get really mad at us and

1 say, well, I'm a member and you're not being nice to me
2 and you're playing favorites and you're doing this
3 because you let so-and-so do this and you let so-and-so
4 do that. So we want policy.

5 MR. LADNIER: We've got to stop this. I
6 looked at one of these here and it scared the hell out
7 of me, it's a \$9387 dollar deal, one person, this is
8 the second or third one I've seen.

9 DR. MOELLER: Charlie, you had a comment?

10 MR. BUENGER: I just want to make a comment
11 on the record. I'm not opposed to collecting every
12 penny of this. I don't want to knee jerk our reaction
13 and make decisions on how we're going to handle it
14 without having a little time to think about it,
15 although I would like to ask John has everybody on this
16 list gotten a bill?

17 JOHN: Only one bill.

18 MR. BUENGER: But they all have gotten a
19 bill.

20 JOHN: At least. Recently.

21 DR. MOELLER: Which is before August.

22 MR. BUENGER: So when we gather next time
23 to talk about our various options, there's not anybody
24 going to say, well, I never got a bill. Okay.

25 DR. MOELLER: Okay. Go ahead, Keso.

1 MR. KETY: So it's not out of the realm of
2 possibility that some of these charges could be
3 questioned.

4 MR. WEHRING: Absolutely. Absolutely.
5 Absolutely. Because --

6 DR. MOELLER: So all in favor of that
7 original motion.

8 DR. KROPP: Bob Kropp. I think through
9 Robert's Rules of Order I can table that motion, I can
10 table -- I can table that motion to the next meeting
11 without voting on that motion.

12 MR. BUENGER: Who made the motion? Ty?
13 Why don't you just withdraw the motion?

14 MR. WEHRING: I withdraw the motion.

15 MR. BUENGER: Who made the second?

16 MR. BRASWELL: I did. As a procedural
17 issue, I would prefer to have it tabled until our next
18 meeting personally. I will withdraw my second if that
19 suits y'all better. But.

20 MR. WEHRING: We've got to address this.

21 MR. BRASWELL: This is --

22 MR. BUENGER: I agree with you.

23 MR. BRASWELL: This is not only a -- to me
24 this is not only a document that shows lack of
25 attention on our part, it's a document that shows we

1 don't have policy or the procedure for doing business
2 and I want to make darn good and sure that we talk
3 about it again. That's my only concern.

4 MR. BUENGER: I agree with you.

5 MR. WEHRING: Now, just a moment. Let me
6 say something. He just told me, he says I sponsored
7 Horn Showcase and I haven't paid for it, where's my
8 bill? It's not on this page.

9 DR. MOELLER: So this is our baby step in
10 getting some policies and procedures in order that
11 obviously have not been in order before. And by making
12 this motion and tabling it, we will assure you that it
13 will be on our agenda, up high in this agenda the next
14 time we meet. And please think about it because Ty is
15 going to, at my request, is going to stay hard and fast
16 on this deal and we're going to get some things in
17 place. We're already going to do some things that we
18 can do without - we think - without board approval.

19 MR. BUENGER: He'll be continuing to try to
20 collect them.

21 DR. MOELLER: Yes, we are in the process of
22 doing that.

23 MR. WEHRING: Now, let me share something
24 about this. As you see, we'll just use the first line
25 up at the top. Okay? You've got a 1/12/07 invoice,

1 shows invoice reference number 87303 and then it goes
2 to the description of A/R, accounts receivable, 83647.
3 You don't know what the hell this is. But John has got
4 the facilities to punch up invoice number, accounts
5 receivable number, and tell you exactly what that is.
6 Okay? And John has printed me on some of these big
7 boys the exact invoice that they received when the work
8 was done and that's what I have done with my friends
9 and they have taken care of it. A lot of them don't
10 realize that that's out there. They haven't gotten a
11 statement in a year, two years until now.

12 MR. BUENGER: While -- in between now and
13 January when we meet to discuss the procedure of this,
14 you're going to continue to try to collect these?

15 MR. WEHRING: Absolutely.

16 MR. BUENGER: Okay.

17 MR. WEHRING: I'm not giving up, man.
18 Unless y'all vote me out.

19 DR. MOELLER: And I assure you I'll keep
20 the fire stoked here.

21 MR. LADNIER: And if somebody's name is on
22 here, they can't run another ad?

23 DR. MOELLER: No, we're not establishing
24 policy right now. No. That's why we're tabling this
25 so we can think about it, Maurice.

