

**Louisiana Thoroughbred Breeders Association
Board of Directors Meeting
August 18, 2020
Prejeans Resturant
Carencro, Louisiana**

Directors Present:

Jay Adcock
Brett Brinkman
Carrol Castille
Charlotte Clavier
Jake Delhomme
Tom Early
Daniel Guidry
Warren Harang III
Keith Hernandez
Michelle LaVoice
Neal McFadden
Val Murrell
David Tillson

Directors Absent:

None

Others Present:

Brandon Adcock
Terry Adcock
Therese Arroyo
Gerald Averett Jr.
Alex Bonin
Danny Brown
Allen Chiasson
Nathan Granger
Roger Heitzmann III
J. E. Jumonville Jr.
Trey LaVoice
Lee Lange
Mary McFadden
Allen Peltier
Lora Pitre
Michele Rodriguez
Phillip Stelly
Pam Stephenson
Gillian Taylor
Roy Taylor
Mike Whitler

Warren Harang called the meeting to order and asked Roger Heitzmann to call the roll. A quorum was present and the meeting was ready to proceed with business.

Jake Delhomme led us in prayer.

Warren asked for nominations for the position of President of the Louisiana Thoroughbred Breeders Association. Tom Early nominated Warren Harang III to serve as President. Charlotte Clavier seconded the motion. With no objections and no additional nominations, Warren Harang III was elected President for the 2020-2021 year.

Warren opened the floor for nominations to serve as 1st Vice President. Charlotte nominated Jake Delhomme. This nomination was seconded by Val Murrell. Hearing no objections or any

additional nominations, Jake Delhomme was elected to serve as 1ST Vice President for the 2020-2021 year.

Warren then requested nominations for 2nd Vice President. Charlotte Clavier made a motion to nominate Brett Brinkman as 2nd Vice President. Carrol Castille seconded the motion. Tom Early nominated Daniel Guidry to run as 2nd Vice President. This motion was seconded by Val Murrell. After hearing no additional nominations Warren called for a roll call vote:

Brett Brinkman

Jay Adcock
Brett Brinkman
Carrol Castille
Charlotte Clavier
Neal McFadden

Daniel Guidry

Jake Delhomme
Tom Early
Danny Guidry
Warren Harang
Keith Hernandez
Michelle LaVoice
Val Murrell
David Tillson

With a vote of 8 to 5, Daniel Guidry was elected to 2nd Vice President to serve for the 2020-21 year.

Charlotte made a motion to approve the minutes of the June 12, 2019 Board of Directors Meeting. Carrol Castille seconded the motion, which was voted on and passed unanimously.

Roger Heitzmann call for all conflict policies to be forwarded so that they made be read aloud. As those were collected Warren moved forward with the meeting.

Warren informed the Board that he accepting committee requests. He requested that they contact him for committee appointments.

Tom Early requested that we move to Finance and Audit first so that Therese Arroyo could present and exit the meeting as soon as possible.

Committee Reports:

Finance & Audit: Tom Early – Chairman

Tom turned the floor over to Therese so that she could present the report. Therese passed out a bound copy of the audit to the members of the board so that they have a reference to look back on when answering questions. This is the audit for the year 2019. She then addressed the financial ending June 30th, 2020. She pointed out the areas where we have taken in less money than the previous year, but then showed where we have not paid out as much as well. Both of these changes can be directly attributed to the Covid pandemic. She projected that we are on solid ground when it comes to our finances. After presenting the budget to actual she asked for two budget adjustments on being for legal raising it from \$7500 to \$20,000 and she requested that we place on the budget an expense for the repository that we handle for the Equine Sales Company. She pointed out how we have to show the expense of paying it as we will be showing the receipt of the cost as well. Charlotte made a motion to approve the budget adjustments and the acceptance of the financials ending June 30th. This motion was seconded by Tom Early, which was voted on and passed unanimously.

