



**Board of Trustees Meeting
Association Offices**

**December 7, 2023
Albuquerque, New Mexico**

PRESENT

President Tom Goncharoff, 1st Vice President Norma Alvarez, 2nd Vice President Nancy Summers (by Zoom) and Trustees Brian Anderson, Mark Brown, Denise Chambliss, Warren Franklin, Debra J. Laney, Mike Logan, Helen Nave, Susie Prather,

ABSENT

Patrick Sanders (tried to come by Zoom but could not connect).

GUESTS

Association lobbyist Joe Thompson (by Zoom), Betty Hickman, Mark Lee, Thea Lee, W.L. Mooring, Jaime Cervantes, Lea Star Hamilton, Leslie Goncharoff, and Mac Murray.

QUORUM

President Goncharoff acknowledged a quorum present.

MINUTE APPROVAL

Mary Barber commented that when she was doing the minutes, she noticed some things that have been said that need to be clarified. She wanted to explain that the staff does not just enter twelve races a week. We go over every race that is run in New Mexico to see what horses are New Mexico Bred and have placed 1st, 2nd, or 3rd. Who gets an award and who gets a 10% Track Breeder Award and who gets extra purse funds for being a breed in an open overnight race. On the 10% Awards, it was mentioned that they are classified by A, B, C, or D and that is not correct. The four classes are only used for the Incentive Awards that go out in November. The 10% Awards depend on the purse of the race that was won by a NM Bred.

Helen Nave made a motion to approve the Minutes of October 26, 2023, as written and along with Mary's clarifications, seconded by Brian Anderson. Motion carried 11:0.

LOBBYIST REPORT

Joe Thompson commented that things should be very interesting at the legislature this year. It will be the second session of the Governor's second term and this is the last chance the Governor will have to set the agenda. A lot of people are asking for things to be messaged. Unless it is a budget item, the Governor has to message it. We have heard that there might be some legislation about our industry being messaged but the Governor's office will not be sharing that information anytime soon. He is not sure if the tracks will put forth a piece of legislation. There might be but it is a short session and he just doesn't know what is going to happen and we have to be ready anyway. They know that we will fight anything vigorously if we need to.

President Goncharoff asked when the session is and Joe explained that the session starts on the third Tuesday of January and goes for 30 days straight.

President Goncharoff thanked Joe Thompson for coming to the meeting. Joe will contact us if there is anything that comes up. He knows that we have our committee and maybe we could have a group text going and can get on a call really fast if necessary.

ATTORNEYS OPINION ON 10% ISSUE AS REQUESTED AT THE LAST MEETING

The memo from Raymond Sanchez was reviewed and Mary Barber read the last paragraph that summed everything up.

The paragraph read as follows:

The more important question is whether the Trustees want to make an issue of the 10% Awards coming out of the horsemen's purse fund if it may lead to the Commission deciding to make a rule defining specifically how the 20% is distributed. It could be a political bee's nest that the trustees may not want to risk at this point. This probably needs to be clarified by an amendment to the statute, but this is a short session and would need the Governor to message it. Last, if we try an amendment, it will open the entire act for amendment, and you can be sure the tracks will want their changes.

Debra Laney didn't think that anyone was really upset about this that she had talked to. Mary Barber commented that it would be around \$750,000 more out of the horsemen's purse fund from all five racetracks combined. Mary Barber explained that the 10% Track Breeder Awards re not being done the way the statute is written and was discussed at the last Commission meeting but it was also discussed that we are not following the statute that states simply 20% goes to purses when we put 1/3 of the gaming funds for NM Breds in our award funds.

Debra Laney thinks we don't want to fight this at this time. President Goncharoff added that perhaps we may want to address this at the next full session next year when we can get both items clarified in statute. The concern is if we are taking the 10% awards out of purse money now, what will be next. Maybe we can leave it alone for now and address this at the next regular session. This could ultimately benefit both the breeders and the tracks if we manage this correctly.

Mike Logan has talked to several people and thinks that nobody is exactly sure about the 10% Track Breeder Awards and how it is handled but if they take the other half of the funds from the horsemen's purse fund, it will only be about a 3% decrease.

