

ANNUAL BUSINESS MEETING
OF
NEW MEXICO HORSE BREEDERS ASSOCIATION
Held on January 24, 2019 at the
Marriott Hotel, Albuquerque, New Mexico.

BOARD OF TRUSTEES:

Ralph W. Vincent, Chairman

Jay L. Taylor, 1st Vice President

Tom Goncharoff, 2nd Vice President

Normal Alvarez

Denton Crozier

Miguel L. Gallegos

Jill B. Giles

Debra J. Laney

Mindy J. McArthur

Mac Murray

Thomas W. Pierce, Jr.

Bill W. Shepard

STAFF:

Mary M. Barber

Ernestine Aragon

Paulette Taylor

1 MR. VINCENT: Can we get the Trustees up to the
2 table?

3 Before we get started everybody get up and move
4 one table forward. You guys, you're just like in
5 school. I am just kidding. You don't have to move.
6 But, let me know if you can hear in the back.
7 Terry, can you hear okay? Terry doesn't hear okay,
8 anyway.

9 All right, welcome. It is great to see you
10 all. Back where we belong, you know. With all the
11 group. Let me get started by first having the Board
12 of Trustees introduce themselves. And we'll start
13 on the far end with Bill.

14 MR. SHEPARD: I'll try it. Bill Shepard from
15 Roswell.

16 MR. PIERCE: Thomas Pierce, Albuquerque.

17 MR. MURRAY: Mac Murray from Veguita.

18 MS. LANEY: Debra Laney from Las Cruces.

19 MS. GILES: Jill Giles from Vado.

20 MR. GALLEGOS: Miguel Gallegos from
21 Albuquerque.

22 MR. CROZIER: Denton Crozier from Hobbs.

23 MS. ALVAREZ: Norma Alvarez from La Union.

24 MR. GONCHAROFF: Tom Goncharoff from Tularosa.

25 MR. TAYLOR: Jay Taylor from Albuquerque.

1 MR. VINCENT: And Ralph Vincent from
2 Albuquerque.

3 And, let me introduce the staff who have been
4 super busy putting this whole thing together and the
5 banquet tonight, in addition to being super busy in
6 the office for quite a while, anyway. So, Mary
7 Barber is our Executive Director and Paulette and
8 Ernestine, can you guys hear out there? So,
9 Ernestine Aragon is our new registrar and Paulette
10 Taylor is the other staff in the office. So, the
11 three of them do yeoman's efforts in keeping this
12 organization going.

13 Mary said I could only talk for a little bit.
14 So, hopefully you all got the 2018 NMHBA Goals and
15 Progress Report. I am going to talk from that, if
16 you want to follow along. Basically I want to tell
17 you what we have been up to over the past year. It
18 has been a great Board of Trustees, hard working,
19 unbelievable amount of time that these guys put in
20 to making this organization better.

21 Our No. 1 goal, of course, is to provide
22 support for our members. That is why we are here is
23 to support you guys and keep this program running.
24 I hope you all recognize that this is one of the
25 leading breed programs in the country. We are

1 probably one of the few that is both Quarter Horse
2 and Thoroughbred and we try to maintain a good
3 relationship all the way around.

4 Some of the things that we did this year and
5 talked about more and more are better communications
6 with you. We want to make sure that you know what
7 we're doing and that we hear from you what you want
8 us to do. Okay? Not just us making things up.
9 But, that we hear from you.

10 So, we have enhanced the web content management
11 and in the social media presence and so forth. But
12 we also are in the process of completely redoing our
13 infrastructure, our website, and so forth, so that
14 it will work better for you. We'll be able to
15 advertise from it, maybe even have foal pictures up
16 there so you can see your foals online and have more
17 information about the stallions in the state, et
18 cetera.

19 In addition to that, we have talked about, and
20 we haven't gotten this one taken care of yet, but we
21 will. You probably -- hopefully you are all on our
22 email list. We run a contact list and we send
23 out -- we try not to inundate your in-box. But we
24 do send out information that we think is helpful to
25 you. What we are also looking at is to do that on

1 either a weekly or biweekly basis so you can see,
2 you know, what breeds ran this week and did well,
3 other information, reminders, things like. Hey, it
4 is almost September 1, have you gotten your
5 broodmare registered? Those sorts of things.
6 You'll hopefully see that coming up, more mass mail.
7 If you're getting too much email from us probably,
8 you know, let us know. We don't want, as I said, we
9 don't want to inundate you with too much mail.

10 This year we did more on the sales marketing
11 end. We coordinated with other states with their
12 sales and got our information out to them and their
13 information to us. So, you know, we're hoping to do
14 more of that. I wouldn't say that is why the sale
15 was up so much this year but the sale was up
16 considerably, around 50%. The breed sale was. We
17 want to continue that. We want to keep that going.