Warren asked about the new computer system and where we stand on it being completed. Therese reported that we are well along on the development and hoping that we can put this in place by the end of the year.

Carrol Castille asked about the social media increase and congratulated the team on work well done.

Warren asked about the status of our Building at Louisiana Downs. Roger informed him that since neither Louisiana Downs nor the Racing Commission has a need for it we would be putting it on the market.

Government Affairs: Jake Delhomme – Chairman

Jake reported that he had no report for this meeting.

Grievance: Michele LaVoice – Chairperson

Michelle had no report at this meeting.

LTBA/HBPA Liaison Committee: Val Murrell – Chairman

Val had no report for this meeting but pointed out that two members of our current Board sit on the Board of the HBPA. He feels that this will be of great assistance moving forward. Keith Hernandez stated that the purses for the upcoming Fair Grounds meet should be very good based on the activity at their OTB's on Video Poker. He also stated that we are waiting on the Fair Grounds to present their date request.

Warren halted the meeting for a moment to recognize Michele Rodriguez, who was at the meeting, as well as Jim Montgomery, for their years of service to the members of the Louisiana Thoroughbred Breeders Association serving as members of the board.

He also took the time to welcome the new members of the board, Keith Hernandez and David Tillson. He wished them luck for the upcoming years.

LTBA/LSRC: Jake Delhomme – Chairman

Jake reported the changes made to the Louisiana Racing Commission, new members that were added as well as those who were removed.

Inspection: Brett Brinkman – Chairman

Brett presented a case for a breeder who had several partners who missed the futurity payment due to the form going to a member of the partnership who was not aware on how a futurity works. The member tried to make the payment late, but was refused by the office due to the amount of time that has passed as well as the participants already being posted on the LTBA website. They appealed to Brett for help and he brought it to the board for approval to allow the late payment.

Jake Delhomme made a motion to allow the payment on the yearling. This motion was seconded by Carrol Castille, which was voted on and passed unanimously.

Membership & Nominating Committee: Charlotte Clavier – Chairperson

Charlotte had no report for this meeting.

PAC Committee: Empty Seat – Chairperson

Warren asked Keith Hernandez to chair this committee.

Salary & Benefits: Tom Early – Chairman

Tom had no report for this meeting.

By-Law: Val Murrell – Chairman

Val informed of the Committee Meeting held by the By-Law Committee and the changes that were voted on by the committee and passed by a majority vote. These changes are to be presented to the Board today for adoption.

Daniel Guidry presented additional information to the board and explained how this could help the program here in Louisiana. He stated many factors were considered and what is presented is the result of many hours and considerations.

Jay Adcock questioned a second draft that was in the meeting folder that wasn't in the 10 day Board notice.

Alex Bonin, attorney for the LTBA addressed the question. He stated that a change did occur after the notice went out, and he notified the Board of that change, and addressed it in the e-mail that he sent to the board with that change.

Charlotte Clavier asked the board a question as to how do we defend ourselves if the question is asked in Baton Rouge? She suggested that the Quarter Horse Breeders might use this as an attack against us. She suggested that we make all breeders who reside outside the State of Louisiana set up a business in Louisiana, with the Secretary of State to combat this.

Warren asked for any other discussion.

Danny Guidry objected to that saying we're trying to entice breeders from other states to come to Louisiana to breed to our stallions, to drop babies in our state, at farms in our state, and spend money in our state. Making them jump through more hurdles than elsewhere isn't going to make it better. We will lose the value of what we're trying to do.

Nathan Granger addressed the board asking if there were any other states changing their programs to entice the Louisiana horse.

Michele LaVoice answered questions from Nathan Granger and Jay Adcock on other states that were making changes.

Michele Rodriguez questioned the 10 day notice with an additional change coming afterwards. Alex replied that the board can vote on the initial change and then set a meeting if they wish to address the additional change and any other additional changes.

Michele then proposed additional questions with answers and opinions.

