



**Board of Trustees meeting
Zia Park Turf Club – Hobbs, New Mexico**

**October 30, 2021
2:30 p.m.**

PRESENT

President Tom Goncharoff, 1st Vice President Mike Logan, 2nd Vice President Verner R. Query and Trustees Vanessa Alexander, Norma Alvarez, Mark Brown, C. Warren Franklin, Annette McCloy, Mac Murray, Helen Nave, Susie Prather, and Nancy Summers (attended first part of meeting by Zoom).

ABSENT

None

QUORUM

President Goncharoff acknowledged a quorum present.

MINUTE APPROVAL

Mark Brown made a motion to accept the minutes of September 22nd, seconded by Annette McCloy. Motion carried 11:0.

DISCUSSION ITEMS

DIRECTOR'S REPORT

a. Trustee Nominations

For the Quarter Horse Nominations, we had:

**Mindy McArthur had five votes but declined the nomination
Calder Ezzell had five votes and accepted the nomination
Brian Anderson with five votes and accepted the nomination**

Jarrett Rogers had five votes and did not accept the nomination
Candy Ezzell had four votes but with Calder getting on the ballot, we felt it would not be right to have both Calder and Candy on the ballot.
Kim Saunders had four votes but declined the nomination
Jacque Rich had four votes but lives out of state and could not attend meetings in person.

For the Thoroughbred Nominations we had:

Pamela Sena with nine votes and accepted the nomination
Roger Holland had six votes and accepted the nomination
Denny Crozier had four votes and accepted the nomination
Pierre Amestoy, Jr. had three votes but declined the nomination
Fred Alexander had three votes but declined the nomination

b. Export Broodmare Report

Mary Barber went over the Export Broodmare Report that showed how many broodmares were put into the program over the five years of this program. The 2021 figures are down from the previous year however the association did make \$38,000.00 dollars for our general account. There were 57 QH Broodmares and 19 Thoroughbred Broodmares for a total of seventy-six. Of the stallions they were bred to, there were sixty-four bred to Quarter Horse Stallions and twelve bred to Thoroughbred Stallions. Of the resulting foals there will be 65 QH and 11 TB if all goes well. Also included was the Excel spreadsheet that included information on each mare.

c. Horse Registration Report

The report provided show registrations from the year 2009 up to October 15th of this year. In 2021, there have been 730 foals with completed registrations. Of those 730, 399 were Quarter Horses and 331 Thoroughbreds. The Broodmare registrations are down with 121 QH and 130 TB for a total of 251. There have been 8 QH and 9 TB Stallions registered so far in 2021. We have forty new recipient broodmares.

d. Association Finances Report

Treasurer's Report through September 30, 2021, showed that between the general account and all the association's investments, we have a total of \$706,928.86 and this is a gain of \$39,352.42 over what was reported at our annual meeting back in January.

e. AgFest

Mary Barber reported that she had purchased booth space for the association at AgFest at a cost of \$600.00. We have to have a food item that is individually wrapped, and Norma Alvarez is donating pecans from her farm. We will also have our magazines and promotional items and will also purchase some bags with our logo so that people will have something to carry their samples in. This is a great opportunity for us to get to know our legislators and for them to know about who we are and what we do.

f. Employee Update

Alicia Davenport, who was our registrar, decided that this was not her forever job and that we were not a very good fit. I had expected her to work through next week, however she is gone. I replaced her with a past employee, Amber Martin, who started yesterday. She is already doing a great job. She took out the trash and vacuumed the front lobby when she noticed these things needed to be done. Amber and I worked together for three years and she is wonderful and I am excited about her being back. I hope you all get a chance to meet her sometime soon.

g. Annual Meeting

Mary Barber reported that the Annual Meeting will be held on Thursday, January 27th in Albuquerque. I have reserved a space at the Sheraton Uptown Hotel located at Menaul & Louisiana right by Coronado Shopping Center and is just down the street from the Marriott where we used to have the meeting for many years.

