

AMERICAN KENNEL CLUB
Delegates Meeting
December 16, 2016

Mr. Sprung, President in the Chair, called the meeting to order at 10:40 AM:

This Chair introduced the people seated with him on the dais: Chairman, Ron Menaker; Vice Chairman, Carl Ashby; Professional Registered Parliamentarian, Doris Abbate; Executive Secretary, Jim Crowley; and Anthony Trujillo, the court reporter.

Mr. Menaker gave the Chairman's Report as follows:

Good morning, and welcome.

It is hard to believe it has been fifteen years since we came to Orlando to host our very first AKC National Championship. Now in our 16th year presenting this groundbreaking event, we are thrilled to welcome Royal Canin from the Mars Petcare family as our presenting sponsor for the foreseeable future. Our Show continues to reach new heights. With seven thousand dogs across all competitions, it is our largest entry ever. For friends back home, the Show is being livestreamed on AKC.org, Royal Canin's web site and broadcast on FidoTV. Mark your calendars for the Hallmark Channel's airing of the Show on January 23rd. I hope everyone will take the opportunity to enjoy the quality of the exhibits, reconnect with friends ringside, and spend some time at our special features.

The AKC National Championship Presented by Royal Canin is only one in a set of record-breaking achievements this year. Indeed, 2016 has been a year of important growth for the American Kennel Club. Registrations have increased 8% overall, signaling a strengthening of breeders' confidence in AKC and sustained consumer demand for responsibly bred puppies. Our continued improvements in registration and customer service have helped us reverse a trend that concerns us all. We certainly have more work to accomplish, but we should all feel encouraged by a turning tide.

We have also taken critical steps to enhance our sport for our veteran participants as well as the younger generation. Launched in 2016, the new AKC Canine College is transforming Judges' and Breeder Education.

There is a great deal to come in the exciting world of online learning at AKC. Over the course of this year, we have seen growth in some new events. We launched the entry-level Agility Course Test which has already succeeded in welcoming newcomers to AKC. Also, the new "FAST CAT 100 yard dash" sport got off to an outstanding start and opens yet more doors for the uninitiated.

Continuing our efforts to nurture the next generation, we inaugurated the Junior Showcase Event, where Junior handlers can share in the camaraderie of competition with their peers. If your club is interested in hosting a Junior Showcase or adding one to your all-breed show, specialty, or trial, please contact Mari-Beth O'Neill.

In 2016, AKC led the way in advocacy in canine legislation. AKC Government Relations monitored and responded to more than three thousand proposed bills and ordinances. 2016 marked our most successful national legislative conference to date, with 75 leaders and liaisons in attendance.

And, we were delighted to play a role in the establishment of May 1st as National Purebred Dog Day. It has been remarkable to witness the explosion in public interaction with AKC in the digital space.

2016 has been a year of unprecedented growth for our web site, which is now ranked as the number one web site for dog content. Nearly 6 million unique people are visiting our web site every month to see, watch and hear what we have to say about dogs, dog care, training

and every aspect of responsible dog ownership. Traffic on AKC.org is up more than forty percent, and engagement with our social platforms is skyrocketing to new levels. Our social following has increased nineteen percent. Nearly a million people are visiting our Marketplace for puppies every month, spurring a growth of forty-two percent. We continue to distribute e-newsletters to over a million people every month.

We completely revamped our AKC online store into an e-commerce shop that offers an infinitely better customer experience with unique products. For those still looking for the perfect gift, the code AKC Family offers 15% off on *shop.akc.org*

Royalties from our licensing program continue to grow as customers seek more AKC-branded products. Thanks to these efforts, AKC's brand is more powerful than ever.

As we welcome them across more platforms and with increasing personalization, dog lovers of all kinds can look to AKC as not only the leading authority but as their "go to resource" for information about dogs. As we gain loyalty of millennials and new generations of dog owners, we put another stake in the ground for Registration and the Sport.

We have made significant advancements in Communications in 2016, proving that AKC stands ready to meet an everlasting public interest in purebred dogs. AKC appeared positively in nearly twenty thousand media clips in the first three quarters of the year, amounting to nearly 35 billion media impressions – a figure that will grow with significant press coverage in the upcoming days.

It is also my great pleasure to share the news that this year, we created two Public Service Announcements that showcase AKC Breeders and AKC as the two most important resources for future dog owners. Completely unscripted and without the use of professional actors, these two PSAs come directly from the heart to tell the AKC story.

