

# BOARD OF DIRECTORS MEETING

## MINUTES

DECEMBER 4, 2012

10:30 AM

MEETING CALLED TO ORDER BY	Stanley Seelig
TYPE OF MEETING	Board of Directors
PLACE	LAHBPA - Main Office New Orleans
MEETING SECRETARY	Sandy Ray
ROLL CALLED BY ED FENASCI AND QUORUM DECLARED	Stanley Seelig, Tom Abbott, Sam Breaux, Bobby Dupre, Christine Early, Arthur Morrell, Pat Mouton, Kenneth Roberts, Don Stemmans, Terry Vance <b>Sam Breaux arrived at 11:07AM</b> <b>Absent: Bobby Dupre, Marcia Lamarche</b>
PRAYER LEAD BY	Chrisie Early
OTHERS IN ATTENDANCE	Keith Gee, Ed Fenasci, P.J. Stakelum, Larry Hamburger, Mike Fenasci, John Duvieilh, John O'Brien

### APPROVAL OF MINUTES

STANLEY SEELIG

DISCUSSION	Up for approval are minutes of the BOD Meetings of July 17, 2012 and October 2, 2012.
MOTION	Motion to approve BOD Minutes of July 17, 2012 and October 2, 2012 meetings. Motion by: Terry Vance Second by: Pat Mouton Motion passed unanimously

### FINANCIAL UPDATE

LARRY HAMBURGER

DISCUSSION	Larry Hamburger reviewed the financial position as of September 30, 2012, as prepared by the CPA's at Ericksen Krentel & LaPorte
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### AMOUNT DUE TO MEDICAL BENEFIT TRUST

ED FENASCI

DISCUSSION	The remaining balance that 1993, Inc. owes to Medical Benefit Trust can be resolved if operating capital was used to fully repay by December 31, 2012 in anticipation of collecting the \$2.00 from the Pony Lead Fee dedicated fund, and our money would be recouped by midyear 2013.
MOTION	Motion to repay the Medical Benefit Trust in full. Motion by: Chrisie Early Second by: Terry Vance Motion passed unanimously

### AQHA QUARTERHORSE CHAMPIONSHIP

STANLEY SEELIG

DISCUSSION	The Fair Grounds is attempting to host the American Quarter Horse Challenge. There are eight races offered with purses totaling \$1.3 million. In order to host the event, Fair Grounds is requesting \$250,000 from the QH purse account. However, Fair Grounds isn't putting up any money and the breeders aren't putting up any money. This will be held next year, two weeks before Thanksgiving. Stanley Seelig is trying to get the breeders and the N O Sports Foundation involved. There are issues to be worked out if this championship is to be conducted at Fair Grounds.
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### NATIONAL WINTER CONVENTION

DISCUSSION	The NHBPA winter convention is being held February 20-24, 2012 in Tampa. If any board member wants to attend, please let us know by the end of the month so that arrangements can be made. Arthur Morrell and Don Stemmans have already indicated that they would like to attend. Keith Gee and Ed Fenasci would probably attend and Stanley Seelig hasn't decided yet. Tom Abbott suggested that the option to attend should be given to the entire BOD.
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**DONATION REQUESTS****ED FENASCI**

<b>DISCUSSION</b>	<p>We've received a donation request from the Council on Alcoholism and Drug Abuse. This is the organization that helps our backside workers. They are requesting \$1200, and Marcia Lamarche wanted to make the donation through the Medical Trust, However, our accountants said that this should not come from the Medical Trust.</p> <p>We've also received a request for a donation from the LA Special Olympics. Stanley Seelig thinks we should stick to making donations to causes related to our industry.</p>
<b>MOTION</b>	<p>Motion to make a \$1,200 donation to the Council on Alcoholism and Drug Abuse pending the approval of our accountants.</p> <p>Motion by: Tom Abbott Second by: Don Stemmans Motion passed unanimously</p>
<b>MOTION</b>	<p>Motion to make a \$250 donation to the LA Special Olympics pending the approval of our accountants.</p> <p>Motion by: Chrisie Early Second by: Sam Breau Motion passed 6-2 <i>Nay: Tom Abbott, Don Stemmans</i></p>

