

BOARD OF DIRECTORS
September 11 – 12, 2012

The Board convened on Tuesday, September 11, 2012 at 2:49 p.m. All Directors were present, as were the Executive Secretary, the Chief Operating Officer and the Assistant Executive Secretary. Copies of the July 2012 minutes were made available to all Directors. The Board reviewed the minutes of the July 9-10, 2012 meeting. Upon a motion by Ms. Scully, seconded by Dr. Battaglia, the July 2012 Board minutes were unanimously adopted.

PRESIDENT'S REPORT

Board Action Items

Mr. Sprung gave a status report on previous Action items assigned to the Staff.

Events and Entries Update

Mr. Sprung reported that for the first seven months of 2012 aggregate Entries were up by 3.77% and Events were up by 1.36%, compared to the first seven months of the previous year.

AKC Humane Fund

Daphna Straus, AKC Staff, participated in this portion of the meeting. Staff gave an update on the AKC Humane Fund. To date the Fund has disbursed grants to Parent Clubs and their affiliated rescue groups, women's shelters accepting dogs, and for educational scholarships.

ISD Update

Connie Percy, AKC Staff, participated in this portion of the meeting. Staff gave an update on the allocation of ISD costs to the various divisions to align revenue centers with the related costs.

LEGAL REPORT

Margaret Poindexter, General Counsel, participated in this portion of the meeting. She presented a status report on pending litigation and other activities during the months of July and August, 2012.

MARKETING

Michael Ganey and Connie Percy, AKC Staff, participated in this portion of the meeting.

Meeting adjourned on Tuesday, September 11, 2012 at 5:32 pm

Meeting reconvened on Wednesday, September 12, 2012 at 8:00 am.

All Directors were present as were the Executive Secretary, the Chief Operating Officer and the Assistant Executive Secretary.

FINANCIAL REPORT

Peter Farnsworth, AKC's Chief Financial Officer, gave the financial report.

Total revenues of \$4.6 million in the month of August 2012 were \$250,000 below budget but \$350,000 above 2011. Total monthly operating expenses of \$4.7 million were \$200,000 below budget but \$200,000 above 2011. This resulted in an operating loss of \$67,000 for the month. This was an improvement from last August's monthly operating loss of \$217,000. Our investments, Year-To-Date, are up \$4.9 million but we recognize this could change at any time.

EXECUTIVE SECRETARY'S REPORT

Agility Club Membership

The Board reviewed a proposal to amend ARTICLE IV, SECTION 1, and SECTION 3, of the AKC Bylaws to expand the eligibility requirements for AKC membership to permit licensed Agility clubs that meet the criteria, to apply to become AKC members. Following discussion, there was a motion by Ms. Scully, seconded by Dr. Smith, and it was VOTED (unanimously) to amend ARTICLE IV, SECTIONS 1 and 3, of the AKC Bylaws as follows (changes underlined):

Section 1

All Clubs or Associations which have held at least three Dog Shows, Obedience Trials, Field Trials, or Agility Trials in consecutive years under rules of the AKC and all Specialty Clubs which have been or shall be formed for the improvement of any breed of purebred dogs shall be eligible to become members of the AKC.

Section 3

No Club or Association shall be eligible to be admitted to membership in the AKC unless its Constitution and Bylaws shall provide that among the objects for which said Club or Association has been formed are the holding of annual dog shows, annual obedience trials, ~~or~~ annual field trials, or annual agility trials, or that said Club or Association was formed for the protection or benefit of purebred dogs.

This will be read at the December Delegate meeting for a VOTE at the March Delegate meeting.

Member Club Admission Fee

ARTICLE V, SECTION 1, of the AKC Bylaws, provides for a one-time admission fee for new Member Clubs. The fee is to be determined by the Board subject to approval by the Delegates. Following discussion, there was a motion by Dr. Smith, seconded by Ms. Scully, and it was VOTED (unanimously) to raise the \$250 admission fee to \$1,500. The admission fee of \$250 was established in 1925 and in today's dollars would be over \$3,500. This will be read at the December Delegate meeting for a VOTE at the March Delegate meeting. The effective date would be one year from the date of adoption.

Proposal to Reduce the Number of Delegate Meetings

The Board reviewed a proposal from the Delegate Advocacy and Advancement Committee to reduce the number of yearly Delegate meetings from four to three per year. The proposal suggests that two of these meetings be expanded from two days to three days in order to enable increased attendance at the various Delegate committee meetings. AKC staff endorses this proposal. There was a motion by Mr. Arnold, seconded by Ms. Cruz, and it was VOTED (unanimously) to send the proposed amendment to ARTICLE XVIII, SECTION 1 of the AKC Bylaws to the Delegates with no recommendation. The proposal reads as follows (changes underlined):

SECTION 1: The annual meeting of the AKC shall be the regular meeting held in April. There shall also be a regular meeting of the AKC in August. There shall be one regular meeting held in December or January announced at least two years in advance. The exact date, time and location of all meetings shall be determined by the Board of Directors. Standing Delegate Committee meetings shall be scheduled on the two days immediately preceding each regular meeting in April and August and the day preceding the December or January meeting.