18 We also did a summer town hall in Ruidoso in
19 connection with Zia Festival. I think we'll try to
20 do that on an annual basis. It has been very
21 successful and gives us an opportunity to meet every
22 six months instead of just this once a year deal.

23 Legislative outreach, we do some there. We try
24 to stay in contact. We have got some things this
25 year that we are asking the legislature to change

1 for us. We'll talk more on that. And one of the
2 things we did this year was develop the breeding
3 tips. Thanks to Tom and Leslie Goncharoff for that.
4 It's one of the things identified when we started
5 talking about why -- how can we get more
6 Thoroughbred foals in the state? One of the things
7 was our conception rates were low. So, we said,
8 well, that is low hanging fruit. Let's put
9 something together and maybe we can help with the
10 conception rates.

11 And the very last thing on there, which, again,
12 we'll talk more about in one of the break-out
13 sessions, is adjusting percentages allocated for
14 breeder, owner and stallion awards. I won't go into
15 that now, we'll talk about that later. That is Goal
16 1. I had a lot to say about that because it is an
17 important goal.

18 Goal 2 is for us to be good members of the rest
19 of the racing industry. And I think we have done a
20 really good job of creating good relationships with
21 track management, with horsemen, et cetera. We
22 participate in the Racing Commission committees,
23 medications, rules, race dates. We talk with the
24 tracks any time there is something that we think we
25 should adjust with the breed program. And we have

1 been working with -- we are calling it the racetrack
2 industry group. It is not an official group but it
3 is track management, horsemen, breeders and we are
4 looking into sports betting, ADW, and lots of other
5 areas for changes in the industry in the state. And
6 I think, like I said, I think we have done a really
7 good job of bringing those relationships around. We
8 also developed our own criteria for both stakes
9 races and overnights so that when we are working
10 with them, and that is mostly Mary working with
11 them, they know what our criteria is.

12 Goal 3, develop an efficient and modern NMHBA
13 office. You know, our office has been around since
14 the 70's as Jay says. Probably started in
15 somebody's kitchen on the kitchen table and, you
16 know, we're bringing that technology up to the
17 current level. We have a group working now on the
18 redeveloping of our data base system and our
19 website, as I mentioned, on some things there.

20 Goal 4, ensure available monies are distributed
21 for the greatest benefit. Last year we distributed
22 10.6 million.

23 MS. BARBER: Actually 11.

24 MR. VINCENT: I am always wrong. Over
25 11 million. And, you know, those decisions don't

1 get made in a vacuum. How do you distribute that
2 money? You know. How much goes to overnights, how
3 much to stakes, how much to the award incentives and
4 so forth. So, a lot of time and effort and thought
5 goes into how to distribute so it is the greatest
6 benefit.

7 Goal 5, modernize procedures and bylaws.
8 Again, you know, those are things that have been
9 there for a long time and they need to constantly be
10 looked at and decide, are these sufficient or should
11 we change something along the way. We actually have
12 very few changes except that you'll see we have
13 something for you to vote on today, which is the
14 change to the definition in the bylaws and it is
15 basically not a change from what we're doing but it
16 is a change of the bylaws to bring us up to
17 technology like the use of frozen semen, et cetera.
18 So, we'll talk about that again further.

19 All right, I think that is probably enough for
20 my opening remarks. Let me bring up the silent
21 auction which is going to last until 7:30. If you
22 have taken a look at it, we have a lot of nice items
23 and we have got a lot of nice studs, stallion
24 seasons, to sell. In addition, we have Corona
25 Surfer and Stella Rain has a door prize, which we

1 will do at 3:00. We'll do that drawing.

2 Take a look at the silent auction. Some people
3 like Debra, Mindy, Norma, Mac Murray, a number, and
4 actually Bill, contacted Mike Smith to get some
5 stuff signed from him. We have got some really nice
6 stuff that these guys put together, actually,
7 volunteered.

8 I said, at our December meeting, it is too much
9 work, let's not do it. And they volunteered and
10 just took off with it. So, be sure you take a look
11 at that. At this time, I think I am good to turn it
12 over to Mary.

13 MS. BARBER: Good afternoon. Thank you for
14 coming.

15 All of or 2018 and 2019 members were sent
16 notice of annual meeting and agenda items, along
17 with a sample ballot on December 27 of 2018. Due to
18 the high cost of postage we tried to only send one
19 per address. All members who paid 2019 membership
20 dues by Wednesday, January 9 were mailed proxies.
21 Mr. President, all members were properly notified by
22 mail in accordance with our Association bylaws,
23 Article IV, Section 4 which states, "Notice shall be
24 made no less than five days, no more than 30 days
25 prior to the meeting." Notices were mailed on

1 December 27.

2 Thank you, Mr. President. We have 502 members
3 who paid dues by the deadline of January 9 which was
4 the final day for dues payment in order to be
5 eligible for voting privileges. We would need 50
6 voters for a quorum. There are 46 eligible members
7 present. And we have 65 valid proxies for a grand
8 total of 111. So, Mr. President, we do have a
9 quorum.

