

ABBA BOARD OF DIRECTORS MEETING

Bryan, Texas – August 1, 2019

OFFICERS: Loren Pratt, President
Craig Fontenot, Vice President
Joe Ward, Secretary/Treasurer

STAFF: Ashley Hughes, Executive Vice President
Shelby Schiefelbein, Director of Youth/Communications

DIRECTORS PRESENT:

Alfredo Muskus, Jr.	Scott Satterfield
Josefina Muskus	Sara Anne Lindley
Johnny Gnemi	Jerry Wood
William E. Fenn	Steven “Steamer” Swaner
Carl Lambert	Paul Canik
Terry Novak	Paul Constance
Michael Goudeau	Carolyn Falgout
Rachel Cutrer	Louis Dooley
Randall Tipp	Craig Fontenot
Steve Hudgins	Larry Barthle
Brandon Cutrer	Ricky Booth
Mark Forgason	Larry Ford
Mike England	Bill Nettles
Wes Schneider	Jay Darnell
Leo Casas	Michael Storey
O.W. Schneider	Ricky Hammonds
Joe Ward	Danny Villamil
Glenn Ruschhaupt	Alberto Banuet
Patricia Collins	Loren Pratt
Rick Butler	

PAST PRESIDENTS PRESENT:

Richard Forgason	Carl Fontenot
Sloan Williams	Jimmy Chapman
Ed Cullers	Bob Hudgins
Mike Partin	J.D. Sartwelle Jr.
Bob Parish	George Kempfer

The meeting was called to order by President Pratt at 2:00 p.m. Ashley Hughes called roll and a quorum was declared.

CHAIRMAN'S MESSAGE- Loren Pratt

President Pratt discussed his logic behind not having a spring meeting. He reminded the board of their duties as board members. The duty of care to make prudent business decisions, the duty of loyalty to put the interests of the organization above your own and the duty of obedience to ensure the association maintains true to its purpose. Accomplishments so far this year include operating in the black, the new indexes that are set to be released later this month, and the Past Presidents Council being formed to offer advice. Each of these and others will be discussed throughout the meeting.

Glenn Ruschaupt made a motion to approve the minutes as presented. Seconded by Larry Barthle. Motion carried.

EXECUTIVE VICE PRESIDENT REPORT- Ashley Hughes

To start, Ashley thanked everyone present for attending the meeting. She expressed that mistakes are made but the important thing is to learn from those mistakes and take advice from those around you. There are lots of big items coming including continued updates to the LGS system. The board had previously received documents detailing the current updates. Ashley briefly summarized the current SOW that is to be completed by August 15th. Details include the saved batch function and the closing of the monthly work orders. Thorough beta testing will take place and is currently in progress on both the office and member side of the LGS system. Other components of the SOW include removing the name for performance, adding the birth weight space to the first screen to make it easier to utilize and a variety of administrative functions. Future SOWs will include the digital storage of certificates. As always, I am available to answer any questions that you may have.

FINANCIAL REPORT- Joe Ward

A chart of registrations and transfers was available for all directors and was discussed. When evaluating the trends of the past few years, the trend is increasing. 2019 is slightly under 2018 right now, but the best way to track the health of an association is to look at the trends. The financial statements were discussed. Registrations are slightly behind last year. Unassigned LGS income is showing up and is currently a negative number. The finance committee and CPA are still working to determine what this number may represent. It is currently affecting the income. This year to date we are significantly ahead on transfers. When looking at the financial statements there are currently some blank line items, these are being researched to see if they are truly zero or if it is missing entries. DNA is a little bit off from last year potentially a function of the rules. Rush fees this year are almost double, this is most likely due to the backlog and nervousness of members to receive their papers. A clarification has been requested to see if the board would like new member dues separate from renewals, they are currently lumped together. The International Sale went from being a breakeven to a significant increase due to the hard work that the international committee exhibited to put on the event. Chilton is increasing. The realized gain/(loss) is now being correctly reflected on the financials. The significant change in nonoperating income has to do with how these were being reflected previously. It seems as though we have a better handle on the expense side than on the income side. Total expenses are up slightly. There is still work to be done so the numbers may shift slightly. The balance sheet was discussed. Origin should not have a negative balance so that is incorrect. All CD's are listed, and ABBA collects the interest. The building fund matches with

the previous year. Chilton is now split up into two different accounts. The finance committee changed the management style, and both are reflected on the balance sheet. We are currently outperforming similar investments. The statement from the CPA will explain the Accounts Receivable and Prepaid accounts. AJBA dues had not been transferred to AJBA for an extended period but that has been corrected and they will now be transferred in a timelier manner so that it does not build up. The negative federal tax amount is being investigated. An update on AJBA financials was given. The finance committee is currently watching the AJBA financials, but they are not managing it. The AJBA CD was located. The bank had changed names, but the CD had never moved. AJBA is currently operating in the black and is significantly better off financially than they were at this time last year. The difference is almost \$90,000. Monitoring will continue to occur.

A meeting was held in the ABBA office after the All American to get a grasp on where the finances stood knowing that LGS financials would switch after June 30th when the income from LGS was corrected by closing the work orders at the end of each month. At this meeting it became apparent that LGS had not been entered (as expected) but a lot of the other accounting/bookkeeping had not been done either causing a tremendous amount of work needed to occur. After this meeting, the finance committee had a call and they had two suggestions to be sent to the executive committee. The first was a travel ban on all staff's non-essential travel until the financial statements were completed. There was also a motion from the floor to terminate the individual responsible for the bookkeeping of the association.