This will be read at the December Delegate meeting for a VOTE at the March Delegate meeting. If adopted, the effective date would be January 1, 2015.

Recognition of Registries in China

There was a motion by Mr. Gladstone, seconded by Dr. Smith, and it was VOTED (unanimously) to add the National General Kennel Club (China), to the list of registries with pedigrees acceptable for AKC registration.

Proposed German Shorthaired Pointer Breed Standard Revision

The Board reviewed proposed revisions to the color section of the German Shorthaired Pointer breed standard as submitted by the German Shorthaired Pointer Club of America (GSPCA). Following a motion by Dr. Garvin, seconded by Mr. Ashby, it was VOTED (unanimously) that the proposed revisions will be published in the AKC Secretary's Page for comment, provided the club accepted the changes recommended by the AKC Board.

Proposed Revision to the Komondor Breed Standard

The Board reviewed proposed revisions to the bite section of the Komondor breed standard as submitted by the Komondor Club of America. This will be considered further at the October 2012 meeting.

Yorkshire Terrier Breed Standard Revision

The Board reviewed proposed revisions to the color section of the Yorkshire Terrier breed standard as submitted by the Yorkshire Terrier Club of America. The Board had recommendations on further changes which will be communicated to the club.

Definition of a Purebred Dog

Based on a request from the Board, Staff discussed the term "Purebred" in relation to the American Kennel Club. The term "Purebred" is defined in The Glossary section of The Complete Dog Book as: "A dog whose sire and dam belong to the same breed and are themselves of unmixed descent since recognition of the breed." It was the sense of the Board that there was no need to expand this definition.

New Breed for Foundation Stock Service® - American Leopard Hound

The Board was advised that the Foundation Stock Service (FSS) Committee recently approved a petition for the American Leopard Hound to be accepted into the FSS program.

New Breed for Foundation Stock Service® - Portuguese Sheepdog

The Board was advised that the Foundation Stock Service (FSS) Committee recently approved a petition for the Portuguese Sheepdog to be accepted into the FSS program.

Adding Coat Type to Registry

Based on a request from the Board, Staff was directed to provide more details to explain its cost estimate for capturing Coat Type as part of the registration of a dog. Staff outlined the impact this change would have on IT, Support Services and Registration Services and estimates that the entire project will have a negative ROI of \$230,000.

Low Uric Acid Dalmatians

Mr. Crowley reported on a request he had received from Dr. Robert Schaible, who was the owner of the original Dalmatian/Pointer backcross registered over thirty years ago. Dr. Schaible requested that AKC ease the criteria for the AKC registration of LUA Dalmatians to enable every living decedent of the original registered backcross to become AKC registered to make the gene responsible for normal concentration of uric acid more readily available to breeders around the world. The board of the Dalmatian Club of America, which developed the current registration procedures in cooperation with the AKC Staff, believes that it has worked well in introducing the LUA gene into the AKC gene pool. Over one hundred and twenty LUA Dalmatians and twenty litters with one or both of the parents being a LUA Dalmatian have been registered. There was no motion to change the current criteria.

Parent Clubs Excellence

The Board considered a proposal from the Delegate Parent Club Committee for the establishment of a program to recognize Parent Clubs that excel in organization of representation of their breeds, including their protection, preservation and promotion as well as the objectives of The American Kennel Club. The proposal would be for an AKC award administered by the Parent Club Committee with AKC Board oversight. This will be considered further at the October 2012 meeting.

CONSENT

Following discussion, there was a motion by Mr. Powers, seconded by Mr. Gladstone, and it was VOTED (unanimously) to approve the following Consent Items:

Delegates For Approval

The following Delegates were approved:

Roger M. Arbuthnot, Mesa, AZ

To represent Superstition Kennel Club

John R. Barnes, Marietta, GA

To represent American Maltese Association

Jeffrey David Bell, Ridgewood, NJ

To represent Ramapo Kennel Club

Tarianne Gallegos, Albuquerque, NM

To represent Silky Terrier Club of America

Richard E. Grant, Foster, RI

To represent Providence County Kennel Club

Andrew I. Kalmanash, Stamford, CT

To represent Saw Mill River Kennel Club

Adele Keyfel, Yakima, WA

To represent Yakima Valley Kennel Club

Richard Rohrbacher, Sparta, NJ

To represent Welsh Springer Spaniel Club of America

Michael Sosne, Attica, MI

To represent Oakland County Kennel Club

Constance D. Townsend, Farmington, MN

To represent Kuvasz Club of America

Letisha Wubble, Mohnton, PA

To represent Affenpinscher Club of America

Request for AKC Membership

The following Club was approved for AKC Membership:
Salisbury North Carolina Kennel Club
Rowan County, NC

Retirement of Registered Kennel Name - "Bracken hollow"

The Board VOTED to approve the request of the Golden Retriever Club of America to officially retire the kennel name "Bracken hollow" which was owned by the late Sheila Fowler Ward.