1 MR. WEHRING: That's my representation.

2 DR. MOELLER: That's just what he's
3 recommending.

4 MR. JURANKA: We may run into some
5 problems. Some of these run back to 2004. They'll say
6 "I paid."

7 DR. MOELLER: So some of those will have to
8 be looked at individually.

9 MR. JURANKA: What do we do then?

10 DR. MOELLER: If we can't find where they
11 paid, they didn't pay.

12 MR. WEHRING: You ought to be ashamed of
13 yourself.

14 DR. MOELLER: I'm going to let you make one
15 comment and then we've got to go to another subject.

16 MR. MOUNCE: The comment would be I've
17 heard you say, and we've got all good intentions of
18 moving this up on the agenda for the next meeting, I
19 would recommend you find the resources to put together
20 a finance committee, if we don't have one already, to
21 establish procedure and policy in this area or you're
22 going to end up with the same 16, 17, 20 people sitting
23 here scratching our heads about what to do. I think a
24 committee could make a recommendation to this board.

25 MR. BUENGER: Good point.

1 DR. MOELLER: I will take that under
2 advisement. Scott, did you have something to say?

3 MR. SIMMONS: I was going to ask about
4 forming a committee for it.

5 DR. MOELLER: I'll entertain one question
6 from the audience because you keep raiser using hand.
7 As long as it's brief.

8 UNIDENTIFIED AUDIENCE MEMBER: It will be
9 brief. If you look at the rule book or bylaws and rule
10 book that's been published by the TLBAA, I believe
11 somewhere in there it says all services must be paid in
12 cash at the time of service. I don't have my book with
13 me, but that's in the book I believe.

14 JOHN: Our transmittal forms, the book,
15 everything is a prepayment for all services. A lot of
16 these older balances were simply where that was not
17 enforced. It's been on the -- it's been in the book,
18 it's on your transmittal forms, it's on the web site.
19 All services are prepaid. Now we're enforcing that
20 now. The sales program we use shows the membership
21 paid through date so if they're not paid through,
22 they're not allowed to participate in a sale currently.
23 But now that would not show if they were past due on
24 some other bills such as an advertising bill. That
25 would only be based on their membership. So there are

1 some steps in place already that we just haven't
2 utilized or weren't enforced.

3 DR. KROPP: Dr. Moeller, I think there is a
4 motion on the floor to table this motion and I think
5 there's been a second. I'm not positive. If there's
6 not, I will second it. I call the question on the
7 table to table the motion.

8 DR. MOELLER: All in favor?

9 (Ayes)

10 DR. MOELLER: Anybody opposed? Motion
11 carries.

12 Mr. Wehring, were you through with your
13 treasurers report?

14 MR. WEHRING: I guess so.

15 DR. MOELLER: Thank you very much.

16 MR. WEHRING: You're welcome very much.

17 DR. MOELLER: The next item on the agenda
18 is an expulsion affidavit for King-Spindor. You each
19 have in your packet, I presume you all have in your
20 packets and brought them, a letter from Mr. Joel Lemley
21 which is a notarized notice of expulsion and an
22 affidavit of expulsion. He's met all the rules and
23 regs as outlined in our book, he's done this affidavit
24 on expulsion for Don King and for Suzanne Spindor. And
25 I would like some discussion from the board before we

1 entertain any motions to proceed. Have you all had an
2 opportunity to read the expulsion request? So
3 according to our Article 6 under Expulsion, as I read
4 it - and I stand to be corrected if necessary - it says
5 if any member of the association shall be accused of
6 any misrepresentation, deception or fraud in
7 relationship to the registry of animals in the herd
8 registry or of any infraction of charter, constitution
9 or bylaws of the association or any act or conduct
10 which may endanger the good order, welfare or credit of
11 the association, the board of directors shall require
12 that the charge or charges be reduced to a written
13 affidavit form. That's what we have received in front
14 of you. If this is done, the board shall cause the
15 accused member to be given written notice of such
16 charges with a copy of them and shall fix a time and
17 place reasonable and convenient to the accused member
18 at which the charges are to be heard by a quorum of the
19 board, giving him at least 30 days notice thereof.

20 So you have before you, gentlemen, the
21 appropriate notification. And at this time if we
22 are --

23 MR. LADNIER: Do you need a motion?

24 DR. MOELLER: Well, if we are going to
25 accept this. I guess the board can not accept this, to

1 not proceed, but I don't think we've got a choice.

2 MR. LADNIER: Can I make a motion to send
3 him a written deal on this or a copy of this?

4 COL. WEST: First you've got to approve
5 this. Then your follow-up.

6 MR. WEHRING: What, Frasier?

7 COL. WEST: First the process is that we
8 accept recommendation of Joel Lemley and then second --
9 then we approve that, then the TLBAA sends him out
10 according to the bylaws. We've got a two-step thing
11 here. And I'm not an attorney. Charlie, am I right?

12 MR. BUENGER: You're right.

13 MR. WEHRING: You're right.

14 MR. MOUNCE: Does this meet the
15 requirements?

16 MR. WEHRING: Absolutely.

17 DR. MOELLER: The requirements are probably
18 purposely kind of vague but this is real specific and,
19 as I read it, it meets the requirements to the letter
20 and beyond. And beyond.