One highlights AKC as the best guide for choosing the right breed. The other shines the spotlight on AKC Breeders as the best source for responsibly bred puppies.

An third PSA will debut next month and will educate the public in a longer format about all of the important work we do for dogs.

Of course, the old adage about a tree falling in the forest begs the question of how the world will hear our message. These PSAs will be distributed broadly, on TV, radio, online, and in taxis, movie theaters and planes. They will begin running during the Hallmark airing of our Show and will be shown in the top ten AKC registration markets starting in February. And, notably, our two PSAs have been running in the form of a billboard in Times Square since October 31, where millions of people from all over the world are seeing the American Kennel Club take the lead as the number one resource for and about dogs. Our videos have been shown more than a thousand times to date and will continue to run through the end of January, during the busiest, highest traffic season in Times Square. I am delighted to show you them now.

(Videos shown)

(Applause)

Mr. Menaker: I hope you will enjoy your time at the AKC National Championship, and I wish you all the best for a healthy, happy holiday season with family, friends, and of course, our dogs. Thank you.

Mr. Sprung gave the President's Report as follows:

My grateful thanks to our staff for their outstanding preparation of our 16th AKC National Championship and to each delegate for your tremendous support. Together Gina, Michael, Paula and our team from every department have attained the largest AKC event since the 1984 Centennial with over 7,000 entries. Congratulations to us.

(Applause)

During my career, I am fortunate to have established ways of recognizing individuals in our sports, amongst others, they include the Medallion Program for Delegates, judges, show chairs and breeders, the Lifetime Achievement Awards in performance, companion and conformation, being given out at lunch today, and the Outstanding Sportsmanship Award. I initiated these programs because of my leadership belief that we have an obligation to honor our own.

The AKC Visionary Awards, given for the first time at this meeting last year, celebrate individuals whose vision and contributions have been responsible for change and forward movement in our organization.

Their collective efforts have protected our right to own and breed dogs; shared the AKC's dedication and love of dogs with the general public; and educated the public about responsible ownership.

This year we recognize five Delegates as leaders in our community. Ron and Carl will be presenting these awards.

Chris Sweetwood, Trap Falls Kennel Club: Chris is closely involved in Responsible Dog Ownership Day education. He leads the charge for the Trap Falls Kennel Club bringing legislators, law enforcement officials and community groups together for the club's annual RDO Day.

Chris stepped up to work with AKC Reunite to help the Newtown Police Department's K-9 unit after the retirement and passing of their dog. With support from local clubs and fanciers, he led the funding for the department's new dog, St. Michael. He then leveraged the initial effort into a much broader scope that already helped bring Police K-9s to four additional Connecticut towns – Monroe, Westport, Redding and Orange – with more coming soon.
(Applause)

Gail LaBerge, Atlanta Obedience Club: Under Gail's leadership, AKC's federation, the Georgia Canine Coalition successfully opposed limit laws, unwarranted breeder restrictions and other problematic legislation. She has served as secretary on the Georgia Department of Agriculture Companion Animal Advisory Board and Chair of the Gwinnett County Animal Advisory Council.

Gail generously shares her expertise with clubs in other states, helps create educational programs for children, and promotes responsible dog ownership. She is Secretary of the Delegate Committee for Obedience, Tracking and Agility and is a founding member of the AKC PAC Board of Directors. Gail received an AKC Community Achievement Award in 2005 as well as a 2011 Bebout Award for Canine Legislation in conjunction with the Georgia Coalition.

(Applause)

Alan Kalter, American Bullmastiff Association: While owner of a major advertising agency, Alan contributed his time and expertise to AKC. He additionally allowed his firm to contribute pro-bono with PSA's, event promotion and Public Relations as well as personally having a hand in each achievement.

He participates in fundraising for the AKC PAC and assists the Canine Legislative Support Fund. As Chairman of AKC Reunite, they are experiencing their most successful year ever and we celebrate the tremendous trailer project now with 55 placed across America.

This most talented individual and his wife Chris Lezotte are honored this weekend for being the recipients of the "Working" Group Breeder of the Year.