ACTION ITEMS

DISCUSS AND VOTE ON BY-LAW CHANGE FOR QH BROODMARES BRED OUT OF STATE

There was a lengthy discussion on this topic. Debra Laney talked about the broodmares coming in should not have to be registered before foaling because that might not always be possible. They will already have to pay the broodmare penalty since they would not be registered by September 1st of the year bred and everyone seemed to be in agreement. The Trustees went back and forth on when this program would start and when it would end. If the members would be asked to vote on this every year or if the Trustees could make that decision. It came out that New Mexico Bred horses would not be allowed to participate in this program. The purpose is to get new broodmares that are not already in our program as a broodmare or as a racehorse. These new broodmares would produce two New Mexico Bred foals. It was discussed whether there would be a sunset or if this new program would just end.

The details were discussed about if a mare could not produce a second foal within two years because she passed away or just could not get in foal. If this happens, the owner of the mare could bring their case to the Board to decide if the foal by the out of state stud could still be a NM Bred. They have to make a valid attempt to have a second foal within two years. Debra would like to have an explanation sheet and the purpose of the By-Law change. The exact wording will be done by early next week and we will have a Zoom meeting to go over the wording and clear up all the details.

Both Denise Chambliss and Mark Brown made comments about being able to use their mares they already have in our registry that they would like to be able to go out of state to breed. Debra Laney felt that the purpose is to bring commerce into New Mexico and it should only include brand new mares. That is one of the reasons for her proposal is to improve our numbers and quality. She does not have a problem with other Trustees having their own proposals.

Mark Brown feels that we need to start this later and not having it start with the foals of 2024. People could say that we damaged their program by allowing this after they had bred their mares to New Mexico studs this year in 2023. Debra had originally had this start in November of 2023 to include mares bought out of the late sales but if we have it start with the 2024 breeding season, which is not necessary.

Mac Murray thought it might be a good idea to have our attorney look into this. He also mentioned that mares put in after September 1st would have penalties. The current rule is the stallion has to be enrolled and asked if the outside stud has to be registered and was told no. He asked if the open studs would get the stallion awards and was told no. If a NM Bred foal out of an outside stud wins, there would not be a stallion award. He also asked who the breeder would be if you buy a mare in foal, the original owner under the AQHA rule or the new owner. Debra Laney explained that the new mare owner would be the

breeder under this program. Ralph explained that under NM statute we can determine what a NM Bred is. In the By-Laws we would have to say that the breeder of record for this program would be the new mare owner who owns her at time of foaling.

Denise Chambliss asked if this could be tabled and have a vote six months down the line so that we could refine this program. President Goncharoff felt that we need to do this now.

President Goncharoff feels that Mark Brown has a good point that we start this later so that everyone can participate.

Leah Hamilton commented that if we try to fix every possibility that could arise, we will never get started. Realistically, how many people would do this to get a foal nominated to the \$1million race? She feels that we are all trying to split hairs. You have to start somewhere.

After a lot of thought and more discussion, Debra Laney made a motion for this program to start with new mares being brought in that are in foal to outside stallions in 2024 to foal in 2025 to erase our liability, seconded by Norma Alvarez.

Mike Logan feels that we are rushing this motion. We are still going to have a Zoom meeting on Monday. Debra doesn't think so. This is just voting on the logistics so that she can get started on the wording.

Motion carried 11:0.

DISCUSS AND POSSIBLY VOTE ON BY-LAW CHANGE FOR TB BROODMARES BRED OUT OF STATE

1) Presented by Susie Prather and Helen Nave

Susie Prather had presented this to about sixty people and a lot of people replied and all of them are against it and they want to leave the program alone for the Thoroughbreds. Because of this she is against presenting a proposed By-Law change to the membership.

Helen Nave talked to Steven Brown and he favors the Louisiana breeders' program and Izora Southway feels that the New Mexico Horse Breeders would lose their integrity by making this change. Joel Marr thinks that we are just chasing our tails and that if we don't get our race dates back and if they don't start treating the horsemen better nobody is going to want to run in this state.

Susie Prather commented that we could table this for now and continue to discuss it throughout the year and come up with something new that people may agree with.

Helen Nave added that she really doesn't need another mouth to feed and would rather be allowed to take her current mares out one time instead. Warren Franklin commented that the idea of this program was to bring in more mares and raise up our numbers.

President Goncharoff asked Susie Prather if she didn't think that this would bring more business to her farm and she replied that she really doesn't think it would. The ones that are going to do this are the people that have a lot of money and they would come back to breed to only the top stallions. Somebody could go buy a really nice stallion and bring him here and get a lot of business from these mares.