21 MR. MOUNCE: If this is done, the board
22 shall cause the accused member to be given written
23 notice of such charges.

24 DR. MOELLER: That's where we're at.

25 MR. MOUNCE: Doesn't say we need a motion.

1 If you want to make a motion.

2 MR. BUENGER: It said we shall require the
3 charges be reduced to writing, so we need to approve
4 this.

5 DR. MOELLER: I would request that the
6 board give me a motion on that. And Mr. Ladnier, are
7 you doing that?

8 MR. LADNIER: Now, just how do you want me
9 to do it?

10 MR. SIMMONS: Slowly so I can write it
11 down.

12 MR. LADNIER: That's exactly what I was
13 trying to do.

14 DR. MOELLER: The motion would say - and I
15 stand to be corrected - the motion would say that we
16 accept the request of Mr. Joel Lemley for expulsion of
17 Don King and Suzanne Spindor.

18 MR. LADNIER: That's what I'm trying to
19 say.

20 DR. MOELLER: Okay. Thank you.

21 Mr. Ladnier made the motion.

22 MR. DUBOSE: Aubrey DuBose second.

23 DR. MOELLER: All in favor of this motion,
24 signify by saying yes.

25 (Yes)

1 DR. MOELLER: Yes. Anybody opposed to this
2 motion? Okay. Motion carries.

3 Now we need a second motion.

4 MR. BUENGER: We need --

5 DR. MOELLER: That motion passed that we
6 accept this letter.

7 COL. WEST: We have accepted that.

8 DR. MOELLER: Yes.

9 COL. WEST: Now, I move that the TLBAA
10 reduce the charges in writing in accordance with our
11 bylaws to Mr. Don King and Suzanne Spindor.

12 DR. MOELLER: Okay. Is there a second to
13 that one?

14 MR. BUENGER: It also needs to give them a
15 time and a place.

16 COL. WEST: Well, that's in accordance with
17 the bylaws.

18 MR. BUENGER: What we have to do is set a
19 time and place for the hearing.

20 COL. WEST: Make that amendment to my
21 motion.

22 DR. MOELLER: That's kind of redundant
23 because it says reasonably convenient to the accused
24 member. Now, if we set a time, maybe that's not
25 convenient. How do we deal with that?

1 MR. BUENGER: We just give them plenty of
2 time. It says 30 days. I say we set it for January,
3 for our next meeting, and I think we ought to have it
4 in the open for all the members to be here to see.

5 DR. MOELLER: Yes.

6 MR. BUENGER: And set it for a date and
7 time For them to be here next January and send a copy
8 of these affidavits, tell them that we're going to have
9 a hearing.

10 DR. MOELLER: Okay. So that is an
11 amendment to Col. Frazier's motion.

12 MR. BRASWELL: Point of order. Question.
13 Do we need a separate motion for each individual? Do
14 we need a motion for one and a motion approved for the
15 second?

16 DR. MOELLER: Your motion had both of them.

17 COL. WEST: I mentioned both of them.

18 MR. KETY: The letter mentioned both of
19 them.

20 DR. MOELLER: So I am comfortable with
21 that. Frasier made the motion. Who seconded that
22 motion?

23 MR. SIMMONS: I'll second.

24 DR. MOELLER: Scott Simmons seconded the
25 motion. All in favor of this motion, signify by saying

1 aye.

2 (Ayes.)

3 DR. MOELLER: Anybody opposed to this
4 motion? I see no opposition. The motion passes.

5 Now I would direct our secretary to notify
6 Mr. King and Ms. Spindor of our actions today and
7 enclose a copy of -- the cover letter probably doesn't
8 need to go, but the meat of it does. Can you do that
9 for us? You'll have help from the office.

10 MR. SIMMONS: Okay.

11 DR. MOELLER: All right. Special events.
12 Next item on the agenda. We want -- we all got the
13 resumé of Allison Chipman. Has everybody got that
14 resumé in front of them? I wanted her to come to the
15 meeting so you could meet her. Allison, we looked at
16 the position of the sales manager, Jim Curry, and we
17 looked at the position of Pam Dotson and we felt
18 strongly that those positions could be combined so
19 we -- it accomplishes a lot of things, keeps that
20 person a little busier and saves us some salary and I
21 think they will function better as one person. With
22 that in light, Brenda has been interviewing some people
23 and we ultimately have hired a young lady. Allison,
24 would you come up here? Allison comes to us with a
25 bachelor's degree from Texas A&M, she comes to us with

