

AMERICAN SADDLEBRED HORSE ASSOCIATION, INC.

**Board of Directors Meeting
Thursday, February 17, 2011 at 7:00P.M. ET
Marriott Griffin Gate Resort, Lexington, Kentucky and by tele-conference**

MINUTES

Members Present: Judy Werner, President
Vicki Gillenwater, First Vice President
Barbara Molland, Second Vice President
Jim Ruwoldt, Treasurer
Betsy Boone
Mary Anne Cronan
Louise Gilliland
Nelson Green
Minna Hankin – by teleconference
Chuck Herbert
Carl Holden
Germaine Johnson
William Marple
Scott Matton
Margaret McNeese
William Whitley
Art Zubrod

Members Absent: Jimmy Robertson
Paul Treiber

Others Present: Steve Specht, Investor, Merrill Lynch
Rachel Brown, Auditor, Dean Dorton Allen Ford
Howard Pike, Facilitator
Jeff Streepey, Counsel
Jeff Adamson, Counsel
Laurel Nelson, Museum President
Bret Day, UPHA representative and ASHA Director-elect
Tandy Patrick, ASHA Director-elect
Robert Funkhouser, ASHA Director-elect
Don Schilling, Registry Director
Brian Curran, Registry Director
Paula Johnson, Executive Director
Katriona Adams, staff

Roll Call/Establish Quorum/Consider Agenda/Adopt Rules of Order

President Werner called the meeting to order at 7:05P.M. on Thursday, February 17, 2011. Ms. P. Johnson called the roll and noted that a quorum of directors was present. President Werner welcomed guests and asked for a motion to move the Financials to item IV. on the agenda. Ms. Cronan made this motion which was seconded and passed.

Consideration of Association Minutes

a. Board of Directors Meeting, December 6 & 7, 2010

Mr. Whitley moved approval of the minutes of the December 6 & 7, 2010 meeting, Mr. Ruwoldt seconded and the motion passed with one abstention

b. Board of Directors Meeting, February 1, 2011

The minutes of the February 1, 2011 meeting were passed unanimously with no objections or abstentions.

c. Other

Ms. Paula Johnson noted that a statement was made at the July 6, 2010 meeting which needed to be clarified. Mr. Ruwoldt noted that under the report from the Nominating Committee that the second to last sentence should be clarified to reflect that our current nominating process follows the Sturgis Rules of Order which was recommended several years ago at a board meeting by Simon Fredericks and approved and adopted by the board of directors. Ms. Cronan moved approval of this clarification, Mr. Whitley seconded and the motion was passed.

Ms. Paula Johnson also noted that a correction needed to be made to the minutes of the February 20, 2010 meeting under the section titled Nominating Committee for 2011. The sentence reading “Margaret McNeese nominated Germaine Johnson... should read “Germaine Johnson nominated Margaret McNeese...” Ms. G. Johnson moved approval of this correction, Mr. Ruwoldt seconded and the motion was passed.

IV. Financials

a. Audit Report

Ms. Rachel Brown of Dean Dorton Allen Ford presented the audit reports for the American Saddlebred Horse Association and for the American Saddlebred Registry and noted that although these reports are still in draft format, she did not anticipate any major changes. The reports were reviewed by the Finance Committee earlier that day. In response to a question, President Werner noted that the audit of the Registry will go to the Registry Board for its review and approval; however, that the Association Board also reviews the report.

b. Investment Report

Mr. Steve Specht of Merrill Lynch presented the current status of investments and noted that he gave a brief presentation at the Finance Committee meeting.

c. Treasurer’s Report

Mr. Ruwoldt and Mr. Holden explained the budget for 2011. A request was made to include page numbers in the financials moving forward. After some discussion, Mr. Herbert moved that the 2011 budget be approved as presented, Ms. Gillenwater seconded and the motion passed with all in favor.