Helen Nave took her horses to SunRay Park and was not able to get a race for them. She went on to say that other people had to run open in order to be able to get in. The loss of race dates has really been a problem. President Goncharoff said that the question is that what came first, the chicken or the egg? Is it because our numbers are down that they have cut dates or have the numbers gone down because of the cutting of days?

This discussion went on for quite a while.

2) Leah Hamilton and Nancy Summers

Nancy Summers went first and said that in response to not being able to run the Thoroughbreds, she feels is because the races that are being offered are not filling. She gave some examples of races that we just don't have the population to fill. If we cannot fill the two-year-old races this year, what is going to happen to the three-year-olds next year? We have to run open in order to get in. Nancy thinks that we need to put a cap on the open stallion's stud fees for this program. We need an influx of new blood and the quality has got to get better. In this program you get two new babies. This may not be the answer but she doesn't hear anybody suggesting anything better. We are at the point where she doesn't know what is going to happen with the Thoroughbred stakes next year. A good example is the NM Breeders' Oaks at Sunland Park. She won it this year with a maiden and only six horses were in the race. We are already behind on trying to do something but instead we always say that we don't want to mess with our breed program. If we can't fill these races they are going to be cancelled. We are already in serious trouble and if we don't do something now where are we going to be in three years from now?

Leah Hamilton said that she had researched the numbers of Thoroughbred mares bred in the state this year and found that there were only 361. The live foal rate according to the Jockey Club is only about 50% so we can expect only about 178 foals. How many races do you think this is going to fill? The backbone of horseracing is not stakes races. The backbone of horseracing is all the little races that keep everybody employed. If we don't figure out a way to increase those numbers, it will be the end of it. Susie Prather was right about one thing because the only stallion in New Mexico that reported being bred to more mares this year than before is Marking. Everyone else across the board had less mares this year. There are people aging out of the game or people leaving it because of inflation. We have to start thinking out of the box to get people to participate. Nobody wants to make the New Mexico Bred program worse. Everybody is coming from the standpoint of how we can improve it. So, if we can get more people to participate and make it more palatable to get people to get started. The more she looked at the numbers the scarier it got.

Warren Franklin asked if people who cannot afford to buy new pregnant mares are going to deter those people from breeding the mares they already have here because they will feel that they will not be able to compete. Leslie Goncharoff commented that we will still need horses to run in all the overnight races. There are more of those middle horses that get to run and people shouldn't stop breeding. They should continue to breed the best they can to the best they can. There is no incentive to not continue to breed in New Mexico. Leslie bought two mares this year and they were less than \$5,000.00. You can get new mares at a reasonable price but you have to go and look and you have to pay to get them here. They might not be good enough quality to run in Kentucky but they could do well in New Mexico. Nancy Summers thinks that if you control this by capping the out of state stallion's stud fees to maybe \$20,000, it will make it more appealing to our members. Norma Alvarez feels that we have to improve our quality and you have to be competitive. You have to try to improve and that is where Fred Alexander excels. Mike Logan said that most of the comments are about race dates. We have 187 days coming up and they only have to offer three a day. Offer not run. This is not about dates. This is about more mares and more business. Nobody wants to be a breeder anymore. We need to offer an incentive to be a breeder and if you want more race dates, you have to produce more foals. We are going to run the Oaks again this year so we will see what happens. Short fields do not handle well. Debra Laney heard that Sunland Park has sold and she also heard that they will not run a race with less than seven horses in it. Mary Barber said the current rule is they have to use a race that fills with seven or more horses but if they only get six horses, they do not have to run it. Mike Logan reported that we lost stakes races because they did not fill.

After a lot more discussion, Nancy Summers made a motion to put this on the ballot with an educational campaign in advance. Nancy and Leah will nail down the language and we can go over it at the Zoom meeting next Monday or Tuesday to be held at 5:30 or 6:00 p.m.

Nancy Summers thinks that if we explain it to people better, they will change their minds. They do not understand how bad things are and if we are not careful, we will be running three Quarter Horse days and only one Thoroughbred day if we don't get more horses. On Suzie's email, it did not mention any stipulations like a cap on the out of state stallion's stud fees. Suzie Prather will ask again and let us know what she finds out at the Zoom meeting next week.

Warren Franklin thinks that if we show our members the information discussed today, maybe they would understand where we are at and that we are in trouble, maybe they would change their minds.