10 Hopefully when you checked in, you got an
11 Annual Report and I am going to summarize that now.
12 I'll try not to go too long. We have a lot to get
13 to today. So, on Page 1 of the report, it shows the
14 funds we have on hand in our general account along
15 with various CD's or annuities and money market
16 accounts all listed, our contingency fund, NMHBA
17 award fund. And the next page shows a net gain of
18 \$84,547, a result of the income from the stallion
19 auction held at Ruidoso horse sale, from the export
20 mare program and silent auction held at this time
21 last year.

22 There were 258 days of racing in 2018, compared
23 to 273 days in 2017. That is a loss of 15 days of
24 racing.

25 Breakage accounts add up to 127,473.74 and

1 these are the funds that come from the parimutuel
2 and is added back at each racetrack stakes race.
3 Pages 3, 4, 5 and 6 shows stake races at each
4 racetrack and what the New Mexico Horse Breeders
5 added to each race. This totals 2,827,500.

6 At the top of Page 8, we have the balances of
7 unclaimed ticket accounts for each racetrack. These
8 funds go back to the racetracks for restricted
9 overnight races for New Mexico bred. Beneath those
10 totals are amounts we put on the different classes
11 of races.

12 Page 9 is what we paid in overnight New Mexico
13 bred races at the Downs at Albuquerque. They tested
14 a new chart we were using that Ralph came up with
15 and it spreads the funds out a little better. We
16 now have a more condensed chart that Sunland Park
17 started using.

18 Page 10, is the total that was paid to each
19 racetrack for overnight races in 2018. This totals
20 2,623,850. This is 259,250 more compared to 2017.
21 There were 868 New Mexico bred overnight races run
22 in 2018 compared to 874 in 2017. The 10% track
23 breeders awards total 1,188,615 which is a little
24 under 22,000 more this year.

25 Page 12 shows that between award incentive

1 funds, New Mexico bred stakes races, New Mexico bred
2 overnight races, New Mexico breeds competing in open
3 overnight races, and the 10% track breeders awards,
4 the New Mexico breeds ran for an additional
5 11,002,864 in 2018. Which is a little over 400,000
6 more than 2017. So, we were up quite a bit.

7 The top five award recipients are MJ Farms, RD
8 Hubbard et. al., J. Kirk and Judy Robison, Mike C.
9 Abraham, et. al., and Michael G. Weatherly. 2018
10 members totaled 743. That is 68 less than in 2017.
11 So our membership is slowly declining over the
12 years.

13 2018 registrations decreased by 88 horses. New
14 Mexico bred foals decreased by 15. Stallions
15 increased by 10 and the broodmares decreased by 83,
16 six Quarter Horse broodmares and 77 Thoroughbred
17 broodmares.

18 Affidavits continue to be mailed confirming the
19 accuracy of the information stated on the New Mexico
20 bred applications. The award incentive fund checks
21 were mailed on November 28, a total award
22 distribution of 3.8 million-dollars. This was an
23 increase of about 47,000 compared to 2017.

24 If you look at Page 13, the horse
25 registrations, over the last 10 years our numbers

1 have been cut practically in half. So we need to
2 get our kids and grandkids over to the breeding farm
3 and to the racetrack and get them interested because
4 we really need to start getting our younger people
5 involved in our industry.

6 The game revenue page shows balances of those
7 accounts as of December 31, 2018. These funds are
8 divided into three portions, overnight races, stakes
9 races and our reward incentive fund. The only money
10 that is commingled is the award incentive fund. So,
11 funds that come from Ruidoso for overnight races go
12 back to Ruidoso for overnight races.

13 Page 15 is the award distribution sheet for
14 2018. And it shows the different class of races and
15 how it was distributed between owners, breeders and
16 stallion owners.

17 Then the last two pages show the summary of New
18 Mexico bred races at each racetrack. Page 16 is
19 racing days and gives details for each racetrack.
20 And if you look at the last page, it also shows the
21 decline in number of days of racing of New Mexico
22 bred races.

23 That concludes the 2018 annual report.

24 MR. VINCENT: Did you guys get all that? So, I
25 will entertain a motion to accept the treasurer's

1 report.