A statement from Dawn Sabo (the new ABBA CPA) was read aloud to the board and guests. The statement outlined some of the issues that Dawn had encountered thus far including the income appearing to be double counted in certain cases causing an overstatement of revenue; ADP payroll had not been entered into QuickBooks, the CPA has since entered all payroll for 2019 through June 2019; none of the monthly investment activity had been recorded for 2019 and the account had never been reconciled; ABBA has two credit card accounts which were not reflected in the chart of accounts, the CPA has since added both items to the chart of accounts; PayPal was not included in QuickBooks and thus had never been reconciled; the operating account had not been reconciled since December 31, 2018 and very few transactions were entered except the checks being written; Chase operating check numbers did not match the check numbers on the bank statements. Shelby is working to correct this; the Origin bank statement had not been reconciled since December 31, 2018- this is being researched; Several accounts still need to be researched; CD accounts had not been reconciled for 2019- this is in progress; AJBA dues had not been transferred to AJBA since September 30, 2018- the check has now been processed and given to AJBA to deposit; Federal taxes are currently negative which is most likely incorrect; The bank accounts and credit card accounts are not currently linked to QuickBooks; An audit for 2018 was suggested by Dawn. Discussion regarding her letter ensued. Questions were raised about the meeting and conventions account and the advertising account being too high. The advertising account is high due to how the billing has been realized. A detailed billing statement from Hancock to check the advertising budget was requested. The LGS system was discussed along with the items on the SOW. The meetings & convention balance is higher this year due to the expenses associated with attending the World Brahman Congress.

This is the finance report and I move for its adoption. Seconded by Carl Lambert. Kelvin Moreno requested to know when the former CPA was let go, who's decision it was, when the new CPA was hired, what the responsibilities of the CPA are, and who sets those responsibilities? Joe responded that the former CPA ended on May 30th. It was decided by the former Finance committee, the former Executive Committee, and the Former Secretary/Treasurer and implemented by the current Finance Committee, current Executive Committee, and current Secretary/Treasurer. The responsibilities of the CPA are to do as little bookkeeping as possible. They should be doing the 990s and depreciation, not bank

reconciliations. The scope of work can be detailed out and sent to Kelvin from the Finance Committee at a later date. The job description of the office manager was read from the ABBA Constitution. Alfredo Muskus commented that there are five members of the finance committee that also sit on the executive committee. Conduct of the board was discussed. It was pointed out that the statement made by Joe and the letter sent by Loren do not match. Luisa Muskus asked if prior to the implementation of the LGS system there had been any issues with getting the record keeping and bookkeeping done? It was asked if there was any discussion of offering QuickBooks training before termination was decided. It was stated that there had been a discussion between the President and Armelinda in March of 2019 about the lack of performance. Josefina asked when Armelinda was supposed to find time to do the bookkeeping. Carl Lambert clarified that the 2017 audit did have recommendations made on how to improve. Mike England stated that this was normal. **Motion passed.**

Alfredo Muskus Jr. moved to rearrange the order of the agenda. The motion was rejected. The agenda was read to the board.

COMMUNICATIONS COMMITTEE- Rick Butler

To start off, Chairman Butler recognized the high-quality members of the new communications committee. Hancock Advertising gave a report and advertising was discussed. Hancock has put together a schedule of advertisements that can be made available to the board. The new brochure was passed out to all in attendance. This brochure will be used at TAMU Beef Cattle Short Course. The lack of a photo library was discussed, and three photo shoots were planned for the remainder of the year to hopefully help remedy this issue. The committee discussed advertising on the back page of the program for the National Show in November and it was decided that the new indexes would be the focal point of the advertisement. Staff gave a report on the social media subcommittee that had been previously formed to help ramp up the social media efforts. **Rick Butler motioned to spend \$5,000 on social media boosting. Motion passed.** It was brought up to also consider doing a tri-fold brochure. The status of the website redesign committee was discussed. The next step will be a survey sent to members asking for their opinion on what is important to them for their website. The process for the website redesign was outlined and it will be as follows: the subcommittee will report its recommendation to the committee who will then decide which company to move forward with. The ABBA promotional items were discussed. The goal is to have new promotional items for the National Show in November. A booth will be set up at the National Show to try to get rid of some of our old merchandise as well. One idea that was discussed in the committee was to have hats with the ABBA logo on the side and ranches can put their logo on the front. The location of the photo shoots was listed, it is a good idea to have him shoot in different areas so that not all of the photos look the same. Discussion occurred to have increased promotion of feed efficiency.

Mr. President this is the Communications committee report and I move for its adoption. Seconded by Joe Ward. Motion passed.

SHOW COMMITTEE- Larry Barthle

The Show Committee met this morning with seven members present. The minutes from the previous meetings were accepted. A directive was created to send out a new judging survey to all active members by September 15th. The survey will require membership numbers. A motion to approve new weights & measures at the National Show with details to follow passed the committee. A subcommittee was formed

to look into the details of forming another group class for full embryo siblings. Six people were added to the Approved Judges List: Dean Fuchs, Brandon Callis, Katy Wunderlich, Terri Barber, Brad Gones, and Brett Moraitry.