**RECESS FOR LUNCK BREAK 11:40 AM**

<b>MOTION</b>	<p>Motion to take a 30-minute recess for lunch.</p> <p>Motion by: Terry Vance Second by: Chrisie Early Motion passed unanimously</p>
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**RETURN FROM RECESS**

<b>MOTION</b>	<p>Motion to return from a 30-minute recess for lunch.</p> <p>Motion by: Chrisie Early Second by: Pat Mouton Motion passed unanimously</p>
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**KEITH GEE'S EMPLOYMENT CONTRACT****STANLEY SEELIG**

<b>DISCUSSION</b>	<p>There is a 60-day notice clause in Keith Gee's contract and we have until January 10, 2012 to make the decision on whether or not to pick up the option to extend his contract for another year, however, we probably will not be meeting again before that time.</p>
<b>MOTION</b>	<p>Motion to extend Keith Gee's contract for another year.</p> <p>Motion by: Tom Abbott Second by: Pat Mouton Motion passed unanimously</p>

**GENERAL MEMBERSHIP MEETING****STANLEY SEELIG**

<b>DISCUSSION</b>	<p>We have a General Membership Meeting scheduled for December 18<sup>th</sup> at Delta Downs. Our Bylaws require us to have a meeting every year. This meeting will not be like a Board of directors meeting; we will go over the financials and bring everyone up to date on what happened this year. The meeting will not be catered but we will buy a ticket for everyone to go to the buffet. Lunch will be at 11:00 AM and the meeting will start at noon.</p>
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**CHECK-CASHING POLICY****P. J. STAKELUM**

<b>DISCUSSION</b>	<p>New check cashing applications for cashing payroll and non-payroll checks were presented to the Board. Discussions were had as to the reasons for cashing payroll and non-payroll checks and the historical basis for the involvement of the horsemen's bookkeeper in the check-cashing process. Discussion was also had as to raising or lowering the limits set forth in the written policies presented to the Board for its consideration. It was noted that the policies include Any amount owed to the HBPA by the offending owner/ trainer, etc. will be subject to recoupment procedures.</p>
<b>MOTION</b>	<p>Motion to amend the personal check-cashing limit from \$600 to \$400.</p> <p>Motion by: Chrisie Early Second by: <b>NONE</b> <i>The motion died for lack of a second.</i></p>

<b>MOTION</b>	<p>Motion to amend the personal (non-payroll) check-cashing limit from \$600 to \$200.</p> <p>Motion by: Tom Abbott Second by: Arthur Morrell Motion failed 6-2      <b>Nay: Breaux, Early, Mouton, Roberts, Stemmans, Vance</b></p>
<b>MOTION</b>	<p>Motion to amend the personal (non-payroll) check-cashing limit from \$600 to \$400.</p> <p>Motion by: Chrisie Early Second by: Sam Breaux Motion failed 6-2      <b>Nay: Abbott, Morrell, Mouton, Roberts, Stemmans, Vance</b></p>
<b>MOTION</b>	<p>Motion to accept the personal check-cashing application.</p> <p>Motion by: Chrisie Early Second by: Terry Vance <b>No vote called for</b></p>
<b>MOTION</b>	<p>Motion to change the limit on payroll checks from \$600 to \$1,500.</p> <p>Motion by: Sam Breaux Second by: Chrisie Early Motion passed unanimously</p>
<b>MOTION</b>	<p>Motion to accept the payroll check-cashing application.</p> <p>Motion by: Chrisie Early Second by: Terry Vance Motion passed unanimously</p>
<b>MOTION</b>	<p>Motion to amend the payroll check-cashing application to set a \$25 NSF fee.</p> <p>Motion by: Chrisie Early Second by: Pat Mouton Motion passed unanimously</p>
<b>MOTION</b>	<p>Motion to amend the payroll check-cashing application to make it clear that the \$25 NSF fee imposed by the LHBPA is in addition to any NSF fee or similar charge imposed by any bank or racetrack.</p> <p>Motion by: Terry Vance Second by: Pat Mouton Motion passed unanimously</p>
<b>MOTION</b>	<p>Motion to accept the payroll check-cashing application as amended.</p> <p>Motion by: Chrisie Early Second by: Pat Mouton Motion passed unanimously</p>
<b>MOTION</b>	<p>Motion to accept the personal (non- payroll) check-cashing application as presented to the Board.</p> <p>Motion by: Chrisie Early Second by: Pat Mouton Motion passed unanimously</p>
<b>MOTION</b>	<p>Motion to amend the personal (non-payroll) check-cashing application to set a \$25 NSF fee and to make it clear that the \$25 NSF fee is in addition to any NSF fee or similar charge mposed by any bank or racetrack.</p> <p>Motion by: Chrisie Early Second by: Sam Breaux Motion passed unanimously</p>