President Goncharoff mentioned that maybe we can talk about this at the Annual meeting. Mary Barber commented that people don't come to the meeting ever since we started the Mail In Ballots. The vote is already decided before the meeting even starts. Debra Laney thought that maybe we could use that survey monkey we used before. President Goncharoff thought that we could use social media to get the word out. We could also put something together to go out with the ballot.

Susie Prather will send out another email to her people to see how they feel. She doesn't think they will change their minds. She explained that her farm has been struggling since 2019. A lot of her clients have cut back on their mares.

Nancy Summers said that she talked to a lot of people and you can convince them. If we showed them the numbers and explain that if we can't fill the races, they will stop offering them. Flaco couldn't convince Fred but was able to talk to Bobby McQueen and Kirk Robison and they seemed to be for it. Nancy Summers thinks that if you cap the stud fee, these people will be for it. Susie Prather will ask her people again and include that idea.

Mary Barber thought we could send out Leah's proposal by mass email along with a little introduction to it. That is a way to get the word out to a lot of people.

Mike Logan feels that if this is not the answer, help us to find a better answer. Warren Franklin asked that if it doesn't go through, then what?

Ralph Vincent thinks that the solution might be to take these stakes races away. People talk about how great this program is but if it is so great, how come we are only going to have 100 and some foals this year?

Warren Franklin is afraid that even if it were to pass, we still wouldn't get that many foals and it will not end up changing our numbers much with the economy the way it is and the way racing is being looked at now. President Goncharoff asked what do we have to lose? The tracks are all competing for the same horses around the country. This was being discussed at the racing symposium. New Mexico needs to take advantage of what is going on in surrounding states. We ought to be able to get a lot of business from Golden Gate in California, Colorado, Arizona, maybe Texas. This program has to be attractive enough for people to pay attention to it.

Nancy Summers thinks that we could attract a lot of these breeders from other states to move here with their pregnant mares and make those foals NM Bred under this program and we might get lucky on something like that. We could go to those people and say here is a proposal for you.

Ralph Vincent had an idea of having regional stakes with other states. Those people get some experience here and see how NM Breds get extra purse funds.

Nancy Summers made another motion to table this decision until the Zoom meeting Monday evening, seconded by Susie Prather. Motion carried 10:0.

DISCUSS AND VOTE ON ICSI / ETS BY-LAW CHANGE

Debra Laney mentioned that we already have agreed to put this on the ballot but she had received some calls and was asked to take off the Embryo Transfer portion of this By-Law change. Mac Murray went over the different facilities that can do embryo transfers in the state of New Mexico.

Debra Laney asked the Trustees to change this to be just for the ICSI. ICSI is not available in New Mexico. She then read her proposal to the Trustee excluding embryo transfers. This outlined the rules that would apply to this proposal.

Debra Laney asked the Trustees if they are okay with taking off the embryo transfer.

Norma Alvarez would like to take off the portion about embryo transfers and amend the proposal.

Mike Logan does not feel that we have ample places to do embryo transfers and Brian Anderson is only going to start doing this at his farm out of the need to do so.

Mac Murray stated that they can do 150 embryo transfers at MJ Farms and W.L. Mooring said that Double L Farm can do 100 embryo transfers.

Mark Brown thinks we can do embryo transfers in New Mexico and we should not allow people to take their mares out of state for that.

After more discussion, Debra Laney made a motion to resend the original action item that was for both embryo transfers and ICSI and change it to just ICSI, seconded by Norma Alvarez. Motion carried 10:0.

Debra Laney made a motion that we put on the ballot to allow NM Bred mares that need ICSI done, to travel out of state to have that procedure done and can only do the OOCYTE transfers that are implanted in a recipient mare and reach a viable pregnancy after 45 days are eligible to be NM Bred. They cannot be put in a freezer and kept for an indefinite amount of time. There can be multiple foals, seconded by Norma Alvarez. Motion carried 10:0.

Debra Laney made a motion that we adopt this as what goes on the ballot since we took the other off, that NM Broodmares will be allowed to go out of state for ICSI and to revise the wording in the By-Laws to accommodate this change if it passes, seconded by Norma Alvarez. Motion carried 10:0.

The Trustees took a 5-minute break.

Debra Laney made a motion to go into executive session to discuss personnel matters, seconded by Mike Logan. Motion carried 10:0.

The recording was stopped and Mary Barber left the room.

When the Trustees were done, Mary Barber was called back into the room and told that the Board had made decisions pertaining to the employees and were unanimous.

Open session was resumed at 4:04 p.m.