2 MR. GONCHAROFF: So moved.

3 MR. VINCENT: I will take a second.

4 MR. TAYLOR: Second.

5 MR. VINCENT: All those in favor? Any opposed?

6 Motion is accepted. I do want to make a comment
7 about the treasurer's report and the budget in
8 general. I think we have talked about this over the
9 past few years, but we have really streamlined the
10 office, the budget, cut it wherever we possibly
11 could. And I am always reminded about cutting the
12 calendar out of the budget. That happened probably
13 four or five years ago. It was, you know --
14 everybody liked the calendar, I think. But we just
15 didn't have the budget for it. But that is typical
16 of everything else in the office. Everything we
17 have to worry about fitting into what I consider an
18 underfunded office. And I am not -- I told the
19 Trustees this morning, we are not going to ask for
20 anymore from the membership, you know, we're not
21 here to say, hey, you know, we need to update
22 membership fees, the foal registration, whatever.
23 What we need to do are find sources of recurring
24 funds and that is, as I referred to earlier, the
25 discussions we have been having on ADW, sports

1 betting, all the other things we have been talking
2 about. We will look for ways to enhance the
3 administration of this program.

4 As Mary reminds us all the time, this was all
5 done before gaming came in and we ended up with five
6 tracks, you know, so we're running the office that
7 used to run three tracks, and we are now running
8 five tracks, some simultaneous and so forth.

9 It is not a plea for money, just a note that we
10 run very lean and we are probably going to be
11 looking at other ways to find recurring money. We
12 have offered all the bake sales and silent auctions
13 and stallion auctions that we can. So, we're going
14 to be, you know, out of that business and running a
15 professional office. Not that we won't have silent
16 auctions and stallion auctions, but that can't be
17 our recurring -- those recurring dollars.

18 So, the other area that we have increased
19 revenue in is the export mare program. That one
20 brings in 40 some thousand dollars a year. As you
21 saw in the report, we are in the black. We are up
22 87,000, but, a lot of that has to do with these
23 additional things that we have done. So, while Mary
24 mentioned that the membership is down, the number of
25 foals are down and so forth, the sale was great this

1 year and the purse money is up this year. So, if
2 you're smart businessmen probably now is the time to
3 get further into this business because I think -- I
4 am hoping it is going to continue. So, with the
5 sales that we have this year and the purse
6 increases, I don't see those going the other way for
7 a while.

8 So, again, moving along, let's determine the
9 date of the 2020 business meeting. Staff has
10 recommended Thursday, January 30th, 2020. We need a
11 motion and a second for that or any discussion if
12 there is any.

13 MR. GONCHAROFF: So moved.

14 MS. LANEY: Second.

15 MR. VINCENT: All those in favor? Opposed?
16 All right, so, next year, the annual meeting will be
17 January 30th, 2020. So it will be in Albuquerque.
18 Location to be determined.

19 All right. We will move on to the voting for
20 Trustees and let me ask Mary, do we -- all right.
21 So, you will be given a ballot, hopefully you have
22 all checked in, gotten your card, you'll get a
23 ballot back there from Ernestine or Paulette. Let
24 me read this so I don't screw it up.

25 This is from Section 1. This is from the

1 bylaws. "The business affairs of the Association
2 shall be managed by its Board of Trustees. The
3 number of Trustees of the Association shall be 12
4 breeders composed of six Thoroughbred breeders and
5 six Quarter Horse breeders. Each Trustee shall hold
6 office for a term of two years. Trustees must be a
7 voting member of the organization. The president of
8 the Board of Trustees shall be retained as a
9 non-voting member of the Board of Trustees for a
10 succeeding year after his term as president has
11 expired." This is the important part. "A nominee
12 for Trustee must declare to the Board of Trustees
13 whether he is a Thoroughbred breeder or a Quarter
14 Horse breeder upon his nomination. A nominee for
15 Trustee must have been a member in good standing
16 during the 12 months preceding his nomination."

17 So, starting back in November, and this is good
18 information for next year for you, starting back in
19 November, we tried to put together a list of those
20 people who are interested in serving as Trustees
21 either as a Thoroughbred or a Quarter Horse. And
22 so, you know, you're going to have time to nominate
23 now but in the future, it is better to do it in
24 November and December so we get a good list of
25 people who are interested and we vote on it at that

1 point. So, at this point, I will entertain
2 nominations for new Trustees from the floor.

3 SPEAKER: I nominate Annette McCloy on the
4 Quarter Hours side.

5 MR. VINCENT: Annette McCloy, Quarter Horse.
6 Would you step up to the mike? I'll repeat it.
7 Annette McCloy for Quarter Horse Trustee. Other
8 nominations?

9 MR. CROZIER: Yeah, I would like to nominate
10 Verner Query for Thoroughbred. He was on before.

11 MR. VINCENT: Any other nominations? So,
12 Ernestine, you need to verify.

13 MS. ARAGON: Annette is eligible.

14 MR. VINCENT: Okay. Verner Query. At this
15 point I will entertain a motion to close
16 nominations.

17 MR. GONCHAROFF: So moved.

18 MR. TAYLOR: Second.

19 MR. VINCENT: All those in favor? Opposed?
20 Those two are eligible. So at this point, we will
21 ask each of the nominees to give us a little
22 information about themselves and then those members
23 of the Board who are up for reelection will also do
24 that. So, is Annette McCloy here?