1 a master's degree from Texas A&M. Come over here.
2 Don't be shy. She most recently was working as a
3 county extension agent in New Mexico, as a matter of
4 fact, 30 miles north of my ranch, but we didn't know
5 each other then. She -- I know her family. As it
6 comes to be, I've partnered on some cattle deals with
7 her uncle. So it's not nepotism and that's not why she
8 got this job. She has been involved with ranch work,
9 she's been involved with putting on registered cattle
10 sales, not longhorns, she's been involved in the show
11 aspect of it, she fits the bill for what we need just
12 right. She did an internship with the Elgin Breeding
13 Service in New Mexico at Capitan. I know those people
14 very well, I'm good friends with them and I called them
15 and I said if you remember an intern there by the name
16 of Allison Chipman, would you be willing to tell me
17 about her? And both of the people that I spoke to
18 there said of course we remember Allison, she stayed
19 until all the work was done, she was not ashamed to get
20 underneath and attempt to collect the bulls, she
21 cleaned crap out of the stalls, she did everything we
22 asked of her. I said that's all I wanted to hear. And
23 "If you know where she's at, ask her if she'll come
24 back to work for us."

25 So with that glorious introduction, I just

1 want everybody on the board that hasn't met her and the
2 people in the audience, if you get an opportunity, talk
3 to Allison. I think you are going to be impressed with
4 her. She started with us the first day of this month.

5 MS. CHIPMAN: November 1st, last Thursday.

6 DR. MOELLER: Four days, five days ago.

7 We've already thrown her in the fire on some
8 situations. I just said get it done, she got it done.
9 So we have high hopes and a lot of confidence in her so
10 please welcome Allison Chipman.

11 (Applause)

12 DR. MOELLER: Would you like to say
13 something?

14 MS. CHIPMAN: Dr. Moeller failed to tell
15 you as I told Ty that when he called Elgin Breeding
16 Services, I don't know if they told him this, but when
17 my mother came up to visit me at work, she would not
18 tell anybody what I was doing, she told them I was
19 doing cryogenic biology work. And I can honestly say
20 she's very happy that I decided to veer away from
21 cryogenic biology work and do some respectable
22 professional occupation. So I look forward to working
23 with everybody. If there's anything that I can ever do
24 to make things smooth for you in the events that we put
25 on for the association, please don't hesitate to

1 contact me. I am here to serve you. Thank you. I
2 look forward to getting know all of you and working
3 with you.

4 (Applause)

5 DR. MOELLER: Thank you, Allison. Okay.
6 Next issue here is the World Show. And Allison and I
7 have tried to address this already. Here is the
8 situation, gentlemen, and I don't know the proper term.
9 The Texas Educational Department or whatever changed
10 their calendar so the kids don't get out of school
11 until -- the finals week is the same week as our World
12 Show. So is it fair that we keep those dates and make
13 those kids miss their finals or not even come to the
14 World Show? Talking about the Texas kids. Which
15 probably -- and I don't know the percentage but would I
16 guess 50 percent of the kids are from Texas that go to
17 our World Show. So I just would like to get the
18 feeling of the board to give Allison a little guidance
19 as to here's our problem. Those dates we have the same
20 facility our normal dates, the first week of June. We
21 have the same facility, everything's the same except
22 the kids are going to still be in school. If we change
23 to later which as I travel around the country, the
24 members are in favor of moving that date off of that,
25 nobody likes that soon after school, they like a little

1 breathing room for the kids, and so we looked at some
2 dates in July, and here's the problem at Will Rogers.
3 The cutting horse association has expanded their events
4 and the paint horse association has expanded their
5 events. They've gotten so big, they were having youth
6 shows and open shows and they rent the whole facility.
7 We don't rent the whole facility. We were told we
8 would be given equal footing and an equal shot at dates
9 that we want if we rent the whole facility. We can't
10 afford that and we're not going to do that, it's not
11 necessary. So we have two dates in July that we are
12 looking at and the problem is that we would have to use
13 the arena that's across the street from the one we
14 usually use.

15 MS. CANTRELL: The Watt Arena in the
16 Moncrief Building.

17 DR. MOELLER: It will work. We walked and
18 spent an hour with the scheduling guy yesterday or the
19 day before - I don't remember - and it will work.
20 There's still some stuff in the air because the cutting
21 horse association is not going to make their mind up
22 for the next week or two as to what week they are going
23 to take in July. We'll get the leftover date and we've
24 got some questions about whether they will take out
25 horse stalls and put in horse pens. So is there any

1 strong opinions one way or another from any of the
2 board members that we give Allison some guidance of how
3 to proceed with this problem? Allison, why don't you
4 come stay up here for a minute, please.

5 DR. KROPP: I judge in that arena. It's
6 fine for halter cattle. Is there any problem with
7 moving cattle? I'm assuming we would have our non
8 halter -- free cattle - excuse me, Frasier - free
9 cattle in the pens about moving those animals to the
10 Watt Arena for judging.