Report of Board Retreat Committees

a. Group One - Existing Programs and Promotions

b. Group Two – Board of Directors Functions

c. Group Three – Growth and Markets

d. Group Four – Funds and Funding

President Werner introduced Mr. Howard Pike, facilitator for the ASHA and ASR Board retreat. Mr. Pike has taken the reports from the Board Retreat Committees and developed draft resolutions for discussion by the Board. He noted that in some instances, these resolutions would need further work before being finalized.

Mr. Pike read draft resolution #1 regarding Membership:

Whereas the development of a membership structure that is responsive to the needs and interest our members and potential members is necessary to maintaining a vital organization.

Therefore be it resolved that the Board of Directors supports development of the following modifications/additions to the Membership classifications

- One annual renewal date
- Multi year membership category
- New membership class for interested individuals who may not raise, show or own Saddlebreds
- Academy – any age \$30 – with addition of youth discount
- Non-member fee (i.e. \$50 per transaction)

The Board Retreat Committee also requests that ASHA review the following items:

- Lifetime membership category
- Internet lease mares (E-Harmony concept)
- Avenue for mares not being bred

It was noted that the non-member fee would also have to be considered by the Registry Board. After some discussion, Mr. Zubrod moved approval of this resolution, Ms. Gillenwater seconded and the motion was approved with all in favor.

Mr. Pike read draft resolution #2 regarding an FEI Disciplines Championship proposal:

Whereas the ASHA Board of Directors has received program recommendations from the FEI Program Committee. Be it resolved that the ASHA Board of Directors approves implementation of the FEI related recommendations of the Program Committee including;

- FEI Disciplines Championship
- Funding in the amount of \$15,000 for the first year
- 3 year trial plan

Be it further resolved that the Board reviews the financial results of this program annually.

It was noted that this resolution would also have to be considered by the Registry Board. After some discussion, Mr. Zubrod moved approval of this resolution, Mr. Ruwoldt seconded and the motion was approved with all in favor.

Mr. Pike read resolution #3 regarding Shop ASHA:

Whereas distribution of items exhibiting the ASHA logo is a positive in promotion of the Breed, and whereas development of an online marketing vehicle may generate income for ASHA after an initial investment, therefore be it resolved that Lisa Duncan be requested to explore with staff assistance the development of an online marketing vehicle for ASHA logo items, with the understanding that the Board preference is to consider established companies that have experience establishing and marketing an online shop.

Be it further resolved that on or before May 1st, following review of the options, a report be made to the Executive Committee with recommendation(s) for their consideration prior to the implementation of any “shop ASHA” program.

It was noted that American made products should be investigated. After some discussion, Mr. Zubrod moved approval of this resolution, Mr. Marple seconded and the motion was approved with all in favor.

Mr. Pike read resolution #4 regarding Horse Welfare/Estate Planning Benefit: Whereas it is important that ASHA provides flexible and responsive programs for attracting financial contributions therefore be it resolved that Board of Directors authorizes the development of programs for:

1. Horse Memorial – deceased horse recognition gift.
2. Bequest/Gift Program

Be it further resolved that the Board Retreat Committee report their recommendation to the July 2011 ASHA Board of Directors meeting.

After some discussion, Mr. Zubrod moved approval of this resolution, Ms. Molland seconded and the motion was approved with all in favor.

Mr. Pike read resolution #5 regarding Fund Raising:

Whereas donations are a critical item in sustaining the value and quality of many ASHA activities and programs

Therefore be it resolved that the youth fundraising efforts of ASHA be reviewed by a sub-committee of the Board of Directors to consider the following factors

- a. Must have a cause(s) that will be supported
 - The youth activities and scholarship initiative meet the criteria.
 - Continued support and expansion of the youth activities is important for the growth of our industry.
 - The scholarship function is an acknowledged good thing to assist some of our youth who need the financial support from outside the family.

- b. Recognition of the contributor is an effective manner to express the full association appreciation.
 1. Accountability and transparency of the effort to continue and expand the youth activities. Review expenses versus revenues for youth programs and other promotional items.