25 MS. McCLOY: We live in Tatum, New Mexico. We

1 have six Quarter Horse mares and 10 babies. We are
2 very involved. This is what we (Inaudible).

3 MR. VINCENT: We couldn't hear up here. Is
4 that on?

5 MS. McCLOY: I am Annette McCloy. We live in
6 Tatum, New Mexico. We have six Thoroughbred mares
7 at home and probably 10 yearlings and we have been
8 in the business about eight years. And I am Quarter
9 Horse. And Tom said I won the Rainbow last year.
10 My first Grade 1.

11 MR. VINCENT: Just a minor little detail.
12 Thank you. Let's go ahead and do the other.
13 Verner, even though you are Thoroughbred, and then
14 we'll do the others.

15 MR. QUERY: I'm Verner Query and I served on
16 the Board for a couple of years and I enjoy working
17 with the Board and we need to try to keep everything
18 balanced. I enjoyed the challenges and everything
19 else to try to help this association grow and that
20 is something that I feel like we still need to work
21 on. Thank you.

22 MR. VINCENT: Thank you, Verner. Okay. Now,
23 we'll go to the Quarter Horse Trustees that are up
24 for election. And that is Norma.

25 MS. ALVAREZ: Hi, I am Norma Alvarez. I have

1 been serving, I believe, 12 years, a long time, on
2 the Board. It has been my joy and pleasure. All of
3 us on the Board are very passionate about what we
4 are doing up here and I think I bring to the Board
5 my knowledge and experience being here and you know
6 sharing that with incoming members that may have,
7 you know, not the knowledge yet, you know.
8 Sometimes it is good for not making a mistake or
9 something that we did in the past.

10 And also I am not set in my ways at all. I am
11 forward thinking and ambitious but I believe in
12 making small changes and not disrupting, you know,
13 the apple cart, just small little changes, seeing
14 how that works, testing it. That is how I approach
15 life in my business also.

16 I am very excited about some things that we are
17 going to talk about. I like very much changing the
18 breeders, the percentages for the breeders, and
19 putting more emphasis on the breeders and stallions,
20 taking some from the owners, but they are still
21 going to get, you know, a portion of it. But, I
22 think that is going to incentivize new stallions
23 coming in, quality stallions and more money for the
24 breeders. So many times I hear people say, well, I
25 just missed getting a check and I got second or

1 third, but this would pay first, second, third. And
2 we'll talk about that later and I really think that
3 is a big deal.

4 So, I would love to serve again and I am asking
5 for your support. Thank you.

6 MR. VINCENT: Thank you. Debra.

7 MS. LANEY: Debra Laney. I have been on the
8 board for two years. I have Quarter Horses. I have
9 six mares of my own and one mare in partnership. We
10 race only in New Mexico. I have been -- this is my
11 first time on the Board, these last two years. It
12 has been a very fulfilling experience and I guess I
13 like the problem solving part of it because when we
14 send out our surveys and we get your input, it
15 really gives -- opens our eyes as to what the
16 membership sees as the problems. And I think that
17 is what we have got to work on.

18 I am glad that we did get a lot of things done
19 this past year and I am excited, like Norma is,
20 about redistributing the breeders awards to first,
21 second and third place so that the breeders have
22 more opportunity to capitalize on the money they
23 have spent breeding horses.

24 And I am happy to serve again if you feel like
25 I have done a good job for you this time and I'm

1 happy to support somebody else, if they get elected.

2 MR. VINCENT: Thank you, Debra. Sarah, will
3 you come up and tell us about yourself.

4 MS. RIOUX: I'm Sarah Rioux. My husband and I
5 own Born Running Ranch and it's been a member for, I
6 don't know how many years. I do not like to talk
7 with a microphone. But, I will work very hard if
8 you vote for me, even though this was not my idea.
9 Quarter Horse.

10 MR. VINCENT: Mike Logan.

11 MR. LOGAN: Hi, I am Mike Logan from Hondo, New
12 Mexico. My wife and I have a horse farm there. We
13 are Quarter Horse breeders. We have been in the
14 breeding program -- this is starting our fourth
15 year. We have ran horses in New Mexico for --
16 consistently for the past 10 years. I think I ran
17 my first horse in New Mexico in 1979. So, I have
18 been in the horse industry all my life in some
19 aspect. And I am just here to help, whether you
20 choose me or not, whatever I can do to help to
21 better our industry and especially our New Mexico
22 bred program, I appreciate it. Thank you.

