

DRAFT MINUTES  
OQHRA Board of Directors  
February 17, 2009  
Noon @ Heritage Place

Meeting was called to order by President, Phillip Stewart.

Directors in attendance: Phillip Stewart, Jeff Tebow, Lake Newcomb, Andy Golden, Butch Wise, Leon Red, Mark Sellers, Dr. Bill Bullock, Bobby Webb, Randy Hill, Dee Raper, Clayton Keys Eddie Willis, Connie Barnes, Sammy Hester, and Sleepy Gilbreath. Other members present: Ed Melzer, GR Carter Visitors: Tommy Thomas, Haley Attwood, and Larry Payne Staff: Debbie Schauf, Executive Director

Tommy Thomas and Haley Attwood gave the directors an update on legislative activities at the state capitol. They reported that the smoking bills appear to be dead for this session, Senator Sparks bill to move races to adjacent track from Fair Meadows appeared to be dead but was re-referred to another committee so fate is uncertain at this juncture, and that the cloning bill we wanted had some bills because of dissatisfaction with leadership over the fact that OQHRA had supported Nancy Riley in the past elections. There was a lot of discussion about the cloning bill and the need to get it passed if possible this session and even consideration of another vehicle by Senator Nichols that might accommodate the language. Also discussed was the three openings that are upcoming in June on the Oklahoma Horse Racing Commission and the need to encourage qualified candidates to seek appointment to the commission.

G R Carter and Larry Payne were present to discuss the issue of increasing mount fees of riders. The riders want an increase, the OQHRA previously agreed to support a limited increase in the losing mount levels with one level for WRD and RP and a slightly lower level for FMT and BRD. At the January commission meeting the commissioners determined the OQHRA could not execute a special agreement with riders and any contact or special agreement would have to be between individual riders and owners or their authorized agents. GR explained the riders would prefer a different scale than previously discussed and the OQHRA board members encouraged the riders to have contract drafted that would meet the requirements of the commission and present those contracts as early as possible prior to the start of the live racing with a letter or personal contact between the riders and the owners to encourage the owners to support the new rates by signing the riders agreements. There was some discussion about if the new rates would be statewide and the general consensus was that a statewide agreement would be easiest to understand and to "sell" to owners.

MOTION: Clayton Keys (Bobby Webb) moved to ask the OQHRA attorney to review the riders proposed contract when the riders complete the drafting to insure that the elements of the contract were present and interests of both parties set out in clear manner. Motion Carried.

The board members cautioned the riders to work together and begin the process of signing up owners prior to the start of the meet and “not to throw OQHRA in front of the bus” by having this turn into a disruption of the live racing when the meet begins.

MOTION: Butch Wise (Clayton Keys) moved to provide the riders with a set of mailing labels so they can mail information on the proposed increase in mount fees to all owners and trainers that started a Quarter Horse, Paint, or Appaloosa in 2008. Motion Carried.

MOTION: Dr Bullock (Dee Raper) moved to approve the minutes of the January meeting. Motion carried.

MOTION: Lake Newcomb (Dee Raper) moved to accept the minutes from the marketing committee meetings in Jan and Feb prior to today’s meeting. Motion carried.

Deb presented the marketing plan proposed by WRD in response to the OQHRA marketing committee request for a cooperative promotion designed to draw a large number of people for a day of racing at the track. The OQHRA will agree to fund up to \$10,000 for the promotion so long as WRD agreed to fund at least an additional amount of \$2500. The events proposed by WRD would carry a total cost of approximately \$22,500 and the track is going to seek the support of TRAO for some of the sponsorship also.

MOTION: Bobby Webb (Dr. Bullock) moved to accept the proposed plan with the stipulation that if OQHRA and WRD are the only title sponsors that not less than 3 of the races used for the promotions that day would be Quarter Horse, Paint, or Appaloosa races. Motion Carried.