11 DR. MOELLER: Well, there's no tunnel from
12 across the street underneath. They ran into some
13 infrastructure. There's a tunnel there, but there's
14 3 feet of dead-end you can't move cattle from our usual
15 pens across there. There's right next to there, which
16 will communicate with that arena, are a bunch of horse
17 pens. They will take those down and put up cattle pens
18 and then we'll just have to build an aisle to them and
19 we can move cattle down in there. So yes there is an
20 avenue. That arena, I never really looked at it, to be
21 honest with you, but the concourse is really wide so
22 our exhibitors and our vendors are going to be happier
23 with it because they can set up all around there and
24 the people are going to be constantly in front of them.

25 DR. KROPP: It's actually a better arena to

1 judge in and to exhibit in than the John Justin Arena
2 that's built for horses. That's where we show the
3 cattle during the Fort Worth Stock Show typically and
4 it is a much better arena for actual exhibiting our
5 animals, the Watt Arena, than the other one is. So I
6 would move that we would accommodate the dates as per
7 Fort Worth Stock Show would let us do to move the dates
8 to facilitate moving into the Watt Arena and do
9 whatever we need to do to schedule accordingly.

10 DR. MOELLER: Let me throw a couple of
11 other things in the pot. The negatives I've gotten
12 from the members is, you know, June is hotter than
13 hell, and you want us to go there in July? That's one
14 negative. We can't control the weather. The other
15 suggestion that was made would be for us to consider
16 moving the venue completely out of Fort Worth to San
17 Antonio was mentioned, Denver was mentioned,
18 Albuquerque was mentioned, to another facility that we
19 could do all that, hold our World Show somewhere else.
20 That's probably going to be a big undertaking. I don't
21 know if that's been tried or suggested in the past.

22 COL. WEST: It's been suggested in the past
23 to move it around.

24 DR. MOELLER: And do you recall what the --

25 COL. WEST: One of them was Denver, which

1 is all set up.

2 DR. MOELLER: Charlie?

3 MR. BUENGER: I just want to ask what do
4 the show people want? Has anybody asked them?

5 MS. CANTRELL: They don't want us to have
6 it that week in June because the kids can't come so we
7 need to move it.

8 MR. SIMMONS: Will they go to Denver?

9 DR. MOELLER: I don't know. We haven't
10 asked them about that. I don't know that I'm even
11 putting that on the table, but that's something to
12 think about.

13 MR. SIMMONS: As part of the other
14 building, I think they hold the millennium futurity in
15 that building. I've run the cattle up and down out
16 there.

17 DR. MOELLER: There's pens in the practice
18 arena down there.

19 MR. SIMMONS: There's pens in the arena and
20 ran them up the outer side and out the other building.

21 DR. MOELLER: Yes, ma'am.

22 MS. DENNIS: Cindy Dennis. The Autobahn is
23 going to have their fourth show in August. So having a
24 World Show in July I don't think will be a big deal,
25 we're still going to be seeing our cattle until August.

1 DR. MOELLER: Speak up. I can't hear you.

2 MS. DENNIS: I don't think the show kids
3 would have a problem with having a World Show in July
4 because the year-end fourth Autobahn show is going to
5 be the first week in August and we're going to be
6 feeding until August anyway, so July is just right.

7 DR. MOELLER: So you don't perceive a
8 problem with the youth having a show in July?

9 MS. DENNIS: No, sir.

10 DR. MOELLER: Okay. Bill?

11 BILL: Dr. Moeller, you might want to check
12 on that panel. We have the futurity there and we have
13 to bring panels. They do not have cattle panels.

14 DR. MOELLER: We know that.

15 BILL: They have horse panels but not
16 cattle panels. You may want to check on that.

17 DR. MOELLER: We do have panels.

18 BILL: Yes, but not as many as you're
19 looking at. Believe me.

20 DR. KROPP: That's why I was asking.

21 BILL: It's a wonderful facility. I love
22 the place. There's theater chairs. You can't beat the
23 deal. And they have all the space on that right side
24 as I'm looking at it. You can pen your cattle. But as
25 far as I know, unless they have a new deal, they don't

1 have cattle panels.

2 DR. MOELLER: Allison had some comments.

3 MS. CHIPMAN: I want the show people to be
4 happy with the World Show, especially the youth, and I
5 think that when Dr. Moeller and I walked through that
6 facility there are some definite plusses and some
7 definite drawbacks to it, one being the infrastructure
8 for the penned cattle. But I do think that the
9 drawbacks are manageable. Yes, they don't have enough
10 cattle panels to meet our needs but to my understanding
11 we do have panels available of our own. And one thing
12 that you might consider moving venues, that's totally
13 up to the discretion, but one thing that we really
14 thought was impressive about it is it gives a much more
15 close feeling in that arena. If you've never been over
16 there, it's big enough definitely to do this, but it
17 has a much more intimate feeling so when you are in
18 there, the kids are going to be closer, there's going
19 to be a lot more interaction with everybody. That was
20 one thing that we really like to promote that with the
21 youth. So that's another thing to think about.
22 There's definitely some challenges there, but I don't
23 see them as things that we can't overcome if that's the
24 direction that we decide to go.