23 MR. VINCENT: Thank you, Mike. All right, that
24 was the end of the Quarter Horse. We have Miguel
25 for Thoroughbred.

1 MR. GALLEGOS: Miguel Gallegos from
2 Albuquerque. I have been breeding horses for over
3 15 years and we grew up racing horses, my father and
4 my mother did that. I went to pharmacy school after
5 high school for five years. I went to medical
6 school for four years. I did surgery training for
7 seven years. I started my own practice, my own
8 business, and I must say, there is nothing harder
9 than breeding successful Thoroughbreds. I mean,
10 breeding Thoroughbreds every year and expecting the
11 best and it is always something. So, I get it.

12 I understand why people are trying to back off
13 or downsize but now is the time to probably think
14 about getting back in. We have an excellent
15 program, purses are the highest they have been in
16 several years. Think of it this way, the sale is up
17 50%.

18 When I got on the Board two years ago, we were
19 almost bankrupt, I guess, you would say. Jay did a
20 heck of job to get things going and we are in the
21 black now for a couple of years and it is looking a
22 lot better. We have other programs that have
23 started up and are doing really well.

24 These people are an amazing group of people and
25 these Trustees spent a lot of personal time without

1 compensation. It has been a really good group of
2 people and I am proud to be part of them. I am
3 happy to continue to help. We really need to work
4 on these numbers of Thoroughbreds. We have some
5 other ideas, the things that you'll hear today that
6 are being proposed and today hopefully we will get
7 some ideas from you too to see what we can do to
8 improve those the numbers. I am happy to serve
9 again and I am always open to suggestions. Thanks.

10 MR. VINCENT: Thank you, Miguel. Susan.

11 MS. HUNTER: I am Susan Hunter. I have Hunter
12 Creek Farms in Roswell and we have been there almost
13 20 years. We have Thoroughbreds and Quarter Horses
14 on our place, I love them both the same, but my
15 breeding operation is all straight Thoroughbred.
16 There is two things you need to know about me right
17 up front. One is the main focus of my business is
18 and always has been delivering babies and getting
19 those babies started. So, I won't be able to make
20 any meetings from February until June. After that,
21 I'll be here every time but until then, the babies
22 come first. I have already told them about it. I
23 can't come until then.

24 And the second thing is I don't have a horse on
25 the racetrack, never have had, so I don't know that

1 much about that part of it. I know the breeding end
2 and the raising end. So if you are okay with those
3 two things, I would be glad to serve and I
4 appreciate your trust and you're backing me on this.
5 Thank you.

6 MR. VINCENT: Thank you. I guess I am the only
7 one left. So, my wife and I Beverly have been in
8 the horse business since -- actually I am not as old
9 as Mike, so, one year less. I think we started in
10 '80. And, we have run both Thoroughbreds and
11 Quarter Horses all that time consistently. There
12 must be something wrong with us, because we do a lot
13 of racing. But we enjoy it. This is the industry
14 that we have chosen to spend our time in and we
15 spend a lot of time, probably more than Beverly
16 would like in the business, but, you know, when we
17 have to choose between Quarter Horse and
18 Thoroughbred, I am a Thoroughbred Trustee. I run
19 both, but one of the things on this Board that we
20 ask over and over is to look at it as a breed
21 industry and take care of the whole industry.

22 And we have done a lot of looking and working
23 with other people in the industry in the racing part
24 of it and in the breeding part of it. So, if you
25 like what has happened, well, go ahead and support

1 me. If you don't, I'll have to find something else
2 to spend all my time doing. Thank you.

3 All right. So, where are we? Mary will read
4 the proxies into the record now.

5 MS. BARBER: Okay. According to the bylaws, we
6 have to read these into the record. I'll try to be
7 quick. Galen K. Hill, David Bloomier, Darcy
8 Gallagher, Jaime Alvarez, Susie Prather, Sam E.
9 Stevens, Larry Teague, Helen Nave, Max Earhart,
10 Sammy L. Stevens, Mindy Hamilton, Derrol Hubbard,
11 Shaun Hubbard, Larry Mason, Birrell Farms, Melvin
12 Swasey, Joel Johnson, Kim Johnson, Mark Brown, Chris
13 Kotulak, Benny Smith, Kay Thurman Kotulak, Peggy
14 Brown, Ronald Ulibarri, Leanne Duree, Dosi Alvarez,
15 Leach Racing, Dirk Jones, Famous Lane Farms, John
16 Homerding, Mitzi Huizingh, Brandon Huizingh, Bauer
17 Farms, Drew Swasey, Mark Chacon, Ralph Carrillo,
18 Marvin Been, Nicole Ferdinand, Jaime Cervantes, Pam
19 Allen and Charles Cobb, Glenn Berry, Rodney Brooks,
20 Randy Smith, Codi Burris, David and Mary Ann Lujan,
21 Nadine Maben, Manuel Catano, Larry Mason and Bob
22 McClure, Mason Meadows, Larry Mason, Fred Danley,
23 Kim Danley, Famous Lane Farms, Johnny Trujillo,
24 David or Sandra Barrett, and Max Frazee, Jason Giles,
25 Wesley Giles, Suzanne Marney, Bobby Simmons