Deb presented a 2009 Resolution Establishing Process for Utilization of Associations Net Income.

MOTION: Butch Wise (Jeff Tebow) moved to approve the distribution Resolution as presented. Motion Carried.

Deb reviewed the current year balance sheet and profit and loss statements for OQHRA operating, Benevolence, and the PAC accounts and explained the recent transfers of funds and changes in accounts or new accounts opened to insure that all funds for which OQHRA is responsible are covered by the FDIC insurance protection at this time.

Deb also presented the request by the owner of the office building leased by OQHRA to renew the current lease for three years effective March 1, 2009 with an increase in the rental rate to \$1700 per month. The board directed the finance committee to look at this issue and respond to the landlord by Friday, February 27<sup>th</sup>.

The board discussed the issue of scholarships to be offered for 2009 and how they could attract a greater number of applicants to take advantage of the scholarship opportunities. There was a lot of discussion about how many scholarships to offer, what sources of

funding to use for the scholarships, and ultimately the board agreed to initially approve 2 scholarships so the advertising could begin and to have the finance committee look at the feasibility of offering initial scholarships if the number and quality of applicants warrant.

MOTION: Jeff Tebow (Butch Wise) moved to use \$1000 from benevolence and \$1000 from OQHRA operating and commence advertising the availability of 2 OQHRA scholarships for 2009. Motion Carried

MOTION: Butch Wise (Dr Bullock) moved to earmark a portion of the silent auction for use of the scholarship funding. Motion carried.

The board discussed the concerns with the security of the horsemen's purse funds being administered by the racetracks and the efforts to date to form a joint LLC with TRAO to assume the administrative role on the escrowed funds.

MOTION: Butch Wise (Jeff Tebow) moved to seek support from TRAO to request the OHRC pursue the options to protect the integrity of horsemen's purse account funds. Motion Carried.

Debbie asked the board members to propose agenda items for the 2009 Annual Meeting that will be held on February 28<sup>th</sup> in conjunction with the OQHRA 2008 Awards Presentation. The board members discussed putting a topic on the agenda to present the proposed increase in riders mount fees, call attention to the membership the three openings coming up on the Horse Racing Commission and encourage members to recommend good fair candidates for those positions, and to call owners and breeders attention to the upcoming public hearing and commission adoption of the revised Oklahoma Bred rules. They also suggested we emphasize the fact that board meetings for OQHRA are open meetings and encourage members to attend and volunteer for committee assignments. They asked to be sure we hand out something to all in attendance so they will know who the current directors are, and to provide a clear explanation of the Benevolence programs administered by the board.

MOTION: Butch Wise (Clayton Keys) moved to retain Keith Stallborries for from \$400 to \$500 to attend and film the awards presentation and conduct interviews with the award recipients to be made into a video presentation that can be on our website. Motion Carried.

The board asked Andy to again provide the photography services for the meet and run pictures in his magazine.

Deb explained the controversy and calls she had received about the dissatisfaction with the stall allocations at Remington Park for the QH meet this year and the meeting between her, Scott Wells, and Fred Hutton to address some of the issues. She explained that OQHRA's contract does not authorize our organization to tell the track that any individual trainer should or should not be assigned stalls, nor does it stipulate a maximum number of stalls per trainer. Any such rules are track rules adopted or enforced by

Remington Park and the contract stipulates the authority lies with the racetrack. There were at least two trainers who have previously participated that were not offered stalls in the initial offerings and the consensus of the board was that we should continue efforts to support their applications. Deb reported that one of the trainers has received some stalls and she will continue to encourage the racing office to find the other trainer stalls as the meet progresses.

Deb also reported that she was working with Scott Wells to see if he could devise a method of making the trial races of the Oklahoma Futurity available for viewing by those that will be attending the AQHA convention in San Antonio on March 6 and 7.

**MOTION:** Butch Wise (Dr. Bullock) moved to authorize an expenditure of up to \$300 to cover costs associated with making those races available on the night of the Futurity trials. Motion Carried.

