

BOARD OF DIRECTORS
October 22 – 23, 2012

The Board convened on Monday, October 22, 2012 at 9:00 a.m. All Directors were present, as were the Executive Secretary, the Chief Operating Officer and the Assistant Executive Secretary.

EXECUTIVE SESSION

There was an EXECUTIVE SESSION with nothing reported out at this time.

After returning to Open Session, upon a motion by Ms. Scully, seconded by Dr. Smith, the September 2012 Board minutes, copies of which were made available to all Directors, 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 eight months of 2012 aggregate Entries were up by 4.44% and Events were up by 2.20%, compared to the first eight months of the previous year.

Relating to shows, there will be an upcoming meeting with NGKC to explore their ideas about how to record results.

LEGAL REPORT

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

Harassment, Discrimination and Retaliation Training

Kimberly Korando, attorney, with the firm of Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, gave a presentation on workplace risk management with regards to complaints of harassment, discrimination and retaliation.

KPMG Presentation

Kim Johnson and Barbara Hunt of KPMG gave a presentation on the 2011 Form 990 requirements as well as reviewing the specifics for AKC's Form 990.

EXECUTIVE SECRETARY'S REPORT

Parent Club of Excellence

The Board considered a proposal from the Delegate Parent Clubs Committee for the establishment of a program to recognize Parent Clubs that excel in organization or representation of their breeds, including their protection, preservation and promotion as well as the objectives of The American Kennel Club. The proposal includes suggested criteria that would be for an AKC award administered by the Parent Club Committee with AKC Board oversight. There were reservations about an award not administered by the AKC Board or Staff being presented under the name of AKC. It was also felt that the proposed criteria needed to be much less complex and more objective.

Staff was directed to refer the proposal back to the Parent Club Committee with the reservations expressed by the Board.

A Registry in Bolivia

The Board reviewed requests from the Kennel Club Boliviano (KCB) and the Federacion Canofila Boliviana (FCB). Both are registries in Bolivia, and both are seeking AKC recognition of

their pedigrees. Following a motion by Dr. Smith, seconded by Ms. Scully, it was VOTED (unanimously) to add Kennel Club Boliviano to the list of registries with pedigrees acceptable for AKC registration.

Proposed Komondor Breed Standard Revision

The Board reviewed proposed revisions to the bite section of the Komondor breed standard as submitted by the Komondor Club of America. 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.

Proposed Yorkshire Terrier Breed Standard Revision

The Board reviewed proposed revisions to the color and disqualifications sections of the Yorkshire Terrier breed standard as submitted by the Yorkshire Terrier Club of America. Following a motion by Mr. Arnold, seconded by Dr. Garvin, it was VOTED (unanimously) that the proposed revisions will be published in the AKC Secretary's Page for comment.

Foreign Registration Fee Increase

Following a motion by Mr. Gladstone, seconded by Dr. Garvin, it was VOTED (unanimously) to approve a fee increase for foreign dog registrations effective January 1, 2013. The fee will be \$100. The last price increase for foreign dog registrations occurred on August 1, 2001.

Agility Clubs Eligible for Potential Member Status

Staff presented a report to the Board indicating the number of Agility Clubs approved by calendar year and how many are eligible for membership as of 2012, as well as the number that will be eligible in the ensuing years.

Electronic Club Membership Submission Update

Staff presented a detailed report on the number of clubs which had submitted membership lists electronically. As of August 31 of this year, 2,113 (42%) clubs have submitted membership lists electronically. The Board discussed the establishment of a processing fee for the required membership lists, which would be waived for those clubs submitting them electronically. Following a motion by Dr. Garvin, seconded by Mr. Amen, it was VOTED (affirmative: Dr. Garvin, Mr. Amen, Mr. Ashby, Ms. Scully, Ms. Cruz, Mr. Gladstone, Dr. Smith, Mr. Kalter, Mr. Feeney, Mr. Powers, Dr. Newman, Mr. Arnold; opposed: Dr. Battaglia) to establish a \$50 annual processing fee for the handling of club membership lists, with the fee waived if the list is submitted electronically, effective July 1, 2013.

New Breed for Foundation Stock Service® - Kromfohrlander

Staff advised the Board that the Foundation Stock Service (FSS) Committee recently approved a petition for the Kromfohrlander to be accepted into the FSS program.

CONSENT

Following discussion, there was a motion by Dr. Garvin, seconded by Ms. Scully, and it was VOTED (unanimously) to approve the following Consent Items:

Delegates For Approval

The following Delegates were approved:

Barbara Jane Gates, Utica, MI
To represent English Springer Spaniel Club of Michigan

Carla Jo Ryan, Snow Camp, NC
To represent Japanese Chin Club of America

Kenneth M. Saenz, Felton, PA
To represent Chihuahua Club of America

Zane Smith, Boerne, TX
To represent Hawaiian Kennel Club

Cindy Stansell, Clayton, NC
To represent Finnish Spitz Club of America

Herding Judges Seminar Requirement

The Board VOTED to approve a Staff recommendation to change the herding judge's educational requirement to attend a judge's educational seminar, from once every three years to once every four years. This is effective January 1, 2013.