Larry Barthle moved that if a judge is unable to complete their assigned show with little notice given and no other approved judge can be found that has not judged in the past 6 months, the show committee can waive the 6-month rule. Motion carried.

Larry Barthle moved that supplemental weights on all cattle shown at the National Show including the calf division be weighed prior to entering the show ring. Discussion occurred about whether or not this would slow the show down. The weights will be given to the judge for review. **George Kempfer amended that the motion will be for the 2019 National Show only. Seconded by Larry Ford. Motion carried.** Division of the house occurred, and a vote was cast by raising hand. **Motion passed with 24 votes in favor and 18 against.**

Larry Barthle moved to simplify and combine rules 1&19 to read as follows: “Animals must be registered in the ABBA to be eligible to compete in Association sponsored shows. The original registration certificate for each entry must be available for presentation to the superintendent or manager of the show at the time entries are verified prior to judging. All animals must have their actual birthweight submitted at registration and placed on the original certificate to be eligible to show at approved shows”. Seconded by Bob Parish. Discussion occurred about original versus original copy. **Motion passed.**

Reggie Rodriguez moved to terminate Ashley Hughes effective immediately due to Violative Conduct including falsifying documents and asking for the resignation of Loren Pratt immediately. Seconded by Mike England. Patricia Collins moved to have Luisa present on the EVP contract. Seconded by Alfredo Muskus. Bob Parish moved to strike the motion until later in the meeting. Seconded by George Kempfer. Division of the house was called, and a roll call vote occurred as follows:

Alfredo Muskus, Jr. –	No	Paul Canik-	Yes
Josefina Muskus-	No	Paul Constance-	Yes
Johnny Gnemi-	Yes	Carolyn Falgout-	No
William E. Fenn-	Yes	Louis Dooley-	Yes
Carl Lambert-	Yes	Craig Fontenot-	No
Terry Novak-	Yes	Larry Barthle-	Yes
Michael Goudeau-	Yes	Ricky Booth-	Yes
Rachel Cutrer-	No	Larry Ford-	Yes
Randall Tipp-	No	Bill Nettles-	No
Steve Hudgins-	No	Jay Darnell-	No
Brandon Cutrer-	No	Michael Storey-	No
Mark Forgason-	Yes	Ricky Hammonds-	No

Mike England-	No	Danny Villamil-	No
Wes Schneider-	Yes	Alberto Banuet-	Yes
Leo Casas-	No	Richard Forgason-	No
O.W. Schneider-	Yes	Sloan Williams-	No
Joe Ward-	Yes	Ed Cullers-	No
Glenn Ruschhaupt-	Yes	Mike Partin-	Yes
Patricia Collins-	No	Bob Parish-	Yes
Rick Butler-	Yes	Carl Fontenot-	No
Scott Satterfield-	Yes	Jimmy Chapman-	Yes
Sara Lindley-	Yes	Bob Hudgins-	No
Jerry Wood-	No	J.D. Sartwelle, Jr.-	Yes
Steven Swaner-	No	George Kempfer-	Yes

Motion passed 25-23. Original motion will be evaluated in executive session.

Mr. President this is the Show Committee report and I move for its adoption. Seconded by Carl Lambert. Motion passed.

RESEARCH & BREED IMPROVEMENT- Louis Dooley

Louis Dooley moved to set up a cooperation agreement with the Guatemalan Association to where they submit performance data and this data will be handled by LGS. The Guatemala EPD data will be separated from the ABBA EPD data on the ABBA computer server with a type of firewall to ensure the Guatemala data will not be comingled or integrated with the ABBA data. All Guatemala data will be submitted online and will be accessible to the Guatemalan breeders and they will be able to download and print their EPD performance data. ABBA will charge \$20 per head for processing the data. There will be no upfront cost to set up the program to process the EPD data. The estimated distribution of the \$20 fee will be \$15 to ABBA and \$5 will go to Livestock Genetic Services. The estimated number of animals submitted by the Guatemala breeders in the first year is about 500-1,000 head. Seconded by Larry Barthle. Discussion occurred relating to the ownership of data submitted to Neogen, the requirements for DNA, and the idea that additional opportunities for other countries may exist. Ricky Booth called the question. Motion passed with one descending vote.

John Locke had previously appointed an EPD Verification subcommittee and named Angela M Hebert as the chairman of that subcommittee. John asked Angela and the committee to acquire the services of two professionals in the EPD and genetics field to do a verification of the EPDs being processed by Livestock Genetic Services. The chairman Dr. Angela M Hebert and the EPD Verification Subcommittee selected Dr. Raluca Mateescu, Professor of Animal Genomics, University of Florida and Dr. Larry Kuehn, Research Geneticist, U.S. Meat Animal Research Center, Clay Center Nebraska to conduct the genetic evaluation of the EPDs being produced by Livestock Genetics Services for the ABBA. Dr. Hebert asked the two geneticists to conduct the evaluation and have a report for the summer ABBA Board of Directors

meeting on August 1, 2019 in College Station. Dr. Kuehn participated in the Performance Committee meeting through a telephone conference call and gave a verbal report on the evaluation and answered all the questions of the committee members. In summary, he stated they had conducted the evaluation and made a comparison of the current LGS system and the previous system used by Australian Association to provide EPDs for the ABBA which was primarily the Beef Improvement Federation (BIF) program. He stated the following in the report when making a comparison of the LGS program and the BIF program: there was a 10% increase in accuracy of the LGS program compared to the Australian BIF program.