With the Mail In Ballots, we really do not know what kind of a turn out we can expect. I am not sure if we want to have a lunch or just have some deserts along with coffee, tea, sodas and water. I am not sure if we need to have a big ballroom or a smaller meeting room. On that day we will go over the annual report and people who did not get their membership done in time can still come to our meeting and submit their membership if needed and vote before the meeting starts. We will have a paralegal there to open the Mail In Ballots and any other ballots that are submitted that day. She will have the results of the votes by the end of the meeting.

The time of the meeting was discussed. Mary Barber thought that we could have it start at 1:30 or 2:00 p.m. and just serve deserts and drinks in case we do not have a good turnout. Debra Laney suggested that we ask people to RSVP so that we have a good idea of how many people will be coming. Mac Murray suggested that we have the meeting later in the day so that local people who work can be able to come. Maybe from 4:00p.m. to 7:00 p.m.

Mike Logan asked if we could have some people attend by Zoom? Mary will ask the hotel if they can have a large screen, we could use for this.

We have to have 10% of the members in order to vote. This includes both members present and the Mail In Ballots. You can become a member up until the meeting starts and be able to vote.

h. Online Stallion Auction

Last year we had our first online auction, and it went pretty well. Mary Barber asked if the Trustees would be interested in doing this again and if so, we need a Thoroughbred Trustee volunteer and a Quarter Horse Trustee volunteer to call the stallion owners and managers to ask them to donate a breeding to their stallions. Annette McCloy volunteered to work on getting the Quarter Horse donations and Verner Query volunteered to work on getting the Thoroughbred donations. Mary Barber will provide the lists of stallions and their owners phone numbers. We will try to have the auction at the beginning of January before the breeding season starts.

HORSEMEN'S LETTER & FRAUD

Vanessa Alexander provided some printed material to go along with her presentation (copies incorporated into the record).

Vanessa started out by stating that her background is in law enforcement and investigations. When she was nomination, she remarked that she has been going to all the meetings and learning as much as she can. She has heard a lot of bitching and she does something about it. So, it is ruffling feathers, but she does not care.

In our By-Laws on page two, Section 3 – Removal Of Member, any member will be subject to removal for cause, conduct prejudicial to the best interests of the Association. Paper training and ownership can be clearly found in patterns where horses are going from one to the next and next and next. You can predict how things are going to go on certain people.

Vanessa chose to use the Carrillos as an example. She does not have the death list, catastrophic injuries of horses under the care of these people.

Arnaldo Carrillo was first licensed 10/29/2012. Zia Park management kicked him off of the racetracks because he had multiple horses just drop dead. He killed two in one day. Between 2013 and 2017, Mr. Carrillo was denied entry of his horses. He ended up paying \$400,000 in attorney fees. The Racing Commission did end up giving him a small settlement of about \$130,000 or \$150,000 because a steward did something that was not in the rule book, so they settled. In 2017, Beatrice Sanchez Carrillo was given a grooms license to work under Adam Tapia who ended up paying a \$35,000 fine racing the Carrillo's horses and was suspended for at least 3 months. In 2018 Arnaldo Carrillo got his license reinstated and ran at Retama. In May of 2018, Beatrice Sanchez Carrillo got an owner's license and Michael Megarez was her trainer. By November of 2018, Arnaldo Carrillo was already suspended. Beatrice Sanchez Carrillo was then allowed to get a trainer's license.

She failed the written test on August 15th. On August 26th Arnaldo Carrillo a horse came up with a positive test for clenbuterol. On September 14th he was given a summary suspension. On that same date Beatrice Sanchez was allowed to take the test again. The barn test was “good enough.” The written test was supposed to be a brand new test, but she only had to take the parts she got wrong the first time. She should not have been given a license but two days later she gets her trainers license. The summary suspension was lifted temporarily for Mr. Carrillo and the horses were moved into her barn even though she is a family member. On September 23rd was Arnaldo’s last start as a trainer. On September 30th was Beatrice’s first start and on her second start, she won. Vanessa made the Commission make Beatrice change her name from Beatrice Sanchez to Beatrice Carrillo. In May, Beatrice got a lot of positive tests.