Retriever Hunting Tests - Retrieves

The Board VOTED to approve a recommendation from the Retriever Hunting Test Advisory Committee to amend Chapter 5, Section 1, of 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 will remain unchanged. This is effective December 1, 2012.

CHAPTER 5

Section 1. Test distances on land and water in Junior and Senior level tests should not normally exceed 100 yards. Test distances on land and water in Master level tests should not normally exceed 150 yards.

English Springer Spaniel Field Trial – Allowing Three Per Year

The Board VOTED to amend Chapter 3, Section 5 of the *Field Trial Rules and Standard Procedures for Spaniels* to permit licensed clubs to hold up to three English Springer Spaniel Field Trials per calendar year. Previously the limit was two.

MARKETING

Mark Dunn participated in this portion of the meeting, while Michael Ganey and Michelle Baker, participated by video conference.

There was a discussion on registration trends.

Meeting adjourned on Monday, October 22, 2012 at 5:20 pm

Meeting reconvened on Tuesday, October 23, 2012 at 8:00 am.

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

MARKETING (continued from previous day)

There was a discussion on ways to make AKC registration more valuable for all segments of the market.

EXECUTIVE SESSION

There was an EXECUTIVE SESSION. The following matters were reported out of the session as well as the session held the previous day.

- The Board unanimously agreed to pursue the hiring of Daryl G. Hendricks as the new Chief Operating Officer, based on the retirement of John Lyons, on January

4, 2013.

- There is to be a Special Board Meeting on Monday, January 7, 2013 to discuss Registration as well as new and alternative revenue.
- After a thorough discussion, there was a motion by Dr. Garvin, seconded by Mr. Amen, and it was VOTED (unanimously) that in 2014, the AKC Board will begin investigating the best response to the property leases expiring in 2018 and 2020, and the advisability of office consolidation.

COMPLIANCE

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

Ralph Ullum

Heather McManus was present for this matter as was Doug Ljungren by video conference. On September 17, 2012, Mr. Ullum submitted a request for reinstatement of his privileges pursuant to Article XV, Section 7 of the Charter and Bylaws of the American Kennel Club. Mr. Ullman had been suspended for five years, effective January 19, 2011. In his request, Mr. Ullmum asserts that because he was found not guilty by the State of Illinois the AKC should reinstate his privileges. The Board voted to deny the request for reinstatement

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.

Following a motion by Mr. Arnold, seconded by Ms. Scully, it was VOTED (affirmative: Mr. Arnold, Ms. Scully, Mr. Kalter, Dr. Smith, Dr. Battaglia, Ms. Cruz, Dr. Newman, Mr. Feeney, Mr. Powers, Mr. Amen, Mr. Arnold; opposed: Mr. Gladstone, Dr. Garvin) to consider the matter at this meeting.

Following a motion by Dr. Battaglia, seconded by Dr. Smith, it was VOTED (unanimously) effective immediately, to amend II F of the *Discipline Guidelines* to reflect the specified penalties:

II. Disorderly Conduct (Event Suspension)	Mitigated	Standard	Aggravated
f. Harassment	3 mo/\$100	1 yr/\$1000	2 yr/\$2000

Further, staff is requesting that the "Definitions of Offenses" section be amended to include the following:

HARASSMENT: Inappropriate comments and/or conduct regarding but not limited to another individual's race, color, religion, disability, national origin, age, sexual orientation, or gender.

The following AKC Management actions were reported:

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

COMPANION/PERFORMANCE

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

Removal of Obedience Jump Height Moratorium

The Board reviewed a Staff recommendation to lift the jump height moratorium which is currently in effect for obedience. Following a motion by Ms. Scully, seconded by Mr. Battaglia, it was VOTED (unanimously) to lift the jump height moratorium for obedience effective immediately. In the future, Parent Clubs requesting an exception to the standard jump height would be required to complete a form providing background information relevant to the issue.

Retriever Hunting Tests - Limiting Entries in Master Level Tests

The Board reviewed a recommendation originated from the Retriever Hunting Test Advisory Committee to allow Retriever Hunting Test clubs, at their option, to limit the size of entry at the Master level test to 60, 90 or 120 entries. The limit must be stated in the premium list for the event. A club also has the right to offer an unlimited size Master test if they choose. Currently clubs may not limit the size of their entry. This will be discussed further at the December meeting.

Event Service Fees for Performance Events

The Board reviewed a recommendation that AKC assess a single fee, called a service fee of \$3.50 per entry for all Performance Events. For some events, the current assessment is \$3.50 for the first entry of a dog in an event plus \$3.00 on all additional entries of that dog. Other events pay \$3.50 for every entry. This recommendation will simplify administration and result in a consistent fee across all Performance Events. This will be discussed further at the December meeting.