Resolution Vicki Lane Rees

The Board VOTED to approve the following resolution:

WHEREAS, Vicki Lane Rees joined the staff of The American Kennel Club, upon being elected Assistant Vice President for Human Resources on June eighth, nineteen hundred and ninety-eight, serving in that capacity until August third, two thousand and twelve; and,

WHEREAS, as a certified Senior Professional in Human Resources, she was responsible for developing policies and directing Human Resources programs over the last fourteen years; and,

WHEREAS, her responsibilities included employment, compensation, benefits, training, and employee relations for nearly four hundred employees around the country; and,

WHEREAS, she oversaw a retirement plan and post-retirement benefits for over five hundred retirees; and,

WHEREAS, she was charged with ensuring that all American Kennel Club policies and activities were in full compliance with all federal, state and local laws; and,

WHEREAS her expertise and advice on Human Resource benefits, and employee relations matters were invaluable to the President and the Board as they addressed these issues; and,

WHEREAS, we will ever cherish our association with this distinguished businesswoman, Human Resources professional, manager, leader, and friend;

NOW THEREFORE, be it

RESOLVED, that the Board of Directors of The American Kennel Club extend their most sincere best wishes for the years ahead and their deep appreciation for his dedicated service to The American Kennel Club.

Resolution James T. Stevens

The Board VOTED to approve the following resolution:

WHEREAS, James T. Stevens joined the staff of The American Kennel Club, upon being elected Chief Financial Officer on April eighth, two thousand and two, serving in that capacity until July twenty-seventh, two thousand and twelve; and,

WHEREAS, he oversaw The American Kennel Club's financial reporting, analysis and planning, and its relationship with lending institutions; working closely with the President and the Board's Pension and Audit Committees; and,

WHEREAS, he managed the investments of The American Kennel Club's pension plan, operating funds and reserves; and,

WHEREAS, he was responsible for The American Kennel Club's Finance, Audit, and Control, and Human Resources Divisions; and,

WHEREAS, he served as the Secretary, Treasurer, and as a Board member of the AKC Companion Animal Recovery, the Treasurer and member of the AKC Political Action Committee Board, and as a Board member and Chairman of the Finance and Audit Committee of the AKC Canine Health Committee; and,

WHEREAS his financial acumen, innovative ideas, accessibility, and leadership by example, have served the American Kennel Club well as it faced many challenges over the past decade; and,

WHEREAS, we will ever cherish our association with this distinguished leader, manager, financial expert, and friend,

NOW THEREFORE, be it

RESOLVED, that the Board of Directors of The American Kennel Club extend their most sincere best wishes for the years ahead and their deep appreciation for his dedicated service to The American Kennel Club.

Board Moratorium on the Licensing of Specialty Conformation Clubs

Following a motion by Mr. Feeney, seconded by Ms. Scully, it was VOTED (affirmative: Mr. Feeney, Ms. Scully, Mr. Kalter, Dr. Smith, Dr. Battaglia, Mr. Powers, Ms. Cruz, Mr. Amen, Mr. Arnold, Mr. Ashby, Mr. Gladstone, Dr. Newman; opposed: Dr. Garvin) to approve the addition of the following criteria to the policy regarding the licensing of specialty clubs which was adopted in July 2011:

A new specialty clubs which had attained Plan A level status on or before the July 12, 2011 Board meeting may continue to license status even if the club is within one hundred miles of another specialty club for the same breed.

This allows specialty clubs that were in process of becoming licensed, prior to the Board moratorium, the opportunity to complete the process and move to licensed status.

JUDGING OPERATIONS

Occupational Eligibility

The Board reviewed a staff recommendation to modify the policy restricting when a judge may present a seminar in conjunction with a judging assignment. This will be considered further at the October 2012 meeting.

COMPANION/PERFORMANCE

Doug Ljungren, participated in this portion of the meeting, while Lisa Carroll, and Pam Manaton, AKC Staff, participated in this portion of the meeting by video conference and Carrie de Young participated by teleconference.

Beagle Two Couple Pack – Changing the Running Order

The Board reviewed a recommendation from the Beagle Advisory Committee to amend Chapter 10, Procedure 9. Beagle Hunting Test for Two Couple Pack, Section 1 of the *Beagle Field Trial Rules* to allow the handler of a dog running in multiple packs that are drawn to run back-to-back or simultaneously to request a change in the running order.