1 Catherine Simmons, Carroll Wayne and Mollie Bedwell,
2 Eric Pistilli, Leslie Goncharoff, Francine Lamay,
3 Joan Dale Hubbard, last but not least, RD Hubbard.
4 Those are all the proxies.

5 MR. VINCENT: All right. We need to move this
6 along because we have done all the talking and you
7 guys haven't. I want to do one thing, though, maybe
8 a little bit out of order. It is real important to
9 me and to the rest of the Board, I want to echo what
10 Miguel said about what a great Board this is. And
11 we have got two members, two Trustees who have
12 decided not to stick with us. I think they have
13 decided that they have done it enough and to let
14 somebody else do it a while. That is Jill Giles and
15 Jay Taylor. Both of these people have been
16 incredible on the Board, have done a lot of work.
17 Both are very interested in this industry and in
18 moving this industry forward and so, Jay, if you
19 will come up first, we'll give you your award.

20 This is presented to Jay L. Taylor in
21 appreciation for serving 10 years on the New Mexico
22 Horse Breeders Association Board of Trustees 2009 to
23 2018. And I want to say that he didn't just serve
24 on the Board. He was instrumental this last year in
25 just about every facet of this Board's operation

1 including the budget and helping this office get off
2 the ground and get going. Even to the point of
3 loaning us his wife, Paulette, for the office.
4 Anyway, Jay, thank you and you're going to come
5 back, right?

6 MR. TAYLOR: Sure. Can I say a quick word?

7 MR. VINCENT: Sure.

8 MR. TAYLOR: Well, I want to thank everybody
9 for supporting me. I do want to say that this is a
10 fantastic Board you have right now, leaving it in
11 really good hands. This is probably, as progressed
12 over the years, we have a better more productive
13 Board right now than we have ever had. Ralph has
14 done a great job as president of it. We are getting
15 a lot more done. I feel good about leaving it in
16 the direction it is going.

17 One thing I would say for the members out
18 there, voice your opinions to this Board. We send
19 out stuff to the membership trying to get input. We
20 need to know what you want. I always try to
21 represent the members and not my own personal
22 feelings. And that is hard to do especially when
23 you don't have input from the members.

24 So I would encourage all of you, if there is
25 something you want to see or some ideas you have,

1 get with the Board members, get with the Board. Our
2 meetings are open. Come to a board meeting. You
3 probably won't stay for all of it but come to them
4 anyway. Anyway, thank you.

5 (Applause.)

6 MR. VINCENT: Thank you Jay. Jill, you want to
7 come up. It has only been four years?

8 MR. TAYLOR: By the way, Norma, how much did
9 this cost?

10 MS. ALVAREZ: My lips are sealed.

11 MR. VINCENT: Now, Jill Giles, it seems like a
12 lot more than four years that Jill has been on the
13 Board, because she has done a lot. She has been our
14 liaison to the Horsemen's group, is very involved in
15 the industry, does a lot on that side, also, and we
16 are going to miss you, Jill, on this Board but same
17 thing, presented to Jill B. Giles in appreciation
18 for serving four years on the New Mexico Horse
19 Breeders Association Board of Trustees, 2015 to
20 2018. Thank you.

21 MS. GILES: It has been my pleasure serving you
22 guys. I am going to miss it. Not going to miss the
23 time clock. Sorry, Jay. But, it has been a
24 pleasure and it has been a great Board.

25 MR. TAYLOR: Times up.

1 (Applause.)

2 MR. VINCENT: I wanted to do that first before
3 we get all into this other because I do appreciate
4 the time and effort these guys have put into it as
5 well as the rest of the Board.

6 So, we have two items that are on the ballot
7 that we probably should talk about a little bit and
8 see if you have questions about it before we do the
9 voting. As I mentioned earlier, the change to
10 Article II, the definition, is a complete rewrite of
11 that definition. But it actually does not change
12 anything that we are already doing. Is that right?
13 I want to make sure that is right. I don't want
14 people to think we're making this big change. But
15 when you look at it on the ballot, it does look like
16 a big change. But, it incorporates all the new
17 technology in particular for Quarter Horses for
18 frozen semen, shipped semen and future stored semen
19 in the state, et cetera. So this takes care of all
20 of those procedures that we are already following
21 and that are in the bylaws.