AKC Rally®- Restructure

The Staff believes that the future growth of AKC Rally can be positively impacted by a restructuring of the sport. Two alternative proposals were offered to the Board for consideration, with the second to be considered for a VOTE at the December 2012, Board Meeting. It seeks to remove some of the restrictions that are currently placed on how rally trials may be held. The current restrictions are:

1. Only clubs licensed to hold obedience may hold rally.
2. Clubs are limited to one rally trial for every obedience trial.
3. The rally trial must be held concurrent with a club's obedience trial where all regular classes are offered. Concurrent is defined as within three days of the obedience trial.
4. The rally trial must be formatted in a similar manner as its concurrent obedience trial. This means if there are limits on the size of the obedience entry, the rally entry cannot exceed that limit and if there are limits on the breeds which may participate in the obedience trial, it must be the same for the rally trial.

The proposal is to modify restrictions # 3 and #4 as follows:

1. Remove the requirement that clubs licensed for obedience and rally must hold their rally trial concurrent with their obedience trial. Instead allow clubs to experiment by permitting them to hold their rally trial whenever and where ever they feel works best. Clubs may continue to hold rally concurrently with obedience if they desire.
2. Remove the requirement that clubs must format their obedience and rally trials in the same manner.

The Concept of a Triathlon (Versatility) Title

The Staff presented a memo in response to a Board action item to examine the feasibility of a Triathlon (Versatility) title. Given that the current idea for this title does not differentiate between levels of achievement within a sport, and that the three titles appearing on a dog's record is already proof of the dog's versatility, it would appear to be duplicative to award a title for this achievement. The Staff's conclusion is that this idea should not be pursued at this time.

JUDGING OPERATIONS

Occupational Eligibility

The Board reviewed a Staff recommendation to modify the policy restricting when a conformation judge may present a seminar in conjunction with a judging assignment. Following a motion by Mr. Gladstone, seconded by Mr. Arnold, it was VOTED (unanimously) to eliminate the policy restricting when a judge may present a seminar in conjunction with a judging assignment.

CLUBS

Delegates for Publication

Brenda A. Algar, Landenberg, PA
To represent Delaware County Kennel Club
Currently represented by Lindy Miller

Judy Corbett, Columbus, WI
To represent Badger Kennel Club
Currently represented by Betty Grotophorst

Karen G. J'Anthony, Camden, DE
To represent Skye Terrier Club of America
Currently represented by Walter Goodman

Stephen Skolnik, Abingdon, MD
To represent Northeastern Maryland Kennel Club

BUDGET

The Board agreed that there would be a Special Meeting, held on November 19, 2012, to consider the 2013 Operating Budget.

NEW BUSINESS

Judging Approval

There was a discussion on the approval process for Visiting Judges, required by the Visiting Judge Policy ratified by the Board in 2005, 2006 and 2011 to be approved for all breeds in the AKC group by their own country to be eligible to judge that group at AKC shows, and whether judges approved for a Group in their own country should be able to judge that Group at AKC shows if not approved for all AKC breeds in that group in their own country. Staff was directed to report on the current procedure in December along with recommendations for possible modifications to it.

It was affirmed that AKC Board members would be treated the same as all other applicants under the Judging Approval Process.

AKC Employees' 401k and Pension Plans

Mr. Farnsworth, AKC CFO reported that due to changes in the law, it was necessary to amend and restate the AKC 401k Plan and the Employee's Retirement Plan.

Following a motion by Mr. Ashby, seconded by Ms. Scully, it was VOTED (affirmative: Mr. Ashby, Ms. Scully, Mr. Kalter, Mr. Amen, Mr. Arnold, Dr. Garvin, Dr. Newman, Dr. Battaglia, Mr. Feeney, Mr. Powers, Ms. Cruz, Dr. Smith; opposed: Mr. Gladstone) to adopt the following resolutions:

Resolved:

That (a) the 2012 Amendment and Restatement of the Employees' Retirement Plan of The American Kennel Club and (b) the 2012 Amendment and Restatement of The American Kennel Club 401(k) Tax Deferred Savings Plan (hereinafter "Restated Plans") be adopted in the form annexed hereto.

Resolved:

That the Corporation consents to the adoption of the Restated Plans by the American Kennel Club Companion Animal Recovery Corporation, the American Kennel Club Canine Health Foundation, Inc., and the American Kennel Club Museum of the Dog, effective as of January 1, 2012.

Resolved:

That the appropriate officers of the Corporation be, and hereby are, authorized and directed to execute the Restated Plans and to take any and all actions necessary or appropriate to effectuate the foregoing vote, including the making and execution of any subsequent changes to the Restated Plans as they may, upon the advice of counsel, deem necessary or appropriate, and to cause the Restated Plans to be submitted to the Internal Revenue Service for a determination that the Restated Plans continues to be a qualified plan under Section 401(a) of the Internal Revenue Code.

It was VOTED to adjourn Tuesday, October 23, 2012 at 12:10 pm.

Adjourned

Attest:

James P. Crowley, Executive Secretary