“The benefit of the newly implemented changes is evident in the approximately 10% increase accuracy for weight traits: birth weight (old mean accuracy 49%, new mean accuracy 50%) and weaning weight (old mean accuracy 42%, new mean accuracy 51%). These higher accuracies for most traits allowed the EPDs to spread further (higher max and lower min EPD) in most traits, which will result in greater opportunities for genetic improvement and the potential for faster genetic change.”

Dr. Kuehn stated in the meeting “Almost without fail other breeds have stopped using BIF programs”. He also recommended we continue using the ET calves in their own contemporary groups and not put ET calf in contemporary group of 1 as the BIF system had done.”

The following is the ABBA Genetic Evaluation Review July 2019 submitted by Chairman of the subcommittee Dr. Angela Hebert and written by Dr. Raluca Mateescu and Dr. Larry Kuehn.

ABBA Genetic Evaluation Review July 2019

Raluca Mateescu, Professor of Animal Genomics, University of Florida

Larry Kuehn, Research Geneticist, U.S. Meat Animal Research Center

A review of procedures implemented by Livestock Genetic Services to conduct the American Brahman Breeders genetic evaluation has been performed. There have been a number of changes to the procedure used for the genetic evaluation which would result in changes in the reported EPDs of many animals. However, based on the materials reviews, these changes also resulted in an increase of EPDs accuracies which is a great benefit to Brahman producers. These changes in accuracy are the result of improving the models to better match the unique attributes for Brahman cattle. Previous data adjustments were overestimated effects of younger cows on birth weight and weaning weight, resulting in biased EPDs when these traits were evaluated. Removal of this potential for bias increased the accuracy of the evaluation significantly, but it also prevented records from young cows being adjusted incorrectly.

Brief review of the implemented changes in the genetic evaluation:

1. Data Adjustments. This is a very important step before the genetic evaluation is performed and probably the main reason for changes in EPD values on existing animals from previous genetic evaluations. The move from BIF standard adjustment to Brahman specific adjustments is highly recommended because it results in more accurate EPDs. For example:

- a. the BIF adjustment for the birth weight was overestimating the effect for younger cows (younger cows had higher adjusted birth weights)
 - b. the BIF adjustment for weaning weight unfairly rewarded younger animals with higher adjusted weaning weights.
 - c. The yearling weights are adjusted by splitting the trait into post wean gain and weaning weight.
 - d. the BIF adjustment for scrotal circumference overestimated the age adjustment for Brahman cattle
2. Contemporary Groups. New contemporary groups have been defined and should more accurately account for differences in management.
 3. Data culling - allowing more or less data in.
 4. Genetic parameters - defining two traits as correlated or not correlated. These changes, particularly after the new data adjustments, likely resulted in the observed changes in accuracy.

The benefit of the newly implemented changes is evident in the approximately 10% increase accuracy for weight traits: birth weight (old mean accuracy 49%, new mean accuracy 50%) and weaning weight (old mean accuracy 42%, new mean accuracy 51%). These higher accuracies for most traits allowed the EPDs to spread further (higher max and lower min EPD) in most traits, which will result in greater opportunities for genetic improvement and the potential for faster genetic change. Yearling weight did not increase in accuracy but did show an increased spread (max – min). We believe this increased spread resulted from a new model for yearling weight where it is expressed as weaning weight plus postweaning gain rather than yearling weight as a single trait. The accuracies means/correlations are likely for postweaning gain rather than this combined trait. Decreased accuracy was also observed for milk and scrotal circumference likely due to new variance components that we are guessing have lower heritability. Neither of these decreases are concerning to us given the data adjustments described for both trait complexes.

As a further examination, we asked Livestock Genetic Services to examine correlations of the EPDs from both the old system and the new system with the performance of progeny born after January 1, 2018. These progenies were not used in the EPD derivation on either system; therefore, the correlations were a way to examine which EPDs were more predictive of progeny performance and, therefore, more accurate for selection. Livestock Genetic Services provided these correlations for bulls that had progeny after the cutoff on birth weight, weaning weight, and yearling weight. In all cases, the new EPDs from Livestock Genetic Services had higher correlations to progeny performance than the EPDs from the old system. This test is a further confirmation of the increase accuracy of the new EPD system.

In conclusion, based on the materials reviewed, the new EPDs reported are expected to be slightly different than the ones reported previously, however, these new EPDs should be a more accurate reflection of the true genetic merit of these animals.

Based on this report, the Performance committee would recommend that ABBA stay with the same system. This report will be disseminated on the ABBA website, e-blast, and Facebook page.

Dr. Raluca Mateescu, University of Florida has been awarded a grant to study Brahman Cattle Genetics with regard to Marbling, Tenderness, and Reproductive Tract Traits. She requested the Performance Committee participate in the study with her and submit data for her study. She has 9 Florida Brahman Breeders currently submitting data for the study. The Committee felt this might be an opportunity to get more data for our EPDs and will take up this request at the next meeting or sooner.

Louis Dooley set up a Sub Committee to study and determine the latitude the ABBA and Performance Committee has to analyze and used the DNA data obtain from the ABBA membership in the ABBA EPD and performance calculations conducted by LGS and the Performance Committee. The committee will also look at the legal liabilities the ABBA and Performance Committee may have due to the use of the DNA data. The DNA Sub Committee will be as follows:

Allyson Tjoelker Chairman

Mike Partin

Paul Constance

Glenn Ruschhaupt

Wes Schneider

Kelvin Moreno commented that if breeders are paying for the DNA testing, they are the proprietary owners and permission would be required to utilize any data that has been created. It was recommended to look into what other breed associations are doing and how they are handling this issue. Discussion occurred about the Neogen Indicus GGP and the fact that it was developed using Nellore cattle not specifically Brahman.