While AKC Chairman of the Board his contributions effected everyone on staff in numerous positive ways, appreciating and mentoring us. His efforts improved dogs in each aspect of

their lives. Alan also created the slogan “We’re more than Champion dogs, we’re the dog’s champion.”
(Applause)

Nancy Fisk, Hockamock Kennel Club: Since its inception over a decade ago, Nancy has chaired the Delegates Legislative Caucus and serves on the All-Breed Committee. Nancy’s organization, the Massachusetts Federation of Dog Clubs and Responsible Dog Owners (Mass Fed), held their first-ever lobby day in 2005 which she chaired. From then on, Nancy and Mass Fed have been a model for mentoring other states on becoming active in canine legislation and protecting the rights of responsible owners and breeders. Nancy’s extraordinary efforts and commitment helped repeal breed-specific dangerous dog laws throughout the commonwealth. Similar efforts with stakeholders from across the ideological spectrum were instrumental in the development of a fair and comprehensive puppy consumer protection law proposal. Under her presidency Mass Fed was the recipient of the 2012 Bebout Memorial Award for Legislation.
(Applause)

Tom Davies, Springfield Kennel Club: Tom began with Old English Sheepdogs in 1967, then became interested in the Bearded Collie, and was elected President of the parent club. He shepherded the breed’s entrance into the AKC Stud Book, is an honorary lifetime member of the club and author of the standard. He served as Vice Chairman of the AKC Board building bridges within our community while reaching out to staff in the most helpful and appreciative ways employing his unique ability to cut through red tape and say it like it is. Tom has served for years as Delegate and show chairman of Springfield Kennel Club and for the country’s first working group club, the Connecticut River Working Group Association. He is coordinator for one of the most active clusters - the Thanksgiving Classic held each November in West Springfield, Massachusetts the Northeast’s largest at the Big E, often heralded affectionately as the Big “T”. Thanks to his foresight and devotion to the sport, Tom has been the strength, leader, coordinator, and visionary in helping 36 clubs find a venue so that their shows continue.
(Applause)

Please give a final round of applause to our honorees.

I now would like to introduce Michael Basone, Executive Vice President and Chief Operating Officer of Smart Pet Technologies, LLC, to talk with you about LINK.

Mr. Basone: Good morning, everybody. My name is Mike Basone. I’m the COO of LINK AKC. I’d like to introduce these two handsome gentlemen over here, my team members, Herbie Calvez, who’s our Chief Marketing officer; and Jay Cahill, who is our head of Program Development. All of us here today are really excited to discuss with you what’s happening with LINK AKC. We want to share with you the culmination of almost two years of work and dedication by the American Kennel Club and the LINK AKC team. What we’re trying to do, and what we believe in, is that we have developed a truly breakthrough product in the pet-wearable category. What makes LINK so unique is the fact that it’s not just about technology, the latest technology in wearables, mobile, or telecommunications; really, it’s the combination of both leveraging that technology and also combining that with the knowledge and the personalization that we’re able to garner from the American Kennel Club and combine those two together and manifest it into an unbelievable user experience for

consumers, which we're going to show you some of that today. But this isn't just about a single product. You know, what we're doing is we're building a business and a brand, right, that has legs. And that business and brand is going to pay back huge dividends for the sport in the long term for many, many years to come. We're only a few weeks away from shipping our first units to customers and begin redefining the pet-wearable space. With that, we thought we would have a little fun and provide you guys with a video that encapsulates our - you know, our evolution, if you will, from the start to here today.
(Video played)

Mr. Basone: So as you can see, it's been a wild ride, a fun ride, but a complicated one.
(Applause)

Mr. Basone: We owe that to all of you, your sport, and we thank you for that. And we're ready to rock and roll now. So now Herbie is going to take you through some of the marketing strategies that we have; and Jay is going to take you through the product development.

Mr. Calves: Thank you. Thank you for the support. We're already have nearly a thousand preorders. That's pretty impressive for a brand and a product and a new category that most consumers have not heard of; and its technology, there's no reviews in the marketplace about the product. Equally as important we've captured about 30,000 leads. And I say "equally as important" because these are consumers who have raised their hand and said, "We want to learn more about this product; and we're interested in buying this product; and we're going to turn into paying customers right after launch." The media is also recognizing the magnitude of what we're doing. In the two months since we unveiled the product, we've generated around 307 million impressions with consumers. And those impressions are not, you know, brief indications in a press release. Those are original stories that have been written about our brand across print, broadcast, and digital media. We have a few quotes here. You can do a search online and see many more. But I'm going to take you through just one of them here that's my favorite, actually, from Yahoo Tech. "For some dog owners, the LINK AKC Smart Collar could be a fun accessory and for others a reassuring necessity. In either case, if your dog wears this smart collar, no other dog in the neighborhood will be more connected."