25 DR. MOELLER: Bill?

1 BILL: There's plenty of places, but I
2 don't know what their numbers are. But you do not have
3 enough panels. Thankfully you lease us your panels.
4 We also lease another 150 panels from somebody else,
5 150 pens. Not just panels. And we had 255 last year
6 and we stretched the panel situation. Not the space.
7 There's plenty of space. But we have stretched the
8 panel situation to where it gets tough. The next group
9 of panels is in Alabama. It's a long ways.

10 DR. MOELLER: Right now, unless somebody
11 that's been involved with the youth World Show can tell
12 us what kind of numbers we have for loose cattle --

13 MR. BRASWELL: "Free cattle."

14 DR. MOELLER: Free cattle. Excuse me. I'm
15 sorry, Frasier. My apologies. Frasier?

16 COL. WEST: First of all, I have no
17 objection to the Watt Arena. But are there any other
18 dates between our usual dates? Is there a gap between
19 that and the paint horse or not, or is this the first
20 event that's available?

21 MS. CANTRELL: That's the only time they
22 have. That's it.

23 COL. WEST: This is the only date that's
24 available. That ends the question.

25 MR. WEHRING: Most of the show kids, the

1 kids' cattle aren't penned cattle. They are halter
2 cattle.

3 DR. MOELLER: There are free cattle.

4 MR. WEHRING: There are free, but we don't
5 have the quantity that the futurity has, do we?

6 DR. MOELLER: Well, I don't know the answer
7 to that.

8 MS. SMITH: Dr. Moeller? Jean Smith. I
9 work the Fort Worth Stock Show every year and that's
10 where I work is the show arena in the Watt Building.
11 We have thousands of animals, so they, you know, I know
12 the pens, you would have to have some more pens, but
13 they manage for all the different types of cattle. We
14 have all of our shows in there. We have a couple of
15 the cattle shows down in another arena but, you know,
16 99 percent of the shows are right there in the Watt
17 Building for the whole.

18 DR. MOELLER: So you can see where it might
19 work is what you are saying?

20 MS. SMITH: Yes, definitely.

21 DR. MOELLER: The other thing, which is
22 really not a negative, the kids are used to getting
23 barns 3 and 4, the closer barns. Those are tied up so
24 they would have to use barns 1 and 2. I don't see that
25 as being an issue. They'd have to walk their animals a

1 little further. Bob, did you have another comment?

2 DR. KROPP: There is stall area right there
3 at the Watt Arena, too. I don't know if we get access
4 to that. There is stalls right outside the arena in
5 the Watt Building.

6 DR. MOELLER: On the south side. But they
7 would have to be --

8 DR. KROPP: On the west side.

9 DR. MOELLER: They're outside.

10 DR. KROPP: No, they're inside the building
11 on the west side of the arena.

12 DR. MOELLER: The horse stalls?

13 DR. KROPP: No. There's tie stalls.

14 Cattle tie stalls.

15 DR. MOELLER: Oh, ties. You are correct,
16 yes.

17 DR. KROPP: On the west side of the arena.

18 DR. MOELLER: I'm not making an issue out
19 of the halter stuff. Our potential problem is with the
20 loose cattle or free cattle. So anyway, I'm not
21 hearing a lot of negatives, are you? So we can't pick
22 a date because the cutting horse people haven't made
23 their mind up if they want July. You've got the dates
24 there?

25 MS. CHIPMAN: The 18th or 19th or the 11th

1 or 12th.

2 DR. MOELLER: So there's two weeks there in
3 July that they haven't made up their mind yet and they
4 have first choice. They are going to make up their
5 mind next week?

6 MS. CANTRELL: By the end of November.

7 DR. MOELLER: Dr. Kropp.

8 DR. KROPP: I don't know when the next show
9 is, i have no clue, but is there a way that you could
10 get Cindy Dennis, the Olivers, some people that are
11 heavily involved in the show circuit with Ally and make
12 a decision relative to what's the best interest for
13 everyone involved? I think that's just the best
14 solution.

15 DR. MOELLER: And I have asked her to do
16 that. We want to get Paul Braswell involved too. Yes,
17 sir?

18 MR. DUBOSE: We have a show in Nacogdoches
19 the weekend before Thanksgiving and we usually have
20 about 200 kids. That would be a good one.

21 DR. MOELLER: To be there to ask some
22 questions, so that might be something you might keep in
23 mind. Okay. Good. Well, we got some good input and I
24 thank the members of the audience and the board for
25 giving you some guidance.