Vanessa Alexander continued to discuss dates and facts about the Carrillo’s. She stated that she does all the foot work to find this information and the racetracks have been very hard to work with. Other jurisdictions have launched investigations immediately once she has provided them with her information. Here in New Mexico however, she gets complaints sent on her to the breeders or anyone else. She cannot get phone calls returned, she does have some recorded phone calls where stewards screamed at her and then hung up. On August 20th Mr. Carrillo was allowed to enter a horse under the name Pedro Gomez Carrillo who is an owner. They get away with this because people are not paying attention of it or if they do, they just do not care.

Vanessa Alexander stated that she has tried and would really appreciate some help and some support if anyone does not mind backing her on this. If you have any advice or anything you want me to look into, I am your huckleberry.

This packet that she put together is just basically showing some of the data. Vanessa was asked if she had taken this to the AG’s office and she stated that she has and more. She is doing this for the horses. Nothing else matters.

There is a group of people that every time she would get intel on them, nothing would happen. In fact, these people would find out that she had something on them. Vanessa Alexander informed Mr. Trejo at the Racing Commission that he has a rat. He told her that they have looked into this and there is just nothing on them. It took her 45 seconds to find a marriage certificate for Alex Sanchez and Julieta Torres. Alex Sanchez is suspended and yet his horses are running under his wife Julieta Torres under Diamond Racing. This is illegal.

Vanessa Alexander gave a lot more information on the Sanchez Brothers and their suspensions. Because of the information she provided, horses have stopped running under Diamond Racing.

She is part of a team but cannot mention who these team members are. This is big.

Vanessa Alexander stated that she feels that the lawsuit the horsemen has merit. The breeders sent a letter to the horsemen that she did not agree with that asked the horsemen to dismiss their lawsuit against the Commission. She thinks we should reconsider and send a letter of support to the horsemen in their lawsuit.

Vanessa summed up that she has proof that millions of dollars has gone to these people illegally and she would like the breeders to step in. These people do not deserve a damn dime.

She will be available for questions after the meeting if anyone would like to talk with her.

ACTION ITEMS

PROPOSED BY-LAW CHANGES

1 – QUARTER HORSE RECIPIENT MARES ALLOWED TO FOAL OUT OF STATE

Mac Murray proposes that we allow recipient mares to participate in the Export Broodmare Program but would not have to come back to New Mexico to foal. If the donor mare is in foal with a New Mexico Bred, then she would have to return to New Mexico to foal. Our numbers are going down and this program was meant to increase them. He feels that it is his job to bring it before the Trustees and ask for it to be put on the ballot so that the members can vote on this.

Vanessa Alexander brought up that a lot of people have contacted her to say that someone in the racing office stated that they were not going to write any extra races for New Mexico Breds. Mary Barber reported that she talked to the racing secretary personally. She was told to scale back by management because they were averaging five New Mexico Bred races per day. Mary also reported that she has been in contact with management and that they are willing to try to help the situation.

Vanessa Alexander stated that she does not think we need more foals. She thinks we need to maximize what we have and have more races written for the horses whose papers are in the files.

Mark Brown commented that the New Mexico program is great, but it is getting outdated. We need to make it more user friendly. We are too restrictive in New Mexico while other states are not as strict. We need to make it easier for people to get New Mexico Breds.

Verner Query is bothered that the donor mare has to come back to New Mexico if she is in foal for a New Mexico Bred and he thinks the recipient mare needs to come back also.

Warren Franklin asked why we are just allowing the recipient mares to foal out of state. Mac Murray responded that when we started the Export Broodmare Program, the idea was that it was mainly for the Thoroughbreds. If the mare has to come back to foal out, then chances are she would be bred back again. If a recipient mare comes back, there is no

chance for her to be bred back. Out of state breeders would breed more mares if they did not have the added expense of bringing them back to foal out. This program will sunset in three years and would only be for the foaling years of 2022, 2023, & 2024. He would like it to be mandatory that we vote again in three years. If it has helped our numbers, we may want to continue, but if it does not help, we may want to eliminate this option.