The reason why this is one of my favorites is that it really captures both aspects of the product, some of the real problems that we already solved for customers with their dogs but also the fun and engagement that this product is going to help create between dog owners and their dogs. Other, you know, articles and stories written about us highlight things such as how good-looking the product is, which is a very good-looking product, as well as the comprehensive feature set.

Jay will take you through some of that, and you should definitely come by our booth to learn more about that as well. The media is not the only group out there that is recognizing the magnitude of what we are doing. The broader Consumer Electronics Association has awarded us -- again, prior to even launching -- one of the most prestigious awards in the industry, which is the Consumer Electronics Show Best of Innovation Award for 2017. We've won that in the wearables category.

(Applause)

Mr. Calves: It is an award that puts us in great company with past winners. And to win this award in the wearables category, there isn't a category yet for pet technology, but there will be, I'm sure. We beat out a lot of human wearables and established brands and companies. And it also, for 2017, puts us in great company with winners across other categories. In automobiles, in smart home, and televisions, in appliances. Pretty impressive. And

something that we're already leveraging and we'll continue to leverage as we march towards launch. LINK AKC is at the intersection of three of the fastest growing categories out there. Wearables, we're all becoming familiar with the Fitbits and Apple Watches of the world. Mobil, smartphone penetration is at around 93 percent in the U.S. And smart home. So smart home products are probably the newest player up on the screen, but that's starting to hit a tipping point. I know it's at a tipping point because a couple of weeks ago I received a flier in the mail from Bed Bath & Beyond, not Best Buy -- Bed Bath & Beyond, featuring only smart home products. We're at the intersection of all three of those categories, not just from a technology perspective, but from a consumer insight perspective and why consumers, you know, are adopting these technologies. Now, in order for us to educate consumers on this new category, like in any new category, there's an evolution. We have to be clear about who we're talking to, who are those consumers that are going to be the most influential out there and be good brand ambassadors for us. We've done a bit of work here to make sure we're targeted and smart about who we go after first, and it's more of a psychographic target versus a demographic target. And that's the most marketing speak I'll try to use up here. But it's about how they think versus really who they are, age, income, where they live, education, and how they think. They think of their dog as more than just a sidekick. More than just a friend. These consumers think of their dog as their child. And they spend on their dogs as if they're their children. They're always out there trying to do the best they can for their child, their dog. And they'll go to great means in order to do so. Our brand has a lot in common with these consumers. We're independent, confident, social, playful, and reliable. These consumers can relate to our mission. And I'll read this. It's important. "Our mission is to help strengthen the bond between dogs and owners. Our products promote innovation and quality through simplicity and extensive expertise derived from the AKC's heritage." And, of course, as Mike said, that can't be understated, the AKC heritage. Especially in a new category with a new offering. To have that trust and credibility with consumers, it's priceless. It's this clarity of purpose together with our expertise and technology that's going to help us win and take advantage of where experts are predicting is going to be a \$2.4 billion market within five years in pet wearables. We plan to be the brand that helps define this category for consumers similar to how Fitbit has defined fitness technology for mass consumers. Tesla has defined electric cars for consumers. Apple has really defined what a smartphone is for consumers. And with that, without further ado, I'd like to introduce Jay Cahill, again. Jay is our program manager, program director, and has been with the project since the beginning. He'll take you through a little bit of the features of the product. Not everything. We don't have enough time, but just a little bit. [(Applause)

Mr. Cahill: I came with props. It's important. Thank you for the kind words. And good morning, everyone. I'm excited to be here today. Excited to share with you all that we've been working on for some time and we're extremely proud of. It is a technology solution that we really do feel will change the game in pet ownership in that intersection of wearables, mobile lifestyle, and the smart home. What we're most proud of with this entire product set and product offering is not just the fact that it pulls together great and cool technology. What we think really differentiates us from our competitors out there and what they put on the table today is the way that we build something that's far more robust than just being a location tracker. What we have is a true ecosystem. And what we mean by that is we've combined together a beautifully designed collar, which we all encourage you to go by our booth and check out, with a very feature-rich mobile application that's integrated seamlessly into a platform. A platform that we believe provides the best healthcare solution in the marketplace today. And as Herbie had alluded to, the technology here is quite sophisticated. There's a GPS tracker in here. There's Wi-Fi. There's Bluetooth. There's a cellular modem.