Be It Further Resolved that a Board sub-committee of Germaine Johnson, Carl Holden and an individual appointed by the President develop a more detailed program to achieve the effort.

After some discussion, Mr. Holden moved approval of this resolution, Mr. Ruwoldt seconded and the motion was approved with all in favor.

Mr. Pike read resolution #6 regarding Board of Director Functions:
Whereas the Board of Directors of ASHA has initiated a review of the several matters related to their fiduciary responsibilities, Therefore Be It Resolved that the ASHA Board of Directors request that the President address, as the President feels appropriate, the following matters and report the results of this review to the Board of Directors at their July 2011 meeting.

1. Mission Statement
 - Modify existing one slightly (draft language for consideration)
 - Slogan “I’ll Take You There” – copyright?
2. Review the ASHA Code of Ethics (employees)
3. Appoint committee of the board to work with staff appointed by Paula to update as provided in existing Code of Ethics.
4. Submit updated Code of Ethics to board for approval.
5. Risk Management (Insurance)
 - Paula will review various coverage (some about to renew)
 - Paula will make recommendations to finance committee after consultation with brokers
 - Adequate casualty, malfeasance and D & O coverage
6. President appoints a standing audit committee
 - Makes recommendations to management and Board relating to financial reporting, etc.
7. Provide a summary review of the ASHA Board’s Responsibilities
 - Review guidelines set forth by the American Bar Association
 - Review and recommend updates to the ASHA conflict of interest policy
 - Committee appointed to review for updates

Attachment: work in progress draft of Mission Statement: Our Mission
The short term mission of the American Saddlebred Horse Association is to safeguard the integrity and welfare of the American Saddlebred breed, to promote

the use of Saddlebreds, and to expand the public's knowledge of the beauty and versatility of America's original pleasure and competition horse.

After some discussion, Mr. Holden moved approval of this resolution, Mr. Whitley seconded and the motion was approved with all in favor.

Mr. Pike summarized resolution #7 regarding Program Review:
Whereas the Board of Directors of ASHA has reviewed the list of existing Programs, Therefore Be It Resolved that the recommendations for program changes of the Board of Directors be reviewed and implemented subject to a determination by the Executive Committee that additional information should be considered prior to taking action.

It was noted that this resolution would also have to be considered by the Registry Board. After some discussion, a motion was made and seconded to approve this resolution and the motion was approved with all in favor.

Mr. Pike read resolution #8 regarding ASHA Virtual Club:
Whereas creation of an ASHA Virtual Charter Club to reach potential members that are not affiliated with a show barn or current Charter Club would provide enhanced participation opportunities for members and potential members. Therefore be it resolved that the Board of Directors of ASHA authorizes the creation of an online ASHA Virtual Charter Club as soon as possible with a goal of mid 2011, be it further resolved that ASHA contact the potential members and advertise the virtual Charter Club via web site immediately have in place by mid 2011.

Ms. Johnson recommended not calling it a Charter Club, since this is a defined group in the Bylaws which has different and conflicting requirements. After some discussion, Mr. Zubrod moved approval of this resolution, Ms. Molland seconded and the motion was approved with all in favor.

Mr. Pike read resolution #9 regarding the Role of Streaming Online Video:
Whereas ASHA has worked to increase the membership enjoyment and participation of ASHA events and activities, Whereas USEF Network has created an opportunity for strengthening the ASHA program and increasing the outreach within the equine community, therefore be it resolved that ASHA continue to pursue the development of their existing streaming online video. Be it further resolved that staff continue to provide reports to the Board of Directors at their regular meeting on viewership and income generated.

After some discussion, Mr. Matton moved approval of this resolution, Ms. Cronan seconded and the motion was approved with all in favor.

Mr. Pike read resolution #10 regarding the Role of Horse Fair/Expo template:

Form a committee consisting of members who have experience working with Horse Expos/Fairs to determine the needs.

