

# BOARD OF DIRECTORS MEETING/TELEMEETING

## MINUTES

NOV 8, 2011

10:00 AM

MEETING CALLED TO ORDER BY	Stanley Seelig
TYPE OF MEETING	Board of Directors
PLACE	LAHBPA Main Office
MEETING SECRETARY	Sandy Ray
ROLL CALLED BY ED FENASCI AND QUORUM DECLARED	Chrisie Early, Arthur Morrell, Don Stemmans in person Tom Abbott, Sam Breaux, Bobby Dupre, Marcia Lamarche and Kenneth Roberts by phone <b>Absent: Patrick Mouton and Terry Vance</b>
PRAYER LEAD BY	Chrisie Early

### THE PRESIDENT CALLED THE MEETING TO ORDER

STANLEY SEELIG

DISCUSSION	Stanley Seelig announced that there will be a General Membership Meeting on December 13 <sup>th</sup> in New Orleans. The day before the meeting, we will be in Baton Rouge meeting with the office of the Commissioner of Insurance to give an update on our workers comp trust. After that around lunch time, there will be a meeting of the Workers Comp Trust to give them an update on the morning's meeting and Artex will be joining us as well. We may have to have a BOD meeting the first week of December since there probably won't be enough time to hold a BOD meeting on the same day as the General Meeting.
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### RATIFICATION OF BOARD OF DIRECTORS MEETING MINUTES

DISCUSSION	P. J. Stakelum asked that the June 20, 2011 minutes be amended on page 3 to the motion following Executive Session to read Motion to authorize <u>Stanley Seelig and P. J. Stakelum to negotiate with</u> Madro Bandaries or another attorney to work on the cases against Jim Gelpi and the former CPA firm and to try to negotiate a contingency plus cost basis. If on a fee basis, Stanley Seelig will come back to the Board for approval
MOTION	Motion to amend the minutes. Motion by: Chrisie Early Second by: Marcia Lamarche Motion passed unanimously
DISCUSSION	P. J. Stakelum asked that the July 11, 2011 minutes be amended on page 3 to the motion following Executive Session to read: Motion to authorize Stanley Seelig to negotiate with Madro Bandaries on a contingency fee arrangement, <u>pertaining to potential claims against Jim Gelpi and Laporte Sehrt</u> , 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 Sehrt.
MOTION	Motion to amend the minutes. Motion by: Marcia Lamarche Second by: Chrisie Early Motion passed unanimously
DISCUSSION	Stanley Seelig asked that the June 29, 2011 be amended on page 1 at the bottom to read: Stanley Seelig informed the Board that a letter has been circulated on the backsides saying that Stanley Seelig is lying and ruining the workers' comp program. Stanley Seelig does agree that this matter should have been handled <u>by the previous administration</u> , however, the letter contains several inaccuracies.
MOTION	Motion to amend the minutes. Motion by: Marcia Lamarche Second by: Don Stemmans Motion passed unanimously
DISCUSSION	Chrisie Early asked that the May 25, 2011 minutes be clarified on page 1 to read: The reason for the meeting today is that something has come up regarding workers' comp. John Unick with MOC Insurance was involved with the workers' comp program previously but the HBPA decided to go with Andreini & Company instead. John Unick is very involved with a lot of horse insurance - racetracks, The Jockey Guild, the California and Maryland programs and other captives. We have been looking for more options. <u>We are currently self-insured and take the risk up to \$300,000 per claim/\$3,040,000 aggregate, when there is a claim.</u> We are looking into a guaranteed program whereby the insurance company would assume all the risk. We would like John Unick to get a quote from Chartis on a guaranteed program, however, Arthur J. Gallagher and Company is the agent of record. Unfortunately the

	insurance company will not allow us to have one agent of record for one quote and a separate agent of record for a different type of quote. Due to time limits, we would like to have John Unick just to put the quote in.
<b>MOTION</b>	Motion to amend the minutes.  Motion by: Chrisie Early Second by: Marcia Lamarche Motion passed unanimously
<b>DISCUSSION</b>	<b><i>Patrick Mouton arrived at 10:27 am .</i></b>  Chrisie Early asked for an update of item from BOD minutes of July 19, 2011 minutes regarding the captive being moved back into the United States. There has been a recent development which is preventing that move. Midlands Insurance has come to us with a proposal to change the captive to a guarantee, a no deductible policy. We would have zero risk on out of states. We should have that information in a week or so. But we have already started the process to move the captive to Vermont and eventually into Louisiana.  Chrisie Early asked for the audio for the July 19, 2011 meeting be reviewed to clarify the discussion and motion on page 2. Chrisie Early will approve these minutes pending verification of the audio for these minutes.
<b>MOTION</b>	Motion to approve all minutes as amended.  Motion by: Chrisie Early Second by: Marcia Lamarche Motion passed unanimously