DISCUSSION ITEMS

RECIPIENT BROODMARES

Debra Laney said that she had been approached and asked her to suggest allowing recipient mares to foal out of state.

Debra Laney did some number crunching and submitted a chart that she had put together showing that in 2023 there were 16 export recipient mares, in 2022 there were 13, and in 2021 there were 21. So, overall, there were 50 recipient broodmares that had to come back to New Mexico to foal in order for the baby to be a NM Bred. The export broodmare program clearly states that you have to come back to NM. The chart showed that H Bar O can foal out 40, Sierra Blanca can foal out 20, Double LL Farms can foal out 75. That totals 135 plus whatever Copper Springs Ranch can do which is unknown for now. According to Amber's report from last year there were 115 recipient mares in this program and about 10% went into the export broodmare program.

One problem she sees is how would the office handle registering New Mexico Breds from multiple states and this could confuse the racing offices. She also thinks it may be a problem to just allow the recipient mares to do this. Someone might have a mare carrying her own foal that is in the export broodmare program, and she has to come back foal but a recipient mare would not have to come back.

Mac Murray explained that the recipient mare is not going to be bred back because she is just a vessel for the embryo. There are a lot more foals than farms that can foal them out and people have a hard time bringing them back here. Some people don't breed NM Breds because of this. He asked these people if they could foal out the recipient mares out of state, would they participate and he was told they would. He came up with about 59 more foals that would be registered NM Bred if they could foal out the recipient mares out of state. He thinks they personally would breed another 100 mares if this would pass. He suggests trying it for just one year to see how it goes.

Debra Laney is just concerned about the people that do not do embryo transfers, who are smaller breeders, would not be allowed to do this and it would not be fair to them. She does not agree with this so she will not ask to put this on the ballot herself but someone else could.

Mark Brown thinks it is just too costly to bring the mares back to New Mexico and it is also risky to have to transport them. There is a lot of extra expense making those recipient mares come back to New Mexico. They are spending about \$5,000 more by doing an embryo transfer too.

Mac Murray feels that this would also help the coffers of the association because these extra foals would bring in a registration fee and their owners would have to do a membership on top of the export broodmare program fee of \$500.00.

Mike Logan does have a problem with letting the recipient mares foal out of state and not a mare carrying her own foal. Mac Murray told the Trustees that almost every

mare they breed that goes out of state has an embryo transfer. He feels that we just voted to not let people do embryo transfers out of state so that we keep commerce here but now we will let recipient mares foal out of state.

Mac Murray said that his is the simplest way to bring up our numbers. He thinks that we should put this on the ballot and let the members decide just like we are going to let the members decide about her proposal.

Debra Laney said that the board has to vote to put anything on the ballot and she would vote against this.

STAKES REPORT

Mike Logan referred back to a couple of items.

Albuquerque should have some numbers for us on the nominations for the NM State Fair Quarter Horse Million Dollar Futurity and as soon as he has those, he will share them with everyone.

We had the Classic Cup day at Zia. They put all the Quarter Horse races on Sunday and all the Thoroughbred races on Monday. Zia Park sent out a report showing how successful that was. Nancy Summer had said that the racetrack has taken a toll on some horses but has not seen any catastrophic injuries. She happened to be sitting with Dr. John Pickard and he verified that they had not had many breakdowns or deaths but Nancy did say that she has been having problems with tendons, a cracked canon bone, and so on.

Mike Logan did go to the races at Zia Park on that Sunday and it was a great day. It was just a nice experience. There were a lot of people there and the staff did a great job.

We did have one Thoroughbred stakes race that did not fill and was cancelled. One Quarter Horse stake did get cancelled because it only got four horses nominated. It was the Sophomore stakes which was the QH Derby consolation. He talked to management and they felt it was about \$14,000 underfunded because it was \$50,000 and allowance races were worth \$64,000 for breeds.

Mike also had a great experience at Albuquerque for the million-dollar race. He had a lot of fun and they did a good job as well.

Mark Brown asked why racetracks are paying less added to a stakes than they are putting on an allowance race? Mike Logan explained that there were two young stakes at Zia Park that was only \$50,000 with \$25,000 from us. We work on this in advance and the tracks do try to keep their stakes fund at 20%. They are not aware that the intent in statute was that if you have a \$100,000 open stake, you should have a \$200,000 breed race. That is how the program was built and now it takes our contribution to have parity with the open stakes.