- Templates created
- President to appoint committee
- Volunteers
- Immediately

After some discussion, Mr. Zubrod moved approval of this resolution, Ms. G. Johnson seconded and the motion was approved with all in favor.

Mr. Pike read resolution #11 regarding a review panel for online photos/videos: It is recommended that a review panel be appointed regarding the content for submitted videos and photos.

After some discussion, Ms. Gillenwater moved approval of this resolution, Mr. Whitley seconded and the motion was approved with all in favor.

Mr. Pike read resolution #12- regarding developing more riding programs/clinics in untapped markets:

- a. The Riding/Academy programs are the ones in the communities that are bringing the newcomers in off the streets, and giving them their first introduction to our breed. A close look by ASHA on how to support these academies would benefit ASHA by growing our membership. I know we have several programs already in place for Academy Riders, first need to get riders in the barn to become members and participate in the current youth programs.
- b. Develop committee that works hand in hand with UPHA & USEF Equitation Committee to promote more interest in riding programs. To encourage young people that a career as a riding instructor can be rewarding.
- c. Work with equine colleges to encourage students to become instructors. Get the How to Start a Lesson Program on the web site.

It was noted that in order to make this work we need to work with the UPHA. After some discussion, Mr. Matton moved approval of this resolution, Ms. Boone seconded and the motion was approved with all in favor.

A discussion took place regarding the amount of work entailed in the resolutions approved and the importance of a short term and long term strategic plan.

President's Report

a. United States Equestrian Federation Convention

President Werner provided a report on the USEF Convention and current representation of Saddlebred constituents on the USEF Board. The breed also received a lot of recognition at the convention.

b. United Professional Horsemen's Association Convention

President Werner reported on the UPHA Convention.

c. Litigation Update

At the direction of legal counsel, only current directors were asked to remain for the discussion. The meeting went into Executive Session for a Litigation Update.

The meeting then convened in regular session.

d. Board Vacancy

President Werner reported that Jimmy Robertson had submitted his resignation from the Board and asked for nominations to fill this vacancy. Ms. Molland nominated Lisa Siderman. After some discussion, Mr. Matton moved that nominations be closed, Ms. Gilliland seconded and the motion was passed with all in favor.

e. Other

President Werner acknowledged that we are losing the following individuals from the Board: Vicki Gillenwater, Barbara Molland, Paul Treiber, Art Zubrod and Jimmy Robertson and said that we appreciated everything that everyone had done.

A discussion took place regarding the election process for Directors and some suggestions were made. The special committee assigned to review Board of Director functions is also reviewing the election process and will consider the suggestions made.

Executive Director's Report

a. Election Results

Ms. P. Johnson reported on the election results and thanked the three Directors who helped count the ballots and review the process. She communicated with the candidates once the count was finalized.

b. Staffing Report

Ms. P. Johnson reported on an initiative in the office to update job descriptions and salary structure to ensure compliance with legal requirements. She also reported on the resignation of a registry staff member who reluctantly resigned to take a position which offered significantly more compensation.

c. Other

She is also working with staff on goals and objectives for 2011 and on cross training. She has begun a risk assessment initiative to focus on areas of critical concern to the organization, and has implemented some changes to address some of these areas of concern. Specifically, a new audit firm was engaged to provide a fresh look at ASHA financials; cross training has begun with Registry personnel, and an external review of our technology, in particular our reliance on the AS-400 database software, has been commenced.

Introduction of:

a. Board Guidelines and General Information for Directors

President Werner brought everyone's attention to the Board guidelines. Ms. P. Johnson asked that all Directors complete and return the conflict of interest statements.

Other Business

President Werner reported on some of the Open Forums being held at the convention and noted that there would be a silent auction and a live auction on Saturday evening.

Adjournment

Mr. Herbert moved adjournment of the meeting, Mr. Zubrod seconded and the meeting was duly adjourned at 10:55P.M.

Submitted by:

Katriona Adams, staff