The Dollar Bull index and the Queen cow Index are set to be released on August 15th.

An update on the thousand bull project was given. 1,000 bulls have been selected and they will be contacting the breeders to see if they allow them to genotype their bull. Ashley briefly explained the Thousand Bull project to move ABBA forward towards genetically enhanced EPDs. Right now, ABBA is working with Neogen & Zoetis to find where the thousand bulls are housed, and breeders will then be contacted for their permission to run. If samples are not currently in house, they will be requested. All of the project will be run through Neogen. The list is the Thousand most influential bulls. They will be running SNP test not STR. It was recommended to use the ear punching technology for the quickest and most accurate results.

A report was given on the bulls in the bull and steer test at Texana. Glenn Ruschhaupt, Dr. Joe Paschal, John Locke, Ashley Hughes, Brad, and Colby evaluated the 45 bulls for disposition, structural soundness, and overall health. Two bulls were culled for disposition and three bulls culled for structural soundness problems. There is a total of 16 steers in the steer program. Future participation is highly encouraged.

A project is currently in the works to set the DNA prices for the Association. In the past ABBA has been charging a price where the association is losing money on every test an. Set price for each test will be selected with add-ons such as tenderness.

The National Show Ultrasound Scanning was discussed. The committee decided to pay for the three awards that will be given similar to the All American. Discussion will be occurring on if animals that scanned at the All American can be scanned again at the National Show. Reggie Rodriguez announced that the National Show will not be conducting scanning due to the additional costs.

Brandon Cutrer suggested removing the mandate to have the Birth Weight on the registration certificate requirement to show calves be removed in order to show calves. The discussion of the committee was that this requirement for showing calves should be taken up by the Show Committee.

Mr. President this is my report and I move for its adoption. Seconded by George Kempfer. Motion carried.

YOUTH ACTIVITIES- Jay Darnell

The Youth Activities Committee met with 9 committee members, 20 guests and 1 staff member present. The minutes of the past meeting were approved. Shelby went over the survey results for the 2019 All American. The committee then moved into Rules and Updates. Ricky Hammonds moved that the Weights & Measures at the future All American be a stand-alone Weights & Measures that will use the Weights & Measures parameters set forth by the Show Committee. Meaning that if you weigh out at the All American, when ABBA starts their show season that is separate, and you would need to follow their rules. Seconded by Margo Mansell. Motion passed. The entry packet was discussed. A draft of a new entry packet was presented by Val Walters. The majority of the packet was the same, but changes were made to address the issues that occurred at this year's All American. Patricia Collins moved to adopt the draft of rules as written and amended during the session today. A revised copy will be sent to the committee to be utilized to put a new entry packet together to be presented in November. Seconded by Craig Fontenot. Motion passed. The selection of 2020 venues for the All American was discussed. Margo Mansell moved to take the 2020 All American to Hattiesburg due to the AJBA wishes and the breeders who have stepped up to support there. Seconded by Paul Canik. Motion passed. Shelby gave a financial update of AJBA, currently it is moving in the right direction. Sara Lindley moved that the Youth Committee have a conference call in the next 30 days. Seconded by Paul Canik. Motion passed. The Youth Committee thanked guests for attending and went into Executive Session at 11:32 a.m. The Youth Committee exited executive session at 11:45 a.m. Patricia Collins moved that the Youth Activities Committee recommend the termination of Ashley Hughes as Executive Vice President due to actions during the All American. The motion was seconded by Dr. Forgason. The committee did a roll call vote with an outcome of 6 to 2 in favor. **Bob Parish moved that we strike this motion because it will be discussed later in executive session. Seconded by Carl Lambert. Motion carried.** The committee meeting was adjourned. **Mr. President this is the Youth Activities Report and I move for its adoption. Motion passed.**

MARKETING COMMITTEE- Terry Novak

The Marketing Committee was called to order today at 10:00 a.m. Members present were Terry Novak, chairman, Mark Forgason, vice chair, Bubba Sartwelle, Leo Casas, Ricky Booth, Johnny Gnemi, and one guest- Sugie Sartwelle. Reviewed the ABBA spring sale held in Caldwell, Texas. The sale drew a large crowd of buyers and strong prices for all the cattle. Thank you to consignors for consigning such good cattle. Broken Triangle Cattle Marketing and Caldwell Livestock honored the MOA with ABBA. The sale generated ABBA an income of \$8,749.25 and has been paid by the sale manager.

Committee pursued adding an additional fall sale this year but could not get a commitment from the sale manager. It is now too late so the sale will be cancelled. It was agreed to continue to pursue a fall sale in 2020.

Reported on F-1 program on cattle & memberships since January of 2019. 546 F1 animals have been added to the system- vast majority are golden certified. 102 animals have been qualified. Currently there are 302 active F1 members, with 40 new F1 memberships since January. Since inception of the F1

program, memberships, which has been over several years back, a total of 1,728 members. It was discussed how to retain active members.