There was a motion by Mr. Amen, seconded by Mr. Powers, and it was VOTED (unanimously) to approve the following regulation change effective October 1, 2012.

Section 1. The running order of the packs in first series shall be determined by random draw. However the owner/handler may request a change in the running order if a particular hound is running in multiple packs simultaneously or back-to-back. The request must be made immediately at the conclusion of the drawing. The field trial committee will decide how best to make the change(s) with consideration to staying as close as possible to the original draw.

Herding Judges Seminar Requirement

Currently a herding judge is required to attend a seminar once every three years to maintain eligibility to judge. The Board reviewed a Staff recommendation to change this requirement to attend a judge's educational seminar, from attending a seminar once every three years to once every four years. This will be discussed further at the October meeting.

Retriever Hunting Test – Retrieves Up To 150 Yards

The Board reviewed a recommendation from the Retriever Hunting Test Advisory Committee to amend the *Regulations For AKC Hunting Tests For Retrievers* to increase the distance for retrieves in the Master level Retriever Hunting Test from 100 yards to "should not normally exceed 150 yards." The Junior and Senior level test would remain unchanged. This will be discussed further at the October meeting.

English Springer Spaniel Field Trials – Allowing Three Trials Per Year

The Board reviewed a recommendation from the English Springer Spaniel Field Trial Association to allow licensed clubs to hold up to three English Springer Spaniel Field Trials per calendar year. The current limit is two. This will be discussed further at the October meeting.

Agility Clubs Allowed to Hold Twelve Events Per Year

The Board reviewed a Staff recommendation to allow clubs licensed for Agility to hold up to twelve events per calendar year. Currently, clubs licensed for Agility are limited to eight events per year. Following a motion by Dr. Battaglia, seconded by Mr. Amen, it was VOTED (affirmative: Dr. Battaglia, Mr. Amen, Ms. Cruz, Ms. Scully, Mr. Kalter, Dr. Smith, Mr. Arnold, Dr. Newman, Mr. Feeney; opposed: Mr. Ashby, Mr. Gladstone, Dr. Garvin, Mr. Powers) to consider the matter at this meeting, waiving the usual notice requirement.

Following a motion by Dr. Battaglia, seconded by Ms. Scully, it was VOTED (unanimously) to permit a club to hold up to twelve Agility Trials in a calendar year, effective January 1, 2013.

Obedience Graduate Classes-Only One Class

Staff advised the Board that without objection they will change the eligibility standard for the Obedience classes Graduate Novice and Graduate Open to allow a dog to remain in the

current class after it has earned a title in these classes, for as long as the owner desires. The changes to the eligibility standards for the graduate classes will become effective January 1, 2013.

A "B" class for each of the Graduate levels, which was scheduled to begin in July of 2013 as part of the Board approved the Companion Events Business Plan will not be created.

CLUBS

Delegates for Publication

Barbara Jane Gates, Utica, MI
To represent English Springer Spaniel Club of America
No current Delegate

Carla Jo Ryan, Snow Camp, NC
To represent Japanese Chin Club of America
Currently represented by Suzanne Warfield

Zane Smith, Boerne, TX
To represent Hawaiian Kennel Club
No current Delegate

Clubs for Application

Greater Sierra Vista Kennel Club
Sierra Vista, AZ

Lassen Retriever Club
Anderson, CA

Great Lakes American Water Spaniel Club

Michael Liosis, AKC staff, participated in this portion of the meeting. The Board reviewed an appeal of the AKC's accreditation of The Great Lakes American Water Spaniel Club which was submitted by The American Water Spaniel Club. Staff indicated that the Great Lakes American Water Spaniel Club has met the usual AKC accreditation requirements. After discussion, the Board concurred with staff's recommendation and accreditation of The Great Lakes American Water Spaniel Club will not be rescinded.

COMPLIANCE

Margaret Poindexter participated in this portion of the meeting, while Sheila Goffe and Jack Norton, AKC Staff, participated via video conference.

Request to Amend the Discipline Guidelines for Discrimination and Harassment

The Board reviewed a Staff request to expand the current *AKC Discipline Guideline* used to set the penalty for conduct classified as sexual harassment so that it encompasses inappropriate comments and/or conduct regarding an individual's race, color, religion, disability, national origin, sexual orientation, age or gender. This will be discussed further at the October meeting.

Opportunities for Proactive Government Relations Work

Staff presented its plans to link Government Relations (GR) proactive work on local and state bills with Compliance and Communications.

The following AKC Management actions were reported:

(Final Board Disciplinary actions are reported on the Secretary's Page.)

NEW BUSINESS

Judging Approval Process

Staff was directed to take a survey to evaluate the judging approval process and to report the results back to the Board.

It was VOTED to adjourn Wednesday, September 12, 2012 at 1:00 pm.

Adjourned

Attest:

James P. Crowley, Executive Secretary