#### CREDIT CARD POLICY

**STANLEY SEELIG**

<b>DISCUSSION</b>	We need to approve the Credit Card Policy in order to report to the Legislative Auditor how this new board is making the organization better. The absence of a Credit Card Policy was an issue raised by the Legislative Auditor.
<b>MOTION</b>	Motion to accept the Credit Card Policy.  Motion by: Chrisie Early Second by: Marcia Lamarche Motion passed unanimously
<b>DISCUSSION</b>	We need the approval of the BOD to obtain a company credit card for Stanley Seelig and Ed Fenasci only. Instead of having petty cash or having an employee put up money from their pocket, we will have prepaid debit cards for the field offices to pay for incidentals such as printing, copying, having the golf cart repaired, etc. We will be able to receive a monthly statement for these debit cards.
<b>MOTION</b>	Motion to authorize a company credit card for Stanley Seelig and Ed Fenasci.  Motion by: Chrisie Early Second by: Don Stemmans Motion passed unanimously

#### CONTRACT BETWEEN 1993, INC. AND MEDICAL BENEFIT TRUST

**STANLEY SEELIG**

<b>DISCUSSION</b>	The management fee of \$77,500 is the amount due from the Medical Benefit Trust to 1993, Inc. per month.
<b>MOTION</b>	Motion to accept the contract between 1993, Inc. and the Medical Benefit Trust, pending approval of the Medical Benefit Trust.  Motion by: Marcia Lamarche Second by: Pat Mouton Motion passed unanimously

#### CONTRACT BETWEEN 1993, INC. AND PENSION TRUST

**STANLEY SEELIG**

<b>DISCUSSION</b>	The management fee of \$10,000 is the amount due from the Pension Trust to 1993, Inc. per month.
<b>MOTION</b>	Motion to accept the contract between 1993, Inc. and the Pension Trust, pending approval of the Pension Trust.  Motion by: Marcia Lamarche Second by: Pat Mouton Motion passed unanimously

**CONTRACT BETWEEN 1993, INC. AND WORKERS COMP TRUST****STANLEY SEELIG**

<b>DISCUSSION</b>	The management fee of \$87,500 is the amount due from the Workers Comp Trust to 1993, Inc. per month. This contract will not be retroactive to the formation of the Trust, but prior payments will just remain payments without written contract.
<b>MOTION</b>	Motion to accept the contract between 1993, Inc. and the Workers Comp Trust, pending approval of the Workers Comp Trust.  Motion by: Chrisie Early Second by: Bobby Dupre Motion passed unanimously

<b>MOTION</b>	Motion to go into Executive Session.  Motion by: Chrisie Early Second by: Don Stemmans Motion passed unanimously
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**RETURN FROM EXECUTIVE SESSION**

<b>MOTION</b>	Motion to exit Executive Session.  Motion by: Don Stemmans Second by: Pat Mouton Motion passed unanimously
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**FORMATION OF LAWSUIT SETTLEMENT COMMITTEE****STANLEY SEELIG**

<b>DISCUSSION</b>	We would like to form a Lawsuit Settlement Committee who will work closely with P. J. Stakelum, then make a recommendation to the BOD who will make the final decision. This committee will be able to react quickly to answer questions and should speed up the process. Stanley Seelig would like to recommend 2 owners and 2 trainers: Arthur Morrell and Bobby Dupre as owners and Terry Vance and Pat Mouton as trainers to serve on the committee.
<b>MOTION</b>	Motion to form a Lawsuit Settlement Committee and approve Stanley Seelig's recommendations to sit on that committee.  Motion by: Don Stemmans Second by: Marcia Lamarche Motion passed 6-3      NAY: Tom Abbott, Sam Breaux and Chrisie Early