22 So, that is one and then I am going to open
23 this up for questions if anybody has any. Then,
24 two, are changes to the way you vote. And basically
25 the second change is to allow you to do a mail-in

1 vote so instead of having to come to the annual
2 meeting to vote or send in your proxy, you could
3 mail it in to Mary. And we'll have to build a
4 fail-safe system for that or a process for that.
5 But, that is the change there. Now, remember, all
6 these changes, if somebody asked the Board to make a
7 change to the bylaws, it is not the Board's job to
8 decide do we want to do that or do we not want to do
9 that. It is up to you to vote on that.

10 So, I think we probably, in this case, may
11 agree with both of these that, one, the first one is
12 a good one to clean up the language. The second one
13 is a good one to get more input from other members.
14 With one -- I would add with one qualification, if
15 you guys don't mind. I like to see you guys here.
16 I would rather you had to come to vote so we can see
17 you. But this is the way of the world, you know.
18 Every organization does mail-in votes and so we have
19 put it out there. So, that is the only downside of
20 it that I see.

21 Any of the Trustees have anything to add on
22 that?

23 MR. TAYLOR: There is a question on the floor.

24 MR. VINCENT: Yes.

25 LESLIE: Does that affect your quorum at the

1 annual meeting if everybody mails in ballots and
2 nobody shows up?

3 MR. VINCENT: That is a good question. If you
4 looked at the bylaws, though --

5 Leslie asked would that affect the quorum. And
6 if you read the bylaws, and we have looked at that
7 question, you know, how would that affect the
8 quorum. We would have to count the mail-in votes as
9 part of being here. Same as proxies. Yes. I think
10 the answer is no. Other questions? Anything about
11 these before we -- everybody is clear on it? Okay.
12 Thank you.

13 MS. BARBER: Okay. So, we're getting ready to
14 do the vote. You should have little white cards
15 that you got when you checked in and have No. 1, 2,
16 3 or 4. That is how many of the ballots you'll get.
17 In a minute, I'll ask you to get your ballots from
18 Paulette and Ernestine. Please right away go and
19 fill out your ballots and take them back. Don't
20 fold them. Put them face down in the appropriate
21 box.

22 Now, on the Board of Trustees, you can vote for
23 up to three Quarter Horse Trustees and three
24 Thoroughbred Trustees. If you vote for four, they
25 are out the door. It won't count.

1 So, then the girls will go back and they'll
2 count the votes along with two of the Board
3 Trustees. We'll have a Thoroughbred Trustee, Tom
4 Pierce and Quarter Horse Trustee, Jill Giles, will
5 go back with the girls and count the ballots. While
6 they are doing that, we are going to break into
7 round table discussions. We'll have three topics to
8 go over. The first one being how to improve our
9 Thoroughbred numbers. The second round table will
10 be how to draw more buyers to the horse sale. And
11 the third will be money matters.

12 And there will be 15 minute sections and then
13 you can rotate and go to a different topic. And a
14 few of our Board members will be heading up those
15 round tables. Go ahead and get your ballots and
16 we'll go from there.

17 MR. VINCENT: You guys hear me in the back?
18 Everybody get their ballots in so they can start
19 counting? Are there any ballots out? All right,
20 so, we are going to start with the round table.
21 This is where you guys get to talk. I see you are
22 already talking. Okay, if I can have your
23 attention. You guys act like you can't hear me.
24 Trustees, if you would round people up and we are
25 going to start the round table discussions. So,

1 tell me, money matters up here. Sale buyers over
2 there. And the third one is where? Right here.
3 Improve Thoroughbred numbers here.

4 You're kind of close. So, now we are going to
5 have the round table discussion areas. This is a
6 good opportunity to talk about some of the things
7 that we have been talking about in the industry. If
8 each of you will join one of the groups, we have got
9 up here. Money matters. So, this has to do with
10 where the money comes from and where the money goes.
11 Over here, Tom has how to improve the Thoroughbred
12 numbers. This is a hot topic, how to improve
13 Thoroughbred numbers. And the third one is sales
14 and how to improve the sales. So, please choose a
15 group and let's figure out what we can come up with
16 here. Thank you.

17 (Meeting broke into discussion groups.)

18 (End of verbatim transcription.)

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CERTIFICATE OF COMPLETION OF TRANSCRIPT

I, Marcia J. Schick, 110 2nd Street S.W., Suite 602,
Albuquerque, New Mexico, 87102, DO HEREBY CERTIFY that on
January 24, 2019, the Meeting of the New Mexico Horse
Breeders Association was taken before me, that
I did thereafter report in stenographic shorthand the
proceedings set forth herein, and the
foregoing is a true and correct transcript of the
proceedings to the best of my ability.

MARCIA J. SCHICK
Certified Shorthand Reporter