MARKETING COMMITTEE

Norma Alvarez showed some advertisements. Louisiana has a good program, but it is not as good as ours. They put out an advertisement that showed their million-dollar race and what breeders will earn for horses that finish in the top three. They are structured differently. Mike Logan commented that they are top heavy. Louisiana only runs 142 QH days and the one advantage they have over us is the Louisiana Breeders own their own races. Helen Nave asked how we do that and Mike Logan said that is the \$60 question.

Norma Alvarez reported that Tom Dawson sent her a new bid for the Cowboy Channel and went over the races that were offered. For all those would be \$22,500 and has 32 in show and 32 general and 4 bonus spots. The reduced plan is \$18,000 with 24 in show, 24 general and no bonus spots. She thinks we should go for the lesser plan. President Goncharoff asked if we could go race by race so we don't have to pay for all those races. Debra Laney asked if we could get the racetracks to help pay for this.

Norma Alvarez wanted to ask Denise Chambliss if they could cost share on this with the Cowboy Channel. She thinks we may be able to get Ruidoso Downs to help because we really promote the horse sale. Denise Chambliss will also ask Zia and Sunland Park to see if they will pitch in. Albuquerque said they would pitch in \$7,000 and was told they would but they never did come up with it. However, they have been giving us a free full-page advertisement in their program and they have advertisements of their own that mentions us and our contribution to the million-dollar race.

Denise Chambliss reported that she has talked to a gal at Sunland Park about doing something there around the time of the Sunland Derby.

BUDGET REPORT

Mary Barber went over the budget report showing that we had budgeted a total of \$465,038 for 2023 and after the third quarter, we have spent 337,466.80 leaving \$127,571.20 for the fourth quarter. She thinks we are in pretty good shape and on track so far. She will have the final budget for the year at the Annual meeting in the Annual Report.

PURSE FUND SHARING

Mary Barber reminded the Trustees that we had talked about what it would look like if we combined all the overnight money from all five racetracks and distributed the same amount to each one. She provided a chart of overnight funds for 2023 so far that showed we had received \$3,467,486.94 from gaming and \$173,711.66 in funds from Unclaimed Tickets totaling \$3,641,198.60. Then she deducted what went out from this fund to the NM Breds that ran in open overnight races totaling \$934,149.40 leaving \$2,707,049.20 and divided that by 187 days. That would come out to \$14,476.20 per day. One thing she did not take into consideration was trial days. We will need to deduct the number of trial days from 187 and also the \$2,000 per trial race. She can work on updating this chart and maybe she and Denise Chambliss can work on it together.

Mary Barber feels that if the Trustees do end up voting to do this, we would need to talk to the racetracks and get approval from the New Mexico Racing Commission before we do anything. Some people think that purse sharing is illegal. She did talk to Chris McErlean and the amount that Zia Park is giving to Ruidoso Downs is \$2,000,000. She had thought it was more like \$3,000,000 for some reason but Chris did say this deal is only through something like 2025.

The second page of Mary's report showed what is being put on the overnight races at each racetrack in 2023. She figures out how much a racetrack can average per day excluding the trial days. Mark Brown thinks it is so lopsided because racetracks are running less days and their purses are way up.

ANNUAL MEETING

Mary Barber reported that she went to the Sheraton Uptown on Tuesday. They had already rented out their big ballroom and so they showed her the Jr. ballroom named the Roxy which is really better because we only have about twenty people show up in addition to the Trustees and the room was too big. So, she thinks this is really going to be a better deal for us. We will also be moving the board meetings and lunch to a different room as well. We will be located in the Ivory room. This room is even bigger than the one we have been using.

OPEN DISCUSSION

Mary Barber had just received some information that she wanted to share about the upcoming audit. She had been shopping around for a new auditing firm because Moss Adams is charging us \$30,000 and we just cannot afford that. She reached out to six different accounting firms. Three did not reply, two asked for our financial statements and then said they were not interested, and two were interested. The SJT Group LLC is just down a little ways and across the street. They submitted a proposal for \$13,500 plus tax. Mary had talked to Tom about this and he suggested she get some references from them and so she did. She was able to contact two of their clients that gave them raving reviews and that had been doing business with them for several years. We also did a peer review on Lonnie Juarez, who is the partner we are dealing with and he has very high ratings. They also came recommended by the NM Society of CPA's so it looks like they are a very reputable firm.

Mike Logan made a motion to adjourn the meeting, seconded by Helen Nave. Motion carried 10:0.

Tom Goncharoff
President

Mary M. Barber
Attest