Nathan Granger expressed concern over the rule change and how it would affect the stallions that stand in the state. He stated that it's hard to get someone to purchase a Louisiana foal by a Louisiana Stallion now. What will it be like with the rule change? Can we have different classes of Louisiana Horses?

Jake Delhomme stated that in the last five years 23 of the 30 Louisiana Bred Champions are by in state stallions. Three of the other stallions are not even in the United States because they were

considered failures and sold. Only one of the other four stands for \$10,000 or more. He expressed that our numbers are falling each and every year, so apparently what we're doing is not working. What do you suggest we keep doing what's not working? We need to try something a little different to see if it might work. I'm not on the committee but it seems that's what they are suggesting and I'm listening. Also, comparing us to the quarter horse association is not a good comparison. They can do things that we can't. They can have several foals out of one mare. It's a different business. Do we do something different to help us improve? I don't know if this is the right answer, but we need to do something different?

Michelle Rodriguez asked why this was being brought up so quickly. Jake stated that we have been talking about this over the last several years, this isn't something new. The Z horse rule when in use before did not ruin the Louisiana program. She stated that she heard that the floodgates would open with new horses. She said she is for easing the domicile rules but believes this is too much.

Brett Brinkman stated that we have to change something. The numbers say that. We need to look at what drive the industry. It's not the sales. It's the person buying the horse. That's the money that drives what we do. At the end of the day our racing is broken. Claiming horses are driving our industry, the cheap claimer. There's a huge disparity in purses for cheap claimers and allowance horses. The nice horse is going to sell. It doesn't matter who it's by. He doesn't think it's been researched enough to tell if it makes a difference. Smashing on the accelerator to change a rule that's been in place for many years isn't going to fix what the real problem is as I see it. I can't see where this will make the difference. I agree we need to change, not sure if this will address it.

Lora Pitre presented a stack of paper work to Warren stating that they were petitions signed by members of the association requesting the rule not change.

Carrol Castille asked for the floor. He stated he participates in all aspects of this game, and believes he understands what's going on. Carrol stated that no one is going to bring a high dollar stallion into the state in the near future and doesn't matter what we do today. With the current rule we're still racing against horses by stallions out of state. This rule isn't going to change that. The rule isn't going to change that we have to run in open races anyway. We have to make a change. Doing the same thing over and over and expecting a change is insanity. We are running out of Louisiana Breds. This rule may hurt me as well as anyone, but I see a need for the change.

Gerald Averett addressed the Board on racing and the comparison to quarter-horse breeding and sales.

Jay addressed Carrol as to which mares would he send out of state with the new rules, the better mares or the cheaper mares. Carrol answered that it's not necessary true that he would send only his best mares.

Discussion took place in regards to how the racetrack are handling to entries and offering of Louisiana Bred races.

Neal McFadden asked Alex if it was his opinion that a change of the by-laws, such as this, needs to go to a membership vote rather than the Board. Alex said no, a change of the by-laws do not have to be presented to the entire membership. Neal informed him that when these rule were changed before they did. He stated the results of that change as 2 to 1 for a change to the rule we

currently have. He stated that the people he represents don't have deep pockets and they are not in favor of the change.

Lora Pitre stated she understands the position of the board members wanting to change the by-laws, but what makes their wishes more important than her wishes or the wishes of others. She requested that the board support Louisiana Breeders more than what they do. She stated that in four days she has gathered the signatures of more than 150 people who are opposed to the change. She proposed that if you have a Louisiana foal by an out of state stallion who should have to have a foal by an in-state stallion before going back out of state, that would help Louisiana breeders. She said that the new rules only help those who can afford to go out of state to breed, not the people who can't. She questioned the fee charge that was raised several years ago, that it ran people out of breeding. She stated that the board was only interested in helping breeders out of state.

