

**NAPHA BOARD OF DIRECTOR'S MEETING
CONFERENCE CALL
APRIL 10, 2010, 1700 PST
Minutes**

1. Call to Order

Meeting was called to order by acting President, Edie Gandy at 1700 Pacific Standard time. All board members waived meeting notice time via email to Edie. Roll Call: Danell Adams, Edie Gandy, Charles Melton, Rich Ovenburg, Larry Redman, Barbara Windom.

A. Edie Gandy welcomed the three new board members as a result of the recent election: Larry Redman, Danell Adams and Rich Ovenburg.

2. New Board Assignments.

Motion by Larry Redman to appoint Edie Gandy to the appointed position of President vacated by the resignation of D. Joy Gould. Passed unanimously.

A. Discussion regarding seventh board position which is by appointment. As the recent election results clearly represented the membership's choices, the fourth individual with the highest number of votes was Gene Pepe. Motion was made by Larry Redman to appoint Gene Pepe. Edie Gandy abstained and remaining board members passed the motion.

B. Each office responsibility was briefly discussed and assignments made.

President:	Edie Gandy
1 st Vice President:	Larry Redman
2 nd Vice President:	Rich Ovenburg
Secretary:	Danell Adams
Director:	Charles Melton
Director:	Barbara Windom

C. Should he accept the appointed position, Gene Pepe will be asked to assume the officer of Treasure.

1. The Treasurer will have the benefit of working with the finance committee currently in place. Edie Gandy also recommended that we investigate the use of a part time bookkeeper who would hopefully volunteer. It was estimated that keeping the books requires 10-15 hours per month. Consideration carried over until Treasure position is confirmed.

3. Committee Appointments

Edie Gandy asked for more time to go over minutes from the annual meeting held in Las Vegas in March. Several new committees were discussed and nominations

made. It is the board's desire to get the committees up and going as quickly as possible. Consideration carried over to next meeting.

4. Internal Revenue Service – Update

One of the research items revealed by the new finance committee was that additional monies are owed to the IRS for NAPHA's 2007 and 2009 tax returns. The returns appear to be inaccurate and numbers simply do not match up. The initial audit by the IRS shows that we currently owe an additional \$7,400 between both years. These are liabilities that were unknown to the previous board. Edie Gandy wrote a letter to the CPA firm who completed the audit under the previous board. According to this firm, a 14 page document of "questions" including outstanding liabilities was sent to the board indicating "items you need to be aware of" as a result of their audit. As members of that board, both Charles Melton and Edie Gandy said that the issue was never brought to their attention nor had they ever seen the document submitted by the CPA upon conclusion of their work. The Finance Committee is continuing to work with the IRS on the matter and will keep the board informed about the progress.

A. The issue of filing bankruptcy was discussed and the option of doing so and reorganizing NAPHA. However, the board agreed to continue to review the pros and cons of filing.

5. New Attorney

Patrick Bosetta is both a CPA and attorney. He has volunteered to act as NAPHA's attorney for one year pro bono. He will be sending Edie Gandy a letter of engagement.

6. Website and Newsletter

Don Brewer is working diligently on our newsletter with the help of Lionel...who is fully engaged on the website. Both of these men who have volunteered their services, are very energized and already helping to make a difference in the recovery process of the organization.

7. Stallion Auction

Due to our financial condition and the poor response to the last stallion auction, the process was again reviewed. As the new national show is starting to materialize, the board discussed the option of running the auction in conjunction with the show. Members could showcase their stallion at the show and have the auction there and also allow people to phone in their bids. A "stallion row" for viewing was also discussed. Consideration was carried over pending the status of the LA contract.

8. Policy and Procedures Manual

Edie Gandy has started a policy and procedures manual. She will be sending the board members a rough draft for their review.

9. National Show

A lengthy discussion ensued regarding the location of the show. A preliminary work-up had been done on the Los Angeles Equestrian Center in Burbank, California. The Breeders show scheduled for October in Texas was included as a potential partner for the 2010 show. However, all things considered it was decided to pursue the Los Angeles show.

- A. Eleanor Palmisano, our show committee chairman, was asked to join the call to discuss the financial comparisons between Las Vegas and Los Angeles. Her discussions with both facilities resulted in a very clear delineation between the two with Los Angeles being the financial preference. The costs to run the show in L.A. are significantly lower and could provide a better profit. Danell Adams was asked to determine the costs incurred by the Southern California Peruvian Paso Horse Club at the same facility for their double show held there in October of 2009. At this point in time and due to the organization's very poor financial status, it was agreed to pursue the Los Angeles option. Passed unanimously.
- B. Edie Gandy announced that with the discussion and probability of moving the show to Los Angeles, Andre del Solar has withdrawn as the Judge due to perceived conflicts in California. The board accepted his withdrawal and desire to cancel his contract.
- C. Several alternative Judges were discussed. Once again, due to the financial position of the organization the process was narrowed by a combination of experience and potential cost. Raul Risso became the preference due to his expertise as well as his proximity to Los Angeles. Consideration carried over until Edie Gandy has the opportunity to contact Raul Risso.
- D. Eleanor Palmisano was approved by resolution to sign the LA contract on behalf of the board. Discussion ensued regarding signatures on the show account. Edie Gandy pointed out that we should not have multiple accounts with no oversight. It was the consensus of the board that the board treasurer and Eleanor Palmisano should be the two people who sign on the show account. Any check over five thousand dollars (\$5000), will require board approval. There is a current account with Bank of America that was established by D. Joy Gould. The signatures for that account will be changed the new treasurer and Eleanor Palmisano.

10. Next Meeting

While it will be necessary to have another waived conference call next week, the board plans to arrange a face to face meeting in the very near future so that details

of an organizational transition can addressed. This strategic planning session will take at least two days. Date and location have yet to be determined.

Remaining agenda items carried over to next meeting

Conference call adjourned at 2000 Pacific Standard Time

Danell Adams

Secretary