In all these components are the most advanced technology that can fit into a form factor this size, but it's not the technology that tells the story. It's the way that those technological pieces come together into the application to make pet ownership and dog ownership easier. For instance, location functionality. In the case that your dog may get loose, nothing can reassure you more than having peace of mind that you can pick up your phone with a single click of a button, locate your dog regardless of where they are, and track that dog over time. Additionally, we extended the capabilities for those of you who are out on the go with your dogs. We create, what we call, safe zones. If you're out at the park, you can drop down a virtual fence that detects when your dog is close to that fence and notifies you when your dog may breach that fence. Again, so you can take control and action to keep your loved one safe. Beyond location, as we said, we have a complete ecosystem that includes activity tracking. Who doesn't want to be a more informed owner of what your dog's doing when you can't be at their side? Again, this device with a 3g accelerometer that measures G-force can detect your dog's activity during the course of the day when you might not be able to be there. It logs that information on an hourly basis, a daily basis, weekly, monthly, providing you access to trends so you can monitor your dog's behavior over time and notice any discrepancies with that. Additionally, your life is an adventure, and there's no better way to be on an adventure than exploring with your pet. So we've built this functionality into the AKC LINK application in order to provide you a means to go out and explore the world with your pup. The app will go ahead and track you when you're on that adventure, placing a trail on a map of where you've been. Give you the capabilities through your smartphone to take pictures during that adventure and pinpoint them to the map, all the while keeping track of the distance you've traveled and the time spent together. And you're social, your dogs are social. So what better way to get more social than provide single-click integration to Facebook so when you've had a great day with your pup, you can go ahead, press a button, and share that to your timeline amongst friends and family and amongst those that love your dog as well. But there's so much more in this product as well, more than time will allow us to talk about today. As Mike and Herbie mentioned, really this is about becoming a better friend to your best friend and providing capabilities to keep them safe. For instance, on the darkest of nights, we provide an embedded LED into the collar. So not only can your dog see what's in front of them, but you can see your dog as well. All remote-controlled enabled through your cell phone. There's safety features built within the collar to measure the ambient temperature around your dog. So if they find themselves an environment that might be too hot or cold for their health, it will immediately alert you on your phone so you can take action. There's records within here, a place to store the critical information about your dog, whether that be registry information, vaccinations, or other documentation. And we keep that for the lifetime of your relationship with LINK AKC. So you can access it at any point, whether you're traveling and need to provide those for an overnight stay or for whatever reason you might need. So with that, I'd like to thank you all. I'd encourage you to come by our booth, talk to our team there. I know they're as proud of this product as we are, and we hope that you find it as engaging as we have. And I'll leave you with this great video and enjoy the rest of your show.

Mr. Calves: As many of you may be aware, we're doing a give-back program. As a way to kind of embolden the clubs to help us educate, make people aware of this product of this new category, for every unit sold to a club member, we're doing a \$10 donation to give back to that club. We did a media alert. Brandi and Gina helped us out with that a couple of weeks ago. And we're going to continue that through launch. All you have to do is go to our Web site. Under checkout where you put a code in, you put club member, and then you simply type the name of the club in after you're prompted for the name of the club. And then we're able to keep track of how many have been sold by different clubs and do the appropriate give-back. So we're going to close with this short 60-second video that just kind

of gives you a glimpse -- we call it a lifestyle video, in marketing speak. But it just gives you a glimpse into how a product could theoretically fit into the everyday life of consumers. So enjoy that, and here we go.

(Video played)

(Applause)

Mr. Sprung: Thank you, Michael, Herbie, and Jay. I appreciate the fact that you are bringing AKC into a new era.

Four years ago Chairman Kalter introduced a special presentation to remember people in our sport. We continue to embrace the tradition and we honor those who are no longer with us.

(Video played.)

Mr. Sprung: Always tough, every year.

Next I will provide you with a high level financial performance summary through November 30th.

We have recorded \$59.3 million in Total Revenue and almost \$54.2 million in expenses, for an Operating Income of just over \$5 million dollars. Our litter volume has increased by 7%, while our dog registrations have escalated by 8%. Recording and Event fees have increased by 3%. Year over Year – we are up \$4.3 million in Revenue or nearly 8%.

Contributions in 2016 have increased dramatically from 2015 levels. \$1.0 million already donated this year includes contributions to AKC CHF as a matching gift program, along with the Tick-Borne Disease program, and the Theriogenology Grant support. We are planning to continue these philanthropic research efforts in the future.

