

BOARD OF DIRECTORS MEETING

MINUTES

JULY 11, 2011

1:00 PM

MEETING CALLED TO ORDER BY	Stanley Seelig
TYPE OF MEETING	Board of Directors
PLACE	Camelot Club, Baton Rouge
MEETING SECRETARY	Sandy Ray
ROLL CALLED BY ED FENASCI AND QUORUM DECLARED	Tom Abbott, Sam Breaux, Bobby Dupre, Christine Early, Marcia Lamarche, Patrick Mouton, Kenny Roberts, Don Stemmans <i>Absent:</i> Arthur Morrell, Terry Vance
PRAYER LEAD BY	Chrisie Early
ALSO IN ATTENDANCE	P. J. Stakelum, Bud Courson, John O'Brien, Bennett Powell, Mike Fenasci, Larry Hamburger, Marty Garry, Julie Pizzatola

THE PRESIDENT CALLED THE MEETING TO ORDER

DISCUSSION	The legal update should be tabled until the end of the meeting since there will be Executive Session. Terry Vance joined the meeting by phone.
MOTION	Motion to waive the 10-day Notice. Motion by: Chrisie Early Second by: Bobby Dupre Motion passed unanimously

LEGISLATIVE SESSION UPDATE

BUD COURSON

DISCUSSION	<p>Bud Courson gave an update on the recently ended Legislative Session. This was a particularly tough session due to the state's budget, it's an election year, the legislators were tired due to the reapportionment session, and term limits. The negative press surrounding the HBPA, the indictments, the Legislative Audit made it a difficulty session for the HBPA. Legislators who were very helpful were Page Cortez, Major Thibaut, John Schroder and Harold Ritchie. The illegal alien issue is extremely important. Five bills were filled regarding the hiring of illegal aliens. The compromise is HB 646 by Rep. Talbot makes the everify system permissive and not required. This matter must be watched very closely at the Washington level. We have a good relationship with Sen. Landrieu and her new position is Sub-Committee Chairman of Homeland Security Appropriations Committee. During this session we also worked with Rep. Erich Ponti, Sen. Neil Riser and Sen. John Smith. Bud then ran down some of the upcoming elections.</p> <p>Stanley said that Bud Courson was very helpful in setting up a meeting with Jim Donelon of the Dept of Insurance which will be discussed shortly.</p>
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WORKERS' COMP PROGRAM

JOHN O'BRIEN

DISCUSSION	<p>John O'Brien reviewed our three options for workers' comp insurance. Our first option is to create a trust to cover the Louisiana exposures with Midlands Insurance to provide the excess coverage. This is the most preferred option as it will save the most money. This Trust is unique in that we can create our own program. With a self-insurance fund, we have joint and several liability, whereas this Trust absorbs all liability. This Trust would be a great benefit to this organization.</p> <p>Arthur Morrell joined the meeting by phone</p> <p>Our second option, our back-up plan, is to go with the LWCC writing all Louisiana exposures and running the out-of-states through the captive on a reinsurance agreement. Going with LWCC, would mean dropping Broadspire and using LWCC adjusters.</p> <p>Third: This option is with Chartis, but we cannot afford it.</p>
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WORKERS' COMP INSURANCE TRUST

P. J. STAKELUM

DISCUSSION	<p>P. J. Stakelum explained the workings of the Workers Compensation Insurance Trust and the resolutions to be made.</p> <p>The Board took a 5-Minute break.</p> <p>Sam Breaux and Terry Vance have not yet returned to the conference line.</p>
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MOTION	<p>Motion to accept the Resolutions 1, 2, and 3 as read by Ed Fenasci. <i>Sam Breaux rejoined the conference call during the reading of the resolutions.</i></p> <p>Motion by: Chrisie Early Second by: Tom Abbott Motion passed unanimously</p>
MOTION	<p>Motion to accept the Resolutions 4, 5, and 6, as read by Ed Fenasci.</p> <p>Motion by: Don Stemmans Second by: Tom Abbott Motion passed unanimously</p>
DISCUSSION	<p>Stanley Seelig appointed Tom Abbott, Bobby Dupre, and Don Stemmans as Trustees to the Workers Compensation Insurance Trust. Additional Trustees will be added at the next meeting.</p>
MOTION	<p>Motion to accept the appointments of Tom Abbott, Bobby Dupre, and Don Stemmans as Trustees to the Workers Compensation Insurance Trust.</p> <p>Motion by: Chrisie Early Second by: Kenny Roberts Motion passed unanimously</p>
MOTION	<p>Motion to accept Resolution 7 as read by Ed Fenasci.</p> <p>Motion by: Chrisie Early Second by: Kenny Roberts Motion passed unanimously</p>
MOTION	<p>Motion to accept Resolution 8 as read by P. J. Stakelum.</p> <p>Motion by: Tom Abbott Second by: Chrisie Early Motion passed unanimously</p>
MOTION	<p>Motion to accept Resolution 9 and 10 as read by P. J. Stakelum.</p> <p>Motion by: Chrisie Early Second by: Tom Abbott Motion passed unanimously</p>
MOTION	<p>Motion to accept Resolution 11, 12, and 13 as read by P. J. Stakelum.</p> <p>Motion by: Bobby Dupre Second by: Marcia Lamarche Motion passed unanimously</p>
MOTION	<p>Motion to accept Resolution 14 and 15 as read by P. J. Stakelum.</p> <p>Motion by: Chrisie Early Second by: Marcia Lamarche Motion passed unanimously</p>
DISCUSSION	<p>Marty Garry, a guest at the meeting asked when a meeting with the track doctors would be scheduled with the Medical Benefit Trust. Marcia Lamarche, chairman of the Medical Benefit Trust said that she will be contacting the doctors to set up the meeting.</p>
DISCUSSION	<p>Stanley Seelig said that he and Ed Fenasci will be at a meeting hosted by the LSRC with all 4 race tracks and both breeders associations discussing mutual issues in horseracing that affect all of us.</p>
MOTION	<p>Motion to go into Executive Session.</p> <p>Motion by: Bobby Dupre Second by: Chrisie Early Motion passed unanimously</p>