1 The next item on the agenda is the Select
2 Heifer Sale and I'm not sure why that's on the agenda.

3 Zach is our chairman for the Select Heifer
4 Sale. We've already got how many entries, Zach?

5 Zach: We have 87, but then we've got some
6 more coming and I had some people today wanting in one
7 and I think Dr. Kropp, how many did you bring today?

8 DR. KROPP: Nine.

9 Zach: We have a hundred.

10 DR. MOELLER: A hundred consignments. Now
11 here's the issue with that and maybe -- Brenda, would
12 you explain that?

13 MS. CANTRELL: Because we had the Horn
14 Showcase going on at the same time the Select Heifer
15 information was coming in, our deadlines for everything
16 to be in was November the 1st just so that we can make
17 the December issue with a catalog. And Zach and I
18 talked about this and Fritz and I have talked about it
19 and I've talked about it with someone else, I can't
20 remember who it was. If it would be possible because
21 we are under such a crunch, I have to have the catalog
22 produced to go into the December issue by the 20th of
23 December, and if we print 5,000 catalogs to go into our
24 magazine and only 400 people are really interested in
25 it, that costs us a lot of money to produce that and

1 insert it into the magazine. What I would like to
2 suggest that we do is go through the last couple of
3 years of everyone that has attended a sale, a TLBAA
4 sale, and we mail those catalogs to those individuals,
5 overprint by about 500 extras, put a notice in the
6 Trails magazine in December that if you are interested
7 in a catalog for the Select Heifer Sale, contact the
8 office and we will be more than happy to mail you one.
9 I think that we have really overkilled ourselves with
10 the catalogs every single month going into the
11 magazines. It stretches the staff. We do not make a
12 penny on them. And so that would -- that would be my
13 proposal, if we could do that. Now, I don't want to
14 take away from the esteem of the Select Heifer Sale. I
15 still want it to be a very special sale and I don't
16 want it to look like because we're not putting in the
17 magazine it's not special. I do want it to look like
18 we are thinking smart instead of just bigger is better.

19 DR. MOELLER: Zach, I know you are opposed
20 to that. You want the catalogs in all the Trails.

21 Zach: Well, I think everybody -- a lot of
22 people are new members, a lot of people only come to
23 the occasional sale and the more widespread our catalog
24 is the more likely you will have attendance. There is
25 some problem with attendance because it's a bad time of

1 the year up here, and I think the wider our attendance
2 is, the better that we can get.

3 DR. MOELLER: So what I'm asking the
4 board -- do you have your hand up?

5 MR. LADNIER: Yes, sir.

6 DR. MOELLER: Please.

7 MR. LADNIER: Do we have any inkling how
8 much this will save us in money?

9 MS. CANTRELL: Well, most of the catalogs
10 that we produce right now cost us around \$7,000 to
11 print plus it increases my postage because of the
12 weight, so it probably costs me an extra \$12,000 to put
13 the catalog in the magazine.

14 MR. LADNIER: Versus the 400 you're talking
15 about or whatever?

16 MS. CANTRELL: Versus printing a thousand
17 which would probably cost me about 2,000 to print and
18 three -- about \$5,000 to do it that way.

19 COL. WEST: So you're saving --

20 MR. LADNIER: 7,000.

21 COL. WEST: The other way costs the 7,000.
22 Now, if you print the 500, the difference there --

23 MS. CANTRELL: The first way is about
24 13,000. The second way is about five.

25 COL. WEST: I think we ought to hear from

1 more people like Zach because that is one time of year,
2 even though it's an expense, that people are exposed to
3 you have -- this is one of the premier sales.

4 MS. CANTRELL: I agree.

5 COL. WEST: And it's promoting the
6 longhorn. You never can forget we're here for the
7 longhorn and you can't forget that even with the
8 expense. That's my thing.

9 DR. MOELLER: Mr. Simmons.

10 MR. SIMMONS: You've got E-Trails that
11 every member, most members have access to put it on
12 there. You've got other catalogs on there.

13 COL. WEST: That's a good point, Brenda.
14 That's a good point, Scott.

15 MR. BRASWELL: What is cost in the
16 difference in size if you put a low resolution PDF file
17 on the internet?

18 MS. CANTRELL: It doesn't cost us anything.

19 MR. BRASWELL: What's the megabyte cost?
20 Do we have transmittal costs on our server? Is there a
21 difference in getting a high resolution and a low
22 resolution?

23 UNIDENTIFIED SPEAKER: It's just more
24 difficult for the viewer to get in and pull it down. A
25 lot of our readers are in rural areas and don't have

1 high speed connections.

2 MR. BRASWELL: Well, I certainly appreciate
3 the advertising that we get by putting the catalog in
4 the book. Is there some way we could put two
5 additional pages of advertising in the magazine and
6 reduce our over all costs by this much and still have
7 the promotion of program?