For the 11-month period, our portfolio has gains of \$4.9 million dollars. The investment return of 5.3% has outperformed our combined benchmark by 30 basis points.

The Balance Sheet of the AKC shows long term strength. We are just shy of \$144 million in Total Assets, an almost \$8 million-dollar increase from the same point last year. We are a cash flow positive organization. Finally, Total Liabilities of \$67.2 million has decreased by nearly 5% and \$3.4 million over the past year.

The complete Financial Report is attached to these minutes.

The Executive Secretary read the report on the nominating committee and the report on additional nominations as follows:

Mr. Crowley: Pursuant to Article VIII of the Bylaws of the American Kennel Club, the nominating committee: Patti L. Strand, Chair, Dog Fanciers Association of Oregon; Robert Amen, Greater St. Louis Training Club; Karen Burgess, Greater Clark County Kennel Club; John F. Lyons, Charlotte-Albemarle Kennel Club; William B. Tabler Jr., Long Island Kennel Club, appointed by the Board of Directors at its July of 2016 meeting, has nominated the following Delegates as candidates for such vacancies on the Board of Directors, to be filled at the next annual meeting of the club on March 14, 2017:

There are four vacancies for the Class of 2021: Rita J. Biddle, Ingham County Kennel Club; Dominic P. Carota, Pharaoh Hound Club of America; Dr. Gregory J. Paveza, Elm City Kennel Club; Harvey M. Wooding, Westminster Kennel Club.

Pursuant to Article VIII of the Bylaws of the American Kennel Club, the following members have been endorsed in writing by the required number of Delegates as candidates for the vacancies on the Board of Directors for the Class of 2021, to be filled at the next annual meeting of the Club on March 14, 2017: Jeffrey David Ball, Ramapo Kennel Club; Thomas

Powers, Kennel Club of Beverly Hills; Julian Prager, Central Florida Kennel Club; John L. Ronald, Samoyed Club of America; Daniel J. Smyth Esquire, Burlington County Kennel Club.

Mr. Sprung: The Bylaws state that nominations may not be made from the floor. Nominations, therefore, closed on November 15, 2016.

In accordance with the Delegate Standing Rule, each candidate is allowed three minutes to address the Delegates. Gina DiNardo will indicate to the candidates when three minutes have expired. The Chair will introduce the candidates who will speak in alphabetical order, and no questions from the floor will be entertained.

The first candidate is Jeffrey David Ball, representing Ramapo Kennel Club.

Mr. Ball: Ultimately, we are all here together for the same reason, the love of dogs. Remembering that AKC is all of us, the knowledge, leadership and history of the canine world within this room is amazing. Nowhere in the world could there be more. It's not just us who love the dogs; the general public has those same feelings. In fact, that love only continues to grow. In 2000, there were 68 million dogs in America, it's now climbed to 78 million. That's approximately 40% of the homes. The public's spending on their pets went from 17 billion in 1994 to over 60 billion dollars in 2015. So you would assume in this growing market that this would be great news for the AKC. Especially since AKC has always been the primary go to organization in the canine world. But has it been growing? Our registrations and show entries are down, clubs are struggling to recruit members and it seems as if all our breeding and show rights are under attack.

The AKC mission states it will uphold the integrity of registry, sport of purebred dogs and breeding. As well to improve the lives of canines and their families while promoting responsible ownership. Also part of AKC is the Humane Fund, Canine Health Foundation and Reunite, which are all amazing organizations themselves.

So with AKC doing all the right things, why have we not grown? Let's be clear, it not any one individuals fault. From 25 years ago until today, 75 of the Fortune 100 companies are no long on the list. They failed for different reason, but one of the main causes is that they failed to change. Society is continuously evolving and therefore forces change. If you don't change with it, you are left behind.

AKC has failed to change sufficiently over the years. It has caused not only a disconnect with much of the public, but many of the fancy itself. When AKC is thought of as New York or Raleigh and not all of us, there is a problem. That can all be changed, but we need a plan. That plan should include being more proactive, reconnection with the public and fancy, to be more inclusive and better prepared to fight outside organizations that will attack us. It's that future that will preserve our great history. To quote John Kennedy, "Change is the law of life. And those who look only to the past or present are certain to miss the future"

If you elect me, I will work with each and every one of you to help develop and implement a plan for our future. Thank you.

(Applause)

Mr. Sprung: Thank you. The second candidate is Rita J. Biddle, representing Ingham County Kennel Club.