RETURN FROM EXECUTIVE SESSION

DISCUSSION	Motion to return from Executive Session. Motion by: Bobby Dupre Second by: Tom Abbott Motion passed unanimously
MOTION	Motion to authorize Stanley Seelig to negotiate with Madro Bandaries on a contingency fee arrangement, pertaining to potential claims against Jim Gelpi and Laporte Sehart, reimbursing his out-of-pocket costs (deposition fees, witness fees, outside copying costs, etc.) with a \$7,500 cap on out-of-pocket expenses for each case, and to limit his scope to Gelpi and Laporte Sehart. <i>Sam Breaux and Terry Vance did not return</i> Motion by: Don Stemmans Second by: Marcia Lamarche Motion passed unanimously
MOTION	Motion to have Madro Bandaries present the Petition to the Board before filing suit. Motion by: Marcia Lamarche Second by: Tom Abbott Motion passed unanimously
MOTION	Motion to adjourn. Motion by: Don Stemmans Second by: Christine Early Motion passed unanimously



STANLEY SEELIG, President

11-15-11

DATE



Meeting Secretary

11/15/11

DATE

**RESOLUTIONS ADOPTED BY THE
BOARD OF DIRECTORS OF THE
LOUISIANA HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION 1993, INC. ON JULY 11, 2011**

BE IT RESOLVED, that this Corporation accept the insurance proposal submitted by agent John O'Brien whereby Midlands shall provide excess workers' compensation coverage within Louisiana above those benefits to be provided by a trust to be formed by this Corporation and workers' compensation insurance outside of Louisiana through its own policies, the non-excess portions of which will be reinsured with this Corporation's subsidiary, Horsemen's Insurance Alliance, SPC, all subject to the Louisiana Department of Insurance either approving or indicating no objection to this Corporation's formation and use of a trust for such purposes.

BE IT RESOLVED FURTHER, that if the Louisiana Department of Insurance should disapprove or fail to indicate no objection to this Corporation's formation and use of a trust for workers' compensation insurance purposes, then this Corporation shall accept the insurance proposal submitted by agent John O'Brien whereby workers' compensation will be provided within Louisiana through policies underwritten by LWCC and outside of Louisiana through policies underwritten by Midlands with the non-excess portions of the Midlands policies being reinsured with this Corporation's subsidiary, Horsemen's Insurance Alliance, SPC.

RESOLVED FURTHER, that Stanley Seelig, President of this Corporation, and Edwin J. Fenasci, Secretary-Treasurer of this Corporation, be, and they are each individually hereby authorized, empowered and directed to (1) determine, each in his sole absolute and individual discretion, whether the conditions placed on the insurance proposal for workers' compensation insurance to be provided through a combination of a trust and Midlands have been satisfied, and (2) execute for and in the name of this Corporation those documents and take such action as they or either of them, each in his sole, absolute and individual discretion, may be necessary to establish and place into effect the workers' compensation program approved above, and (3) execute such additional documents and take such additional action, all as they, or either of them, each in his sole, absolute and individual discretion, may deem necessary or appropriate to carry out and effectuate the purposes and intents of these resolutions.

* * *

BE IT RESOLVED, that this Corporation, as settlor, create a trust under the laws of the State of Louisiana and as authorized by La. R.S. 4:251(B)(2) to be known as the Horsemen's Workers' Compensation Insurance Trust.

BE IT RESOLVED FURTHER, that that certain Act of Donation In Trust by this Corporation to the Trustees of the Horsemen's Workers' Compensation Insurance Trust in the form presented to the Board of Directors be, and the same is, hereby approved for and on behalf of this Corporation.