Annette McCloy stated that she does not want to hurt the farms that foal a lot of these mares out. Susie Prather, Susan Hunter, Kim Saunders, & Mary Cap all foal out mares. Will this hurt these people? Mac Murray stated that Susan told him that she mainly foals out mares for people who live in New Mexico. He asked Susie Prather if recipient mares did not have to come back, would it really hurt her business. Susie Prather stated that in all honesty, she has never foaled out a recipient mare.

Mike Logan stated that if we chose to do this, he thinks we would be the only state that would allow a foal to be born out of state. Most other states require mares to be in their state at least part of the time and have to foal in their state. All we need to decide is if we want to take this proposal to the membership.

Norma Alvarez asked how W.L. Mooring feels about his proposal and was told that he is 100% in favor of it. He does not want to foal out mares.

Mac Murray wanted to make clear that California does allow mares to foal out of state. They cannot ship semen out and have a California bred, the mare does have to be bred to a stallion in California.

Mark Brown stated that in Texas, whatever mare is carrying the foal has to come back to Texas to foal out.

Debra Laney mentioned that before we started the Export Broodmare Program, the mares had to stay in New Mexico, and everything had to be foaled here. The reason we did that is the out of state members said they would breed more mares if we would allow that program. She thinks that we addressed the biggest part of that when we started the Export Broodmare Program and to her if we are going to let mares foal out of state, we should just do away with the Export Broodmare Program and make everybody come back. There are a lot of people moving away from breeding horses. It is a lot easier to just go buy a horse at the sale than breed. Mac feels that pretty soon, we are not going to have the inventory to sell.

President Goncharoff had W.L. Mooring on the phone who is against the idea but made the statement that he thinks if you are going to let the recipient mares foal out of state, you should let them all foal out of state.

Rodney Richards feels that there should be a clause that if you foal your mare out of state, they have to come back to New Mexico to be bred back. If they do not come back, the foal would not be eligible for New Mexico Bred.

Mary Barber asked the question, if a mare foals out of state and has a New Mexico Bred, can that foal be say a Texas bred also and Mac Murray answered no. The foal can only be a New Mexico Bred.

President Goncharoff asked if we are comfortable as is to present this to our members to vote on? Norma Alvarez made the statement that you should be pretty confident that it could pass before we take it to the members.

Mike Logan made a motion that we go ahead and vote on this proposed By-Law change as is now, but we can revisit this at our next meeting, seconded by Mac Murray. Motion carried 8:3.

2- PROPOSAL FOR PREGNANT THOROUGHBRED MARES FROM OUT OF STATE ALLOWED TO COME TO NEW MEXICO AND FOAL OUT AND BE BRED BACK TO A NM STALLION.

Mike Logan read the Thoroughbred Mare Rule Change Proposal, (copy incorporated into the record). The proposal explained that a pregnant TB Broodmare could come to New Mexico and be put into the broodmare registry before the foal is born (late but without penalty). If the mare is registered after foaling, then the late penalty would apply. As long as she is bred back to a New Mexico Stallion. The mare is only eligible to do this once. This program would be for foals born in 2022, 2023, or 2024 and then would have to be voted on again in order to continue. A second option was included to say that mares currently in the NMHBA program could travel out of state to be bred to an outside stallion, come back and foal in New Mexico and be bred back to a New Mexico stallion. The mare would only be eligible to do this once in her lifetime.

Mike Logan explained that the first part was only for new mares and would not be fair to people in New Mexico, so they came up with the option for mares to go out one time and be bred to an outside stallion.

Letters from Susan Hunter, Fred Alexander, Patrick Aguilar & Steve Wilson, Sam E. Stevens, Sammy L. Stevens, & Steve Brown in opposition to this proposed By-Law change were read aloud by Susie Prather.

Mike Logan reported that RQS or the Race Quality Score determines if a race is black type by speed in addition to the purse having to be a minimum of \$50,000. We have some black type races but if the quality is not there, the race will not be good enough to qualify. It takes two years to get a race back to black type once it is lost. As breeders, black type is important when selling our foals.

Simon Buechler mentioned that at one time we had a New Mexico Foal in addition to a New Mexico Bred. A New Mexico Foal was a horse born in New Mexico and could run in the races but was not eligible for the award funds.