Reviewed the ABBA F1 program guidelines of what makes up an F1 cow and how to certify the offspring. As breeders sell their bulls for F1 production there is a need to explain the F1 program and the options for it. There are still people that don't know for understand the program. Encourage breeders to the program if Brahman bulls are used for F1 production.

ABBA is still qualifying cows for the program and continues to grow. I am asking you all to encourage breeders to certify their females.

Briefly discussed advertising brochures and using pictures more in the advertising market to show the F1 product. Thank you for the communications committee for the inclusion of F1s in the new brochure. Thank you again to the Brahman Journal for the F1 articles in the magazine. They have been very informative and useful.

Again, thank you to all the committee members input to help further market this breed. Also thank you to the ABBA staff for their work and support of all programs. **Mr. President this is the marketing committee report and I move for its adoption. Seconded by Sloan Williams. Motion passed.**

INTERNATIONAL COMMITTEE- Dr. Scott Satterfield

The International Committee convened at 8:07 a.m. in Bryan, Texas on August 1st, 2019. There were 8 members present and 3 absent. There was approval of the Fort Worth minutes and an April 20th phone conference. A correction of the Fort Worth minute included a statement by Carolyn Falgout that she shared a table sponsorship with Swaner Brahmans at the International Brahman Sale. The committee then heard the subcommittee report on the International Field Day and ABBA Anniversary Celebration. There was agreement to have the event on Friday, November 22nd after the female judging at the National Show. The Building B venue will be indoors at a 400-person room. A meal and drinks will be provided. Sponsorships will be sought. We will also need to provide insurance for the evening and Fort Bend Police Security. Invitations inviting representation of International breed organizations were discussed. A motion was made by Carolyn Falgout to recommend that the ABBA President call the International Breed organizations presidents personally inviting them to the International Field Day and 95th Anniversary of the ABBA party. Seconded by Josefina Muskus. Reggie Rodriguez then discussed details involving the venue and restrictions. A subcommittee of Carl Lambert, Carolyn Falgout, and Scott Satterfield was appointed to make decisions on the details.

The Reverse Trade Mission with Bolivia and Vietnam was then discussed. The itinerary and logistics were discussed in detail. There are 18 participants from Bolivia and three from Vietnam. They will attend the Beef Cattle Short Course, come to the Bluebonnet Show, and go on tours to ranches, collection centers, and a feedlot. The International Committee is hosting a reception on Monday night of the Beef Cattle Short Course to include all International guests and faculty of Texas A&M. Dr. Cuc, Dr. Dung, and Dr. Ly are attending to represent the government of Vietnam.

The National Brahman Show in Paraguay was judged by Judd Cullers. Mark Forgason was the first American judge to judge EXPICA in many years. The National Brahman Show in Ecuador is in October 2019. The National Show in Mexico will be early December in Chiappas.

Carolyn Falgout moved to provide ABBA blankets to the International professors of the Beef Cattel Short Course.

A motion was made to assure championship belt buckles and an award for the 25th anniversary of EXPICA be delivered. We will also invite the 4 champions of EXPICA as well as EXPICA organizers to the National Brahman Show to receive their awards.

A motion was made to dedicate the International Show to Wendel Shronk. It passed the committee.

A motion was made by Michael Goudeau to recommend looking into moving the International Sale back to the old sale pavilion and to hire Leo Cases to auctioneer. Seconded by Carolyn Falgout. Motion passed.

Alberto Banuet presented an American Brahman video outlining the advantage to using American Brahman genetics worldwide. He emphasized that the origins of the American Brahman here in the U.S.A. have provided the basis for the Brahman breed worldwide. The video also outlines the disease-free nature and dependability of the American Brahman.

Finally, a motion was made by Josefina and seconded by Carolyn Falgout to recommend the need to terminate Ashley Hughes as EVP of ABBA with cause. It passed the committee 5-2.

Mr. President this is my report and I move for its adoption. Seconded by Steamer Swaner. George Kempfer moved to strike the motion until later discussion. The motion was withdrawn. Mike England asked for point of parliamentary procedure. A question was raised as to why a parliamentarian was not present at the meeting. In a letter previously sent by Ashley Hughes it stated that a parliamentarian would be present. **Motion passed.**

MEMBERSHIP/ MEMBER SERVICES- Larry Ford

The Membership Committee met this morning with 5 members present. The previous minutes were reviewed and adopted. A new member list was adopted, and each new member will be contacted by phone or email by a member of the committee to answer any questions that they may have about ABBA. A membership study is in the process of being performed by Rachel Cutrer. The Membership Convention was discussed. A registration form will be posted online and mailed out to the membership. The schedule was discussed and will include a social media session by Brooke Prather.

Mr. President this is the Membership Committee report and I move for its adoption. Seconded by Mike England. Motion passed.

EXECUTIVE COMMITTEE- Loren Pratt

All items in the report will be discussed except Ashley's contract and Armelinda's termination which will be discussed at a later point in the meeting due to the petition.

The Executive Committee met eight times via either phone conference or in person. In February, an audit update was given, the current CPA was procrastinating, and it was agreed to terminate as soon as a new one could be located. The issue of duplication private herd numbers was discussed. No two living animals can wear the same herd number. A legal update was given. New members were approved. The stayability index was discussed. The committee appointed Paul Canik as a replacement director for Paul Dufrene. The current Communication report was discussed as being too expensive.

In March, new members were approved. A legal update was given. The vacancy of the Area 1 director was discussed. Discussion occurred about work orders closing at the end of each month. The Guatemala trip was discussed.