**FAIR GROUNDS CONTRACT UPDATE****P.J. STAKELUM/ED FENASCI**

<b>DISCUSSION</b>	<p>P. J. Stakelum reported on a meeting last week with Tim Bryant, President of the Fair Grounds, Omar Amin, in house attorney at Churchill Downs and Jason Boulet, Racing Secretary. There are many issues but a main issue being that they do not want to do the pay down and have taken it out of the contract. All other tracks that Churchill Downs do a pay down greater than the pay down we have. The Fair Grounds recommends the pay down for the LA bred races and not the open races. Stanley Seelig will continue to fight this and do the pay down on all non stakes races.</p> <p>Regarding what revenues Fair Grounds owes us, simulcast wagering, video poker, slots and Ed Fenasci added instant race wagering, which is being introduced in Kentucky but isn't bring in a significant amount of money right now.</p> <p>Fair Grounds has asked for the simulcasting rights for LA Derby Day. The Interstate Horseracing Act gives us the control of our signal. Stanley Seelig told the Fair Grounds in no way we are giving up our rights but if they want to make a monetary offer, we would consider it.</p> <p>There is an issue of the slot money.</p> <p>There is an issue of underpaying purses. If they underpay by more than 1 day's average purse, the excess must be distributed which presents a cost to us. The Fair Grounds has agreed to a \$10,000 cap to get the reallocation done.</p> <p>There is also an issue of the number of programs. They have previously supplied 75 programs and want to cut it back to 50.</p>
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	<p>Fair Grounds wants us to agree to a 60-day time frame to notify them if we find something wrong with the purse accounting at the end of the meet which we are objecting to.</p> <p>The Fair Grounds participates in the Jockey Club's Equine Injury Database. We want to add some language to protect the horsemen so someone couldn't use inside information to claim horses.</p> <p>We tried to include a very broad clause in the contract so that we get half of their revenue. We want them to disclose all sources of revenue no matter what they call it.</p>
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#### EVANGELINE DOWNS QUARTER HORSE CONTRACT

**ED FENASCI**

<b>DISCUSSION</b>	Ed Fenasci said that the same clause we are trying to include in the Fair Grounds contract regarding being entitled to half of the revenue is what is holding up the Evangeline Downs Quarter Horse contract. We are going to propose new language and hope to have that signed shortly.
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#### TVG AND DELTA

<b>DISCUSSION</b>	Delta has a deal with TVG where Delta is paying \$150/weekdays and \$200/weekends but doesn't guarantee that anything will be shown live. But this is a Delta contract. This comes out net of the host fee and we are paying half. Ed Fenasci will call Chris Warren to find out if we are making any money. When we have the numbers, we can make the decision whether or not to continue.
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<b>DISCUSSION</b>	<p>Marcia Lamarche asked about Michelle Benoit at Evangeline Downs who works 40 hours a week. Marcia Lamarche would like to discuss health insurance benefits for her. Stanley Seelig said that he wanted to discuss something that should take care of this matter.</p> <p>Stanley Seelig would like to form an Employment Committee to deal with all employee/employment issues who will report the BOD. Stanley would like to recommend Arthur Morrell and Chrisie Early as owners and Sam Breaux and Terry Vance as trainers.</p> <p>Marcia Lamarche again brought up giving health insurance benefits to Michelle Benoit. Stanley Seelig said that would be something the new Employment Committee could take up at their first meeting but then decided to put it to a vote that, since Michelle Benoit has been working 40 hours a week and it can be verified, to go ahead and offer her health insurance benefits.</p>
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<b>MOTION</b>	<p>Motion to extend health insurance benefits to Michelle Benoit.</p> <p>Motion by: Chrisie Early Second by: Marcia Lamarche Motion passed unanimously</p>
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<b>MOTION</b>	<p>Motion to form an Employment Committee and approve Stanley Seelig's recommendations to sit on that committee.</p> <p>Motion by: Marcia Lamarche Second by: Chrisie Early Motion passed unanimously</p>
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#### MOTION TO ADJOURN

<b>MOTION</b>	<p>Motion to Adjourn.</p> <p>Motion by: Chrisie Early Second by: Pat Mouton Motion passed unanimously</p>
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*Stanley Seelig*

**STANLEY SEELIG, President**

*4-3-12*

**DATE**

*Sandra Ray*

**Meeting Secretary**

*4-3-12*

**DATE**