**WORKERS' COMP PROGRAM**
**STANLEY SEELIG / JOHN O'BRIEN**

<b>DISCUSSION</b>	Stanley Seelig reported that there was a meeting recently with the office of the Commissioner of Insurance to provide the Commissioner's office with a financial report on the Trust. The Commissioner's office advised that two other workers compensation insurance trusts went bankrupt last year - Tow Truck Operators Trust and the Used Car Lot Trust. Mr. Seelig expressed his view that the Horsemen's Workers' Compensation Insurance Trust will be monitored very closely by the Commissioner's office during the coming year. He reported that overall the meeting went well and that the Commissioner's office is letting the LHBPA make the decision when to close the Cayman Captive. It was also noted that, if the Trust is ever terminated, it is likely that the cost of workers' compensation insurance to trainers will go way up. It was also noted that Ed Fenasci is the Workers' Comp Trust Administrator and will oversee the day-to-day operations of the Trust. The Board then discussed a proposed amendment to Article 12.1 of the Trust that, if adopted, would limit the right to amend the Trust instrument to the Board of the LHBPA. This change was recommended because the Louisiana statutes which authorized creation of the workers' compensation insurance program place the responsibility for the program on the LHBPA.
<b>MOTION</b>	<p>Motion to adopt the Resolution amending Section 12.1 of the Horsemen's Workers' Compensation Insurance Trust instrument.</p> <p>Motion by: Chrisie Early  Second by: Terry Vance  Motion passed unanimously</p> <p style="text-align: right;"><b><i>Resolution adopted and made part of these minutes</i></b></p>

**STANLEY SEELIG**

<b>DISCUSSION</b>	It was discovered that two trustees of the Horsemen's Workers' Compensation Insurance Trust, who were not among the three trustees initially appointed by the Board of the LHBPA, had been acting as trustees without proper appointment. It was noted that only the Board of the LHBPA can appoint additional Trustees. It was also noted that the three original Trustees -- Messrs. Abbott, Stemmans and Dupre -- were properly appointed as trustees. Mr. Seelig also noted he and Alan Yacoubian, the regulatory counsel for the Trust, had not been notified of WC Trust meetings. He also expressed his view that ARTEX's services were not fully utilized.
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<b>MOTION</b>	<p>Motion for recess.</p> <p>Motion by: Chrisie Early  Second by:  Motion passes unanimously</p>
<b>MOTION</b>	<p>Motion to return from recess.</p> <p>Motion by: Chrisie Early  Second by: Pat Mouton  Motion passed unanimously</p>

<b>DISCUSSION</b>	There followed a discussion of whether to add additional trustees and, if so, who should be added as trustees.
<b>MOTION</b>	<p>Motion to appoint Sam Breaux and Arthur Morrell as Trustees to the HWCIT Board.</p> <p>Motion by: Tom Abbott  Second by: Sam Breaux  The vote on the motion was <b><i>Nay: Mouton, Stemmans Abstains: Roberts, Vance</i></b></p>
<b>MOTION</b>	<p>Motion to remove all current trustees from the HWCIT board and reappoint new trustees.</p> <p>Motion by: Chrisie Early  Second by: Pat Mouton  <b><i>MOTION WITHDRAWN</i></b></p>
<b>MOTION</b>	<p>Motion that the HWCIT Trust contact Stanley Seelig about meetings and if he cannot attend thjat he receive a written report and that John Duvieilh and Alan Yacoubian both attend HWCIT meetings.</p> <p>Motion by: Chrisie Early  Second by:  <b><i>MOTION WITHDRAWN</i></b></p>