Ms. Biddle: Thank you, Dennis. Good morning, fellow Delegates. I'm Rita Biddle, Delegate from Ingham County Kennel Club in Lansing, Michigan. In my travels around the country judging and listening to the fancy, I have learned that the sport and AKC needs a Board Director who understands our sport; identifies and solves problems; can do strategic

planning, finance, and budgeting; listens and responds to concerns; promotes the AKC and our sport, and understands today's changing environment. My in-depth life in dogs and the sport, coupled with my multifaceted career make me uniquely qualified to be that Director. I have been involved in the sport of dogs for 50 years as an exhibitor and breeder; show chair and everything in between; All-Breed Club and Parent Club president; and judge of three-plus groups, best in show, and juniors. I've been a Delegate for nearly 13 years, member of the AKC Delegates Bylaws Committee, and AKC Trial Board chair. My career includes 40-plus years of public service, 13 as a top-level state executive, coupled with 35 years owning my own business: a large, successful boarding kennel. My midlife crisis was to earn a law degree at night.

The AKC serves two primary constituencies: the fancy and the dog-owning public. Today, due to sound management, our financial position is much improved, enabling us to undertake initiatives to ensure the future of our dogs, our sport, and our clubs. To retain and support the fancy, the AKC must listen and respond to its needs. For example, we must continue improving the web site and streamlining procedures for holding events. We must get our juniors involved in club activities, not just in showing. For the dog owner, we must use all available resources to raise our visibility, promote all the fun they and their dogs can have at our events, and shout out our Canine Health and other initiatives that benefit all dogs. More FidoTV type of relationships are needed, as well as knowledgeable and charismatic spokespersons who can motivate dog owners to participate in our activities. The consolidation of AKC's various educational programs into one department will better enable us to become America's resource for dogs and the people who love them. The AKC, the fancy, and the dog-owning public all face a dangerous common enemy: the animal rights extremists. Make no mistake, they want to make dogs extinct and kill our sport. They have taken control of the conversation. We must aggressively take it back. To do all this, we must have a focused, coherent strategy, not piecemeal, reactive solutions. My experience and positive "can-do" attitude will enable me to make solid contributions as a Director in meeting these challenges. I have a deep passion for the AKC and our sport. Like you, I care about our future. I would like to thank the Nominating Committee for their confidence in me, and I would be most honored by your vote. Thank you.

(Applause)

Mr. Sprung: Thank you. The third candidate is Dominic P. Carota, representing Pharaoh Hound Club of America.

Mr. Carota: Good morning. It is my goal for you to get to know me a bit better and to give you a glimpse into my business experience, my nonprofit board experience, and my wide ranging experience in our sport. As an active breeder, licensed lure coursing trial and test judge, treasurer for my hound club, Chairperson for my club's field trials, Chair of my parent club's specialty performance events committee, and coordinator of Meet the Breeds, the perspective that I would bring if you were to elect me to the board, would be of someone who is involved at every level of our sport on a real time basis. Upon graduating from college, I entered the corporate world for several years. In 1998, I founded and built a commercial and residential design company from the ground up. As we all know in September 2008, the recession hit our country, and it hit my industry very badly. The length and severity of recession necessitated a serious structural reorganization of my company if I were to weather the storm and to come out stronger in the end. My company, in fact, weathered the storm with a leaner, more efficient, successful structure that I instituted. Today, the success of the company has allowed me to devote more time to my other interests, and especially the sport I love; the sport of pure bred dogs. As my company recovered and grew, I was able to give back to my community by serving on the board of

directors for the Alliance for Positive Health for the last five years. I served in that capacity on the development committee, which is where we raise private funds to offset any shortfalls on our federal and state grants. The alliance is a New York state nonprofit health organization serving lower income demographics, elderly populations, and those living with chronic illnesses such as HIV. We do this in 17 counties in New York City. Today, under the steady guidance of an invested board, we find our organization on solid financial footing with substantial reserves.

With my partner, I have bred over 25 dual champions, two federally certified crisis response dogs (if anyone knows Pharaoh Hounds, that is a feat in and of itself) and four AKC national field champions in the sport of lure coursing. Our work and passion was recognized in 2014 as AKC awarded us Breeders of the Year in the sport of lure coursing.