On April 4, the international strategic partnership was discussed between the EVP and Guatemala. New members were approved. The committee appointed John Gnemi to fill the Area 1 vacancy. The committee discussed the current SOW and the closing of the monthly work orders. They were provided a list of most influential red and grey sires. The committee decided to open other breed herdbooks and move animals for a nominal fee beginning on May 1.

In late April, a legal update was given. New members were approved. The CPA search was discussed. The Aged Cow Moratorium was discussed.

In May, new members were approved. A legal update was given. Pro Forma requests were denied. The Executive Committee voted to cancel the membership convention if the membership committee agreed. The membership committee met the next day and voted to host the convention. Sabo Accounting was selected as the new CPA. An LGS update was given. A subcommittee was created to investigate other systems in case the LGS system failed.

In July, the Executive Committee held an emergency call to discuss the judge situation at the All American.

On July 17th, an update from the new CPA was given. A number of issues were addressed, the PayPal, Chilton investments, and payroll had not been entered for all of 2019. Two recommendations from the finance committee were discussed.

On July 31st, a finance report was given. New members were approved. Discussion followed concerning applicants whose membership was denied. A legal update was given. An LGS update was given. Work orders now close at the end of the month. The private herd number rule was discussed. The registry replacement subcommittee gave a report. The committee went into executive session.

A motion was made that only the original owner of a calf at birth can make any corrections to a registration paper. Seconded by George Kempfer. A clarification was provided that this means that no one else could add a birth weight. **Motion passed.**

A motion was made to adopt the report. Seconded by Larry Ford. Steamer Swaner asked that everyone pray for Lee Pritchard's wife and family. **Motion passed.**

NEW BUSINESS

PAST PRESIDENTS ADVISORY COUNCIL REPORT- Bob Parish

The Past Presidents Advisory Council held a meeting in June at the ABBA office. The advisory council was appointed by President Pratt. It is strictly advisory and has no additional power. Coleman Locke was elected as Chairman, Bob Parish as Vice Chairman, and Bubba Sartwelle as Secretary. The committee looked at suggestions that they believed would be in the best interest of the board and are unanimously recommending the below items to the board to take under advisement.

- Increase communication to both the board and membership. Communications within the office are horrible and need to be improved.
- Areas should hold more activities for their members
- The board should receive timely/monthly financial statements and the most recent audit report should be made available to the board immediately.
- If the registration system does not have financial capabilities, the situation must be remedied.
- ABBA needs to have a mission statement.
- There is great unrest/dissatisfaction with the LGS program. Investigate the new ABRI online program.
- ABBA needs more outreach to members on performance.
- Use common sense regarding billing.
- Create a system where members can be approved for credit
- Improve communication interoffice to membership and junior membership
- Have the President meet with all committee chairs as a group to discuss issues and programs of work.
- Unanimously believe that the time has come for the President to appoint a committee responsible for creating a method of reducing the board to a more workable number.
- Think out of the box and consider relocating the office, possibly outside of Houston to a more economical and accessible location.
- Reduce the importance of cattle shows compared to our place in the commercial cattle world.
- Reduce the number of Approved Shows.
- Technology is available to better evaluate the breed, take advantage of it.
- Unanimously recommend that reciprocity agreement be reassessed for health reasons
- Make the Executive Committee more involved in office processes to reduce turnaround time for papers
- Redefine an active member as it relates to voting in an election.
- Have the president appoint a committee to look at all current ABBA rules.

Copies of the full report are available for all board members. The recommendations will be looked at by the Executive Committee.

REPORT- Alfredo Muskus Sr.

Alfredo Muskus was given the floor to open the discussion of the EVP contract. Luisa Muskus came forward to present. She gave an informative presentation to explain how the EVP contract works. Per the by-laws the board sets the compensation and service. There is no penalty for termination if terminated for (i) Cause or (ii) Mutual Agreement. The definition of cause was evaluated. Cause can be willful failure or refusal by employee to comply with reasonable directions from the board; The committing of act of gross negligence, willful misconduct, breach of duty, dishonesty, fraud, or material misconduct on part of the employee; Formal conviction; Violation of any federal, state, or local law or regulation in performance. According to the contract, the board will determine if cause exists and the employee will have 15 days to cure the cause. There is no penalty for termination for cause. The potential fraudulent use of employee personal information to Chase bank was discussed. It is a crime in Texas. The Chase card was acquired in 2009 under Chris Shivers with his approval. The use of the miles had been to upgrade business flights. The dishonest insertion of birth weights on original pedigrees at both the HLSR and the AJBA All American were discussed. The possibility of mail fraud at the All American was also discussed. The