BE IT RESOLVED FURTHER, that Stanley Seelig, President of this Corporation, and Edwin J. Fenasci, Secretary-Treasurer of this Corporation, be, and they are each individually hereby authorized, empowered and directed to (1) execute for and in the name of this Corporation that Act of Donation In Trust by this Corporation to the Trustees of the Horsemen's Workers' Compensation Insurance Trust, all in the form presented to the Board of Directors of this Corporation, (2) to make such additions and changes to said act of donation in trust as they, or either of them, each in his sole, absolute and individual discretion, may deem advisable, and (3) to execute such additional documents and take such additional action, all as they, or either of them, each in his sole, absolute and individual discretion, may deem necessary or appropriate to create the aforesaid trust and to carry out and effectuate the purposes and intents of these resolutions.

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BE IT RESOLVED, that Tom Abbott, Bobby Dupre and Don Stemmans be, and they are each hereby, named and appointed as Trustees of the Horsemen's Workers' Compensation Insurance Trust, each having all of the powers and authorities granted to the trustees of said trust under the instrument by which the said trust is created and each to serve a term of two (2) years commencing on the creation of said trust.

Be IT RESOLVED FURTHER, that Edwin J. Fenasci, Secretary-Treasurer of this Corporation, be, and he is hereby, named and appointed as Administrator of the Horsemen's Workers' Compensation Insurance Trust, to serve as such until his successor is appointed and qualified.

* * *

BE IT RESOLVED, that this Corporation enter into a Consent Agreement with the Commissioner of Insurance for the State of Louisiana, and, if required, shall cause the Trustees of the Horsemen's Workers' Compensation Insurance Trust when formed to enter into a Consent Agreement with the Commissioner of Insurance for the State of Louisiana, which Consent Agreement shall contain such terms and conditions as may be necessary to enable the Horsemen's Workers' Compensation Insurance Trust to provide workers' compensation insurance as contemplated by LA. R.S. 4:251 et seq.

BE IT RESOLVED FURTHER, that Stanley Seelig, President of this Corporation, and Edwin J. Fenasci, be, and they are each individually hereby authorized, empowered and directed to (1) execute for and in the name of this Corporation a Consent Agreement with the Commissioner of Insurance for the State of Louisiana containing such terms and conditions as they, or either of them, each in his sole, absolute and individual discretion, may deem necessary or advisable in order to enable the Horsemen's Workers' Compensation Insurance Trust to provide workers' compensation insurance as contemplated by LA. R.S. 4:251 et seq., (2) to make such additions and changes to said Consent Agreement as they, or either of them, each in his sole, absolute and individual discretion, may deem advisable, and (3) to execute such additional documents and take such additional action, all as they, or either of them, each in his sole, absolute and individual discretion, may deem necessary or appropriate to enable the Horsemen's Workers' Compensation Insurance Trust to provide workers' compensation insurance as contemplated by

LA. R.S. 4:251 et seq. and to carry out and effectuate the purposes and intents of these resolutions.

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BE IT RESOLVED, that this Corporation fund the Horsemen's Workers' Compensation Insurance Trust with \$2,000,000 from this Corporation's workers' compensation insurance accounts.

BE IT RESOLVED FURTHER, that pending the opening of bank accounts by the trustees of the Horsemen's Workers' Compensation Insurance Trust, expenses and other monies to be paid by the Trust may be paid directly from this Corporation's workers' compensation accounts.

BE IT RESOLVED FURTHER, that Stanley Seelig, President of this Corporation, and Edwin J. Fenasci, Secretary-Treasurer of this Corporation, be, and they are each individually hereby authorized, empowered and directed to execute such documents and take such action, all as they, or either of them, each in his sole, absolute and individual discretion, may deem necessary or appropriate to carry out and effectuate the purposes and intents of these resolutions.

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BE IT RESOLVED, that this Corporation enter into a Management Agreement with the Horsemen's Workers' Compensation Insurance Trust and Horsemen's Alliance Holdings, Inc., a Louisiana corporation wholly owned by this Corporation, which agreement shall set forth the terms and conditions under which this Corporation shall provide management services to the Horsemen's Workers' Compensation Insurance Trust and Horsemen's Alliance Holdings, Inc. to enable said entities to provide workers' compensation insurance as contemplated by LA. R.S. 4:251 et seq.

BE IT RESOLVED FURTHER, that Stanley Seelig, President of this Corporation, and Edwin J. Fenasci, Secretary-Treasurer of this Corporation, be, and they are each individually hereby authorized, empowered and directed to (1) execute for and in the name of this Corporation a Management Agreement with Horsemen's Workers' Compensation Insurance Trust and Horsemen's Alliance Holdings, Inc. containing those terms and conditions as discussed with the Board of Directors, (2) to make such additions and changes to said Management Agreement as they, or either of them, each in his sole, absolute and individual discretion, may deem advisable, and (3) to execute such additional documents and take such additional action, all as they, or either of them, each in his sole, absolute and individual discretion, may deem necessary or appropriate to carry out and effectuate the purposes and intents of these resolutions.