Mike Logan continued to say that apparently, money is not the answer to improve the quality or the population of Thoroughbreds in this state. Currently, we put \$4 million plus on Thoroughbred stakes and \$2 million plus on Quarter Horses. There is a difference of \$1,740,000.00 of what is put on these stakes and yet if you look at the sale catalog, there is only a handful of Thoroughbreds worth buying. Out of the 42 Thoroughbred stakes races, only eighteen are black type.

Discussion went on for some time on this topic before eventually Mac Murray made a motion to vote on the Thoroughbred proposal as written beginning with foals born in 2022 and will sunset after three years with the second option left in, seconded by Vanessa Alexander. Motion tied with 5 Trustees for and 5 Trustees against. President Goncharoff broke the tie by voting for the motion.

3- PROPOSED BY-LAW CHANGE ON ELIMINATING THE RETURN FORM FOR THE EXPORT BROODMARE PROGRAM

Mary Barber explained that when we started the Export Broodmare Program, it was added to our By-Laws. What is being suggested is to eliminate the portion under C that states “and subsequently the “Broodmare Returning to the State” form was submitted and approved.

When you submit an application for New Mexico Bred, you state where the mare was kept and where the foal was born. The Return Form asks the same information, and it is very cumbersome and the people who participate in the program seem to have a tough time with it. They send the first form and the \$500.00 and then have to send a second form and people miss that. It is also a huge job for the staff. We do back flips trying to remind everyone to do this, and it is redundant. This is a By-Law change so we would have to have the membership vote on this. This would simplify the process.

Helen Nave made a motion to have the members vote on this By-Law change, seconded by Vanessa Alexander. Motion carried 11:0.

OPEN DISCUSSION

Lynette Baldwin thanked Vanessa Alexander for the work she is doing. Because if there is no racing in New Mexico, there is no need to breed. She does not have stakes horses but makes a good living with her breeds with the way purses are here at Zia Park. They should not have to put up with all the other stuff they put up with on a daily basis so that we can try to make a living. She has been fighting them ever since COVID started. She fights the starter fee. They treat the horsemen like they are just a bunch of whiners. The starter fee was for the racetracks legal fees and had nothing to do with her, but she paid it. Zia Park made \$18,000 parking cars the other day when they were racing camels but do nothing for the horses. Until all these problems are fixed, and the Commission starts making these racetracks accountable, her people are going to stop buying breeds. She is giving horses away because she cannot run them.

Vanessa Alexander commented that she put together some stuff that is very simple integrity questionnaire. Stewards and Investigators should have been asking for years. She cannot even get management here to return a phone call.

Simon Buechler thinks that the breeders should get on board with the horsemen's lawsuit. If there are no horsemen, there will be no breeders. President Goncharoff will put this on the next agenda, and he urges everyone to read what is in the lawsuit. Lynette Baldwin has read every word and thinks there is not a better lawsuit written and thinks the attorney is underpaid. We owe him a ton of gratitude. At least we have a foothold and we have run two items so far.

Mark Brown brought up that the head of the state is the Governor. When it comes to voting next year, just remember that. Helen Nave let everyone know that Louie Sanchez will be at the races the next day and he is really interested in horse racing. He is a Republican candidate for Governor.

Larry Strain stated that the breeders were behind the horsemen on their lawsuit. President Goncharoff stated that is not so. We wanted to avoid litigation if at all possible.

Mark Brown spoke about the letter we sent to the horsemen and all it asked was for the horsemen to consider mediation. Vanessa interjected that it took the board two votes to get it sending the letter passed and the Commission would not go through mediation when asked.

Vanessa Alexander went to the AQHA Committee meetings and reported that the breeder associations need to get involved and she has brought copies of the article "They Oughta Initiative" by Ron Bullock for all to read. He thinks the AQHA should also get more involved. Mark Brown explained that it is not for us to ruffle feathers but for us to educate our membership and horsemen. It is just how to educate people so that they know where to go to get things done.

Helen Nave made a motion to adjourn, seconded by Vanessa Alexander. Motion carried 11:0.

Tom Goncharoff
President

Mary M. Barber
Attest