dishonest change of authorized representative on the eligible memberships during the 2018 ABBA director elections was discussed. The dishonest back dating of Florida Junior memberships was discussed. Paul Constance asked if the phone call involving the credit card had been confirmed and who had made the call to change the birth weights at the All American. It was explained that each exhibitor who did not have a birth weight could pay the correction fee to Ashley as a representative of ABBA. Question was raised if she knew that the breeder did not want a birth weight on the paper. The birth weight was handed to her by the exhibitor. There is a difference between the implied rules and the written rules of ABBA in this situation of who can make the change to the registration paper. There was a request to have a subcommittee created to look into this. Josefina Muskus stated that Armelinda had dedicated half of her life to this breed. Judy Baggett responded that this is an entirely separate issue and does not need to be brought up at this point. Mike England discussed the Show Committee meeting at the All American and the argument about the birth weight issue. Mike stated that there was no birth weight on the paper. The breeder told the child that there was no birth weight and therefore could not be shown. ABBBA is a committee enforced organization and if you do not back the committee chaos ensues. Kelvin Moreno would like to know if he calls the ABBA office if he can change the brand or the weaning weight of a calf that he has purchased. A rule preventing this was just passed earlier in the meeting. Alyssa Doucet discussed what had happened at the All American from her point of view. Joe Ward stated that the breeder had contacted him and told him that she was clear with the exhibitor that she does not collect birth weights. The owner then gave the exhibitor an approximate amount of what it would have weighed which is what the exhibitor used. **Alfredo Muskus Jr. moved to terminate the contract of Ashley Hughes immediately for cause. Seconded by Carolyn Falgout.** Dr. Forgason brought up the lack of communication and the manner that the meeting is being ran in. Mike England stated that sometimes we have to go through tough times for the healing to begin. A recommendation was made by the majority of the members. George Kempfer spoke about the process of hiring an EVP and how difficult it can be. He questioned if it was worth firing someone over doing what was right for the kids. He also stated that we have not heard her side of the story about the credit card and she stated that she did not change any junior memberships. If you fire her you will have a hard time finding someone who will work hard and make you happy. It will also cost the association \$90,000 if it is found that there is no cause which can be very difficult for an association that only makes \$10,000-15,000 each year. No matter what decision is made, someone will be upset and at this point you need to think about what is best for the association. Alfredo Muskus Sr. stated that people need to remove their conflicts of interest and you should not hire friends. The leadership is abusing the association. Paul Canik asked if the association could afford the potential lawsuit if Ashley sues and pay her contract if she wins. Mike England stated that Ashley impersonated Armelinda to close the Chase credit card. There was also a secondary card in Shelby's name. Kelvin Moreno stated that the credit card statements were mailed to the office. Jimmy Chapman commented about his relationship with both staff members, both Ashley and Armelinda deserve a fair trial. Luisa stated that the motion needs to be to send notice of termination not to terminate. The ABBA attorney confirmed this and said that they can only vote to initiate the process, the board cannot terminate her. **Alfredo Muskus Jr. moved to amend his motion to send EVP written notice of termination with cause specifying the causes. Seconded by Carolyn Falgout. Alfredo Muskus Jr. withdrew his motion and amendment. Carolyn Falgout withdrew her seconds.** Ricky Hammonds asked for more information about the credit card call. Ashley provided additional information about the call. She updated over 20 accounts contact information since the termination of the office manager. She understood that the role of the EVP was to close these accounts. **Alfredo Muskus Jr. moved to send the EVP written notification of termination with cause specifying the cause. Seconded by Carolyn Falgout.** Bob Parish suggested having a secret ballot vote. **Rachel Cutrer moved for division of the house and for**

the vote to be done by roll call. Seconded by Alfredo Muskus Jr. Motion passed, and the vote will be a roll call vote.

Alfredo Muskus, Jr. –	Yes	Paul Canik-	No
Josefina Muskus-	Yes	Paul Constance-	No
Johnny Gnemi-	Yes	Carolyn Falgout-	Yes
William E. Fenn-	No	Louis Dooley-	No
Carl Lambert-	No	Craig Fontenot-	Yes
Terry Novak-	No	Larry Barthle-	No
Michael Goudeau-	Yes	Ricky Booth-	
Rachel Cutrer-	Yes	Larry Ford-	No
Randall Tipp-	Yes	Bill Nettles-	Yes
Steve Hudgins-	Yes	Jay Darnell-	Yes
Brandon Cutrer-	Yes	Michael Storey-	Yes
Mark Forgason-	Yes	Ricky Hammonds-	Yes
Mike England-	Yes	Danny Villamil-	Yes
Wes Schneider-	No	Alberto Banuet-	No
Leo Casas-	Yes	Richard Forgason-	Yes
O.W. Schneider-	No	Sloan Williams-	Yes
Joe Ward-	No	Ed Cullers-	Yes
Glenn Ruschhaupt-	No	Mike Partin-	No
Patricia Collins-	Yes	Bob Parish-	No
Rick Butler-	No	Carl Fontenot-	Yes
Scott Satterfield-	No	Jimmy Chapman-	No
Sara Lindley-	No	Bob Hudgins-	Yes
Jerry Wood-	Yes	J.D. Sartwelle, Jr.-	No
Steven Swaner-	Yes	George Kempfer-	No

Motion passed 26-21.

Mike England requested more information about the termination of Armelinda Ibarra. Luisa Muskus read the ABBA Constitution/Bylaws Article VII- Section 1. **Patricia Collins moved to suspend Ashley**

immediately with pay until resolution of the matter. Mike England seconded the motion. A vote was down by show of hands. Motion carried 25-20. Paul Canik moved to go into executive session. Seconded by George Kempfer. Motion carried. The meeting moved into executive session at 7:20 p.m. The board exited executive session at 8:44 p.m. President Pratt requested volunteers for a search committee for the new EVP. Alfredo Muskus Jr. motioned to bring in a 3rd party staffing firm to bring in several candidates. Motion died on the floor for lack of a second. **Larry Barthle moved to adjourn the meeting. Seconded by George Kempfer. Motion passed.**