8 MS. CANTRELL: The only reason this came up
9 was because of the deadlines because we were not
10 getting enough cattle to come in because it fell right
11 in the middle of the Horn Showcase and nobody was
12 wanting to do this. They -- we weren't getting the
13 consignments in and then Zach got on the phone and a
14 bunch of people got on the phone and we got
15 consignments in. But what it brought to a head for me
16 is that the cost of this is, you know, I'm trying to
17 look at the bottom line, too, which that's what I
18 should be doing, it's my job, and that I can save us
19 some money if I didn't do it that way. I don't mind --
20 I'd love to have the magazine be 500 pages thick, but I
21 also want it to be -- I also want it to make some
22 money, too, and not lose money is what I'm trying to
23 say.

24 DR. MOELLER: Are there any other comments
25 from the board right now?

1 DR. KROPP: I really think that if we send
2 -- and I don't have a problem with the promotional
3 value. But if we sent a catalog to every person that
4 had been to a Texas Longhorn sale that we could get a
5 mailing list in the last two years, plus put
6 announcements in the Trails, I think you would save
7 volumes of money and cost by doing that because even
8 though the magazine goes to a lot of people, they're
9 going to take that magazine and probably put it on
10 their shelf or something but I think it would be in the
11 best interest of our association to be a bit more
12 frugal in how we are handling this and we do a nice
13 catalog, very nice catalog and send it to -- maybe
14 upgrade the quality of our catalog, send it to everyone
15 who has attended a sale in the last two years and then
16 put announcements in the Trails saying to call the
17 association if you want one.

18 MS. CANTRELL: And we can still put the
19 catalog on the E-Trails. It's still out there. It's
20 printable. You can print it.

21 DR. MOELLER: There was a comment from the
22 back of the room.

23 MR. BURTON: Yeah. Bill Burton. I don't
24 have any problem with what the board is discussing if
25 it's for the future, but currently there's people that

1 consigned cattle and people that have placed ads for
2 the catalog with the knowledge that that would be put
3 out in the Trails.

4 MS. CANTRELL: That's a good point.

5 DR. MOELLER: Good point. Zach?

6 Zach: Well, I get complaints, when I sent
7 one to Becky Rhodes, you know, the pre-sale E-Trails
8 you might say on the catalog, it took her four hours to
9 receive all of that. She says she lives in the back
10 woods or somewhere in Missouri. And there are a lot of
11 people -- you know, the younger people are into this
12 computer stuff. Older people, you know, that live out
13 in the country are not and so they're used to catalogs.
14 And the other thing we must know is we have competition
15 in this Texas Longhorn Market Association is going to
16 have a sale right on top of us this year.

17 MS. CANTRELL: You're right.

18 DR. MOELLER: So unless somebody else has
19 another comment, Zach and Brenda and I will duke it
20 out.

21 MS. CANTRELL: I'm in agreement with Zach
22 on that, the last comment, and with the gentleman who
23 said about, you know, that they've already paid for it.
24 I just wanted to have some more options for us to look
25 at; instead of doing things the same way every single

1 time, I just wanted to bring something different to the
2 table.

3 DR. MOELLER: Can you still make a deadline
4 for the December issue?

5 MS. CANTRELL: Yes, we never -- we don't
6 miss our deadline. We will stay up night and day to
7 make our deadline.

8 DR. MOELLER: Thank you all for your
9 comments. That's what we needed.

10 We've got other things on the agenda and we
11 are probably going to have to table those until the
12 next meeting. I don't want to -- we have made
13 appointments with -- we have five candidates finalists
14 for our executive director position, if that's what
15 we're going to call it, they have been here since this
16 afternoon. Many of us had the opportunity to visit
17 with them, we took them to the office, we took them to
18 our property, we took them down on the floor of the
19 Horn Showcase and some of us got a feel for them but we
20 are going to interview each one of them tonight and
21 hopefully we're not going to be here so late but if it
22 takes until midnight it takes to midnight and if we
23 can't make our mind up tonight we have available to us
24 tomorrow morning for an hour or two to maybe bring a
25 couple of people back. So rather than close the

1 meeting I would like to leave that option open if we
2 can -- what is the proper term?

3 MR. BUENGER: Recess.

4 DR. MOELLER: Recess. And we will have to
5 go into executive session because it's a personnel
6 matter and we have to do it that way. I'd like to
7 thank the audience, you were very kind and helpful we
8 are going to take a five-minute break and then we are
9 going to come back into executive session.

10 Dr. Kropp?

11 DR. KROPP: Do you think that we need to
12 table the other activity to our next meeting, the rest
13 of the agenda?

14 DR. MOELLER: No, I just want to recess
15 this meeting just in case this doesn't take as long as
16 I think. We might be able to come back.

17 (Meeting in Recess at 7:29 p.m.)

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