<b>MOTION</b>	<p>Motion to go into Executive Session.</p> <p>Motion by: Chrisie Early Second by: Terry Vance Motion passed unanimously</p>
<b>MOTION</b>	<p>Motion to come out of Executive Session.</p> <p>Motion by: Terry Vance Second by: Pat Mouton Motion passed unanimously</p>
<b>DISCUSSION</b>	<p>P.J. Stakelum, the LHBPA's general counsel, reported that there was a legal issue with the earlier motion to appoint Messrs. Breaux and Morrell to the Horsemen's Workers' Compensation Insurance Trust in that, in order to pass, such a motion must receive the favorable vote of a majority of the directors present at the meeting and not just a majority of those actually voting yea or nay. The earlier motion to appoint Messrs. Breaux and Morrell as trustees received a 4-2 vote but failed to pass because five yea votes from the eight directors present were needed. At Mr. Breaux's request, Mr. Stakelum read the applicable provisions from a copy of Robert's Rules of Order.</p>
<b>MOTION</b>	<p>Motion to keep Mr. Abbott, Mr. Stemmans and Mr. Dupre on the HWCIT Trust and to have Stanley Seelig appoint two new Trustees.</p> <p>Motion by: Chrisie Early Mr. Stakelum advised that this motion was out of order because only the Board can appoint new Trustees.</p>
<b>MOTION</b>	<p>Motion to reconsider the issue of adding trustees to HWCIT.</p> <p>Motion by: Sam Breaux Second by: Tom Abbott Motion passed 5-3 <b>Nay: Mouton, Stemmans, Roberts</b></p>
<b>MOTION</b>	<p>Motion to appoint Sam Breaux and Arthur Morrell to the HWCIT Board</p> <p>Motion by: Tom Abbott Second by: Sam Breaux Motion passed 5-2 <b>Nay: Mouton, Stemmans Abstain: Roberts</b></p>
<b>DISCUSSION</b>	<p>Keith Gee just got an email that the Fair Grounds lost its bid to host the AQHA Quarter Horse Championship so it is now a moot point. Los Alamitos got it.</p>
<b>DISCUSSION</b>	<p>New business continued with discussion of the following matters:</p> <p>Mr. Seelig reported that Tom Abbott resigned from the HAH Board.</p> <p>Mr. Seelig reported that he was disbanding the Law Suit Settlement committee and the Workers' Comp Committee that was formed before the Trust.</p> <p>Messrs. Seelig and Fenasci noted that, in view of the numerous amendments to the bylaws that were made in recent years, the bylaws should be restated and there may be a need to adopt some additional clean-up amendments.</p> <p>It was noted that the CPA's would like the Finance Committee to meet quarterly to review finances.</p> <p>Terry Vance thinks that some sort of compensation should be given to the owners in those instances where a race is cancelled. He suggested using some of the purse money from the cancelled race and then redrawing the cancelled race for the same purse less any compensation paid to owners for the cancelled race. Mr. Stakelum was asked to checked whether such was allowable under the Rules of Racing.</p> <p>It was reported that the Legislative Auditor has accepted all audits with the exception of the last audit of HIA. These audits will be posted on the LHBPA's website and are already available on the Legislative Auditors website.</p> <p>It was suggested that the bylaws be posted on the LHBPA's website. It was also suggested that this be deferred until the bylaws are restated and any necessary clean-up amendments are adopted.</p>

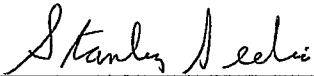
**MOTION**

Motion to Adjourn.

Motion by: Pat Mouton

Second by: Chrisie Early

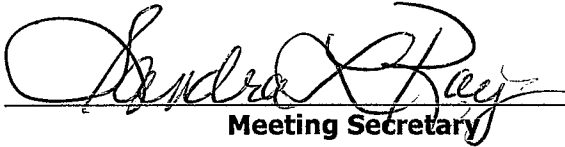
Motion passed unanimously (9-0)



**STANLEY SEELIG, President**

2-26-13

**DATE**



**Meeting Secretary**

2/26/13

**DATE**