Jay requested stats on in state, out of state, Louisiana sires, out of state sires, etc. Warren stated we did not have those stats on hand, Carrol and Tom Early stated we've had those stats and view them before.

Danny Guidry made a motion that we accept the recommendation of the By-Law Committee as presented, with respect to item B, which the attorney suggest we pass at a date to be determined and scheduled at a later date. Tom Early seconded the motion. A discussion took place on whether or not the percentages of Breeders Awards should be included in the by-laws. It should be determined by the board depending on financing. A discussion then took place in regards to a substitute motion which would include the change of the breed back rule change and remove the percentages stated. Danny Guidry called a question to the substitute motion that an amended motion is not appropriate in this instance and move that the original motion that was seconded by Tom be voted on.

Jay, Danny and Michele continued to discuss the motion. Jay expressed his displeasure with the proceedings.

Brett Brinkman noted that he was not against the change but disagreed with the percentages given.

Warren called for a roll call vote on passage of the original motion.

FOR

Carrol Castille
Jake Delhomme
Tom Early
Danny Guidry
Warren Harang
Keith Hernandez
Michele LaVoice
Val Murrell
David Tillson

AGAINST

Jay Adcock
Brett Brinkman
Charlotte Clavier
Neal McFadden

Roger informed the Board of Directors that the motion passed.

Warren turned the floor over to Roger to read the conflict of interest policies of the board into the record.

Jay Adcock – Listed that he is on the board of the Equine Sales Company, a stallion owner with members of the board JAKE Delhomme and Neal McFadden, and that he does business with members of the board and members of the LTBA.

Brett Brinkman – Owner of LeMesa Stallions and Brett Brinkman Training Stable.

Carrol Castille listed that he has no conflicts.

Charlotte Clavier – listed that she is the President of Stemmans Inc., the Vice-President President of Traders Rest Farm, the Vice-President and Trustee of workman's comp and the pension of the HBPA. Her father is also on the Board of the HBPA and a trustee of the medical plan. She also noted that she is the Treasurer of the REAP at EvD.

Jake Delhomme – states that he owns shares in stallions with Jay Adcock at Red River farm and he does business with various members of the board.

Thomas Early – owns shares in stallions with Clear Creek Stud and the Court Vision syndicate.

Daniel Guidry – he's a partner in Doc Atty Stable, a Director of Home Bank, a shareholder in Equine Sales of Louisiana, a shareholder in the Gemologist Syndicate, as well as the Court Vision Syndicate.

Warren Harang – has no conflicts

Keith Hernandez – has racing partnerships with John Duvieilh, Steve Landry, and Earl Hernandez, owns stallion shares with Clear Creek Studs, and is on the board of the HBPA.

Michelle LaVoice – works with her father at Clear Creek Stud who is also a member of the Board. At Clear Creek Stud she does business with members of the board and the LTBA.

Neal McFadden – he is a share holder of Equine Sales Company and owns shares in stallions with Jake Delhomme and Jay Adcock.

Val Murrell – Michelle LaVoice is daughter who is also on the board and does business with many members of the LTBA

David Tillson – Shareholder in Equine Sales Company, and a shareholder in the Gemologist Syndicate.

Therese Arroyo – is the Director of the St. Rita Finance Council and a Director of Louisiana Horse Rescue.

Date, Time and Place of Next Board of Directors Meeting.

The date and time of the next meeting was discussed. It was agreed that it be in the Lafayette area but the date and time could not be agreed upon. It was left to Roger to find out what's best for all.

Lora Pitre took back the paperwork she submitted earlier as a signed petition.

J.E. Jumonville made a presentation to the Board.

Pam Stevenson addressed the board with her dismay with the Board and Carrol Castille on the rule change

Lora Pitre addressed the board

New Business:

Old Business:

None reported.

Tom Early made a motion to adjourn. This motion was seconded by David Tillson, which was voted on and passed unanimously.

Respectfully Submitted,

Roger A. Heitzmann III