Under Other Business:

Butch asked the board to consider what they saw as the focus for the 2009 marketing campaign funded by OQHRA during the QH mixed meet. Last year the efforts were geared more to emphasizing the economic contribution and significant size and scope of influence of the Quarter Horse racing industry in OK and he felt this year the focus should shift the emphasis to drive more people to the track during the live race meet. The board members all agreed.

Jeff reported that Darrell Hare had reported to him that Scott Wells may be interested in re-opening the dialog for the AQHA challenge races to be hosted in 2010 at Remington Park.

Phillip introduced Sleepy Gilbreath to the board as the newest member elected to represent the out of state contingency. This was Sleepy's first meeting.

Phillip also read a letter from Joe Lucas written as president of the TRAO and gave Debbie a check made out to OQHRA for \$26,610.36. The funding is reported as being 10% of the net income remitted to TRAO for calendar year 2008 from the operations of RPDC (Remington Park Disseminating Company) as was offered in several meetings between our board members, Matt Vance on behalf of RPDC, and Joe Lucas last May of 2008.

**MOTION:** Jeff Tebow (Randy Hill) moved to accept the check from TRAO for RPDC proceeds in 2008.

**DISCUSSION:** Butch aired his concerns that it would be a terrible precedent for the OQHRA to accept this funding. He felt it clearly implied OQHRA agreement to accept only 10% of simulcasting revenue as a fair distribution for Quarter Horse, Paint, and Appaloosa interests, and that was not a position that the majority of the OQHRA board or members have voted or agreed to accept in the past. Dee Raper said he agreed with

Butch and felt that taking money in any amount implied support for the percentage used to establish the manner of distribution. Jeff disagreed saying it didn't set any precedent at all. Andy asked if the OQHRA attorney could tell us if it is legal to accept the money and if acceptance would imply the association accepted the 10% as precedent to future distribution discussions. Several members asked questions about the legality of the operation generating the funding, the manner of verification that the amount represented 10% and how the net income was determined. Phillip explained that he and Jeff had met with Joe Lucas at Joes' request and were asked to not include any other OQHRA representatives. They were shown some invoices that had lines blacked out but were able to see the total balances and the check offered represented 10% of that balance. They were told that more information was not available and would not be provided. Jeff reminded the board members that the deal offered OQHRA was that the TRAO would get 1/3 of the net income from RPDC distribution of simulcast signals to Oklahoma tribal locations, the tribes operating the OTB's under their compacts would get 1/3 of the net income, and RPDC would get 1/3. The TRAO in exchange for the support of the project was willing to offer OQHRA 10% of the amount it received. Both TRAO and RPDC representatives stated at the time that the TRAO would not require any signed agreement or consent as a condition for the payment of the 10% amount to OQHRA. The TRAO urged OQHRA to accept the funding in the spirit for which it was given.

MOTION: Butch Wise (Sammy Hester) moved to Table the motion to accept until the OQHRA attorney reviews and provides advice to the board on the issue of liability for acceptance and establishment of a precedent with acceptance of the funds. Motion to Table approved.

MOTION: Lake Newcomb (Randy Hill) moved that if the attorney feels confident there is no apparent liability for OQHRA or establishment of a precedent by acceptance of the check, then the check would be accepted and deposited. Motion Carried.

Phillip then asked the board how they wanted to handle future calls from the TRAO that the TRAO requested be attended by only certain individual board members.

MOTION: Butch Wise (Dee Raper) moved that any meetings between OQHRA board members with any of the Thoroughbred organizations must include attendance by the Executive Director or the meetings should not be held until the Executive Director is able to be included, and further that all board members should receive notification of the dates and times when a meeting of the OQHRA Executive Committee is scheduled. Motion Carried.

MOTION to adjourn by Dee Raper (Lake Newcomb). Meeting Adjourned