As we move this organization forward, we must build on our successes, critically assess what is not working, and institute a strategic plan with clear goals and innovative new programming. We need to change the conversation on a national basis, and be proactive in getting credit for all our good deeds. We cannot be defined by the animal rights organizations. We must define ourselves. We must be proactive to win back the hearts and minds of the American people that we have lost to the animal rights organizations. Also, we must win back the hearts and minds of those that are disenfranchised with our sport and especially the young who are our future.

In conclusion, please ask yourself what do we want this organization to look like in 5, 10 or 20 years? With a strategic plan, strong leadership from the Board, guidance from our Delegates, a committed staff and feedback from those in the fancy, we can get there together. Thank you.

(Applause)

Mr. Sprung: Thank you. The fourth candidate is Dr. Gregory J. Paveza, representing Elm City Kennel Club.

Dr. Paveza: My fellow Delegates, two years ago I came before you to ask for your support. I was both gratified and humbled by the support shown me. I am again seeking your support. Now as I did two years ago, I believe I can bring a different perspective to the Board that is built on over 30 years' experience that required me to learn to work across groups of people who, while sharing a common purpose, often had very different beliefs and opinions about how to accomplish those common goals. The AKC, not unlike the organizations I have worked in, is made up of many different constituencies: The Board, Delegates, member and licensed clubs, the staff, exhibitors in all the competitive arenas in our sport, and folks who just own a purebred dog. We must learn to work together on our common purpose to ensure our survival. We face serious problems, all of which deserve our attention: attacks from the outside by animal rights extremists, dwindling participation in many areas of our sport, concerns about how we approve conformation judges, and many others. As we face these challenges, too often I've heard what is the AKC doing about this? Implying, what are the Board and staff doing about this? And I do believe the board and staff could be doing more or I would not be asking for your vote. But we will never effectively address the issues we face if we hold to the belief that the Board and staff alone are responsible for fixing all of these problems. We must remember that we, as member clubs in particular, are the AKC! While the Board and staff must lead the way, every Delegate, every constituent group must become active participants in shouting out our message. The decision to increase government-relations staff is critical. However, we must ensure that these new staff, working with local clubs, has every state ready to testify against extremist legislation. We must be prepared to match their every expert witness with ten. We must do better in tying the good we do, like the disaster relief trailers, to our mission as the AKC. We must, taking lessons

from other sports, develop innovative ways to recruit the next generation into our sport. We must utilize the way this new generation learns if we are going to bring them into our sport and pass our knowledge on to them. For to quote Ben Franklin: "We must all hang together or we will surely hang separately." I would appreciate your support and vote. Thank you. (Applause)

Mr. Sprung: Thank you. The fifth candidate is Thomas Powers, representing the Kennel Club of Beverly Hills.

Mr. Powers: Thank you, Mr. President. Good morning, ladies and gentlemen, fellow Delegates.

I'll take a minute to tell you a little bit about myself. I was born in this sport. Both of my parents were members of this body. Both of them were Delegates. I got my first Wolfhound around 1963. I went to my first Wolfhound National in 1967. I judged the Wolfhound National several months ago, 49 years later, if you can imagine that.

I have been in the practice of law for forty years. During that time, I have also owned a retail pet supply chain. I owned and operated a veterinary hospital. I've also owned and operated a dry cleaner, and I have consulted -- in addition to representing clients, I have consulted with a number of businesses, medium and large size, mostly on bankruptcy avoidance which I kept them out of.

I have been on the audit committee here for four years of the American Kennel Club, and that's given me a real insight of the numbers and how this organization works. That experience, I think, is invaluable going forward. If we don't have a strong financial base, we can't do the things that we need to do.

We need to have a concerted -- I can only describe as a holistic message, both government relations, public relations. It has to go out all the time, and it has to be funded. So we have to pay attention to the numbers, and we have to have those other sources of income.

The PR questions and the government relation questions, to me, are the most important thing that we do. The second most important thing that we do is make sure that those operations are funded.

The sport itself needs work here and there. The numbers have been going up registration-wise, but they're still going down entry wise.

We have to get our message and our funding together so that we can be the dog's champion as we go forward. Now, I almost -- I'm that close to being retired from the practice of law -- I think I got one case left -- which means I have time for this job.

I have passion for this job. I have commitment for this job. And I want to represent you. I want to represent your clubs, and I want to represent all the constituencies that we have, so that this club and this organization can be here when my great-grandchildren are raising dogs. Thank you very much.

(Applause)

Mr. Sprung: Thank you. The sixth candidate is Julian Prager representing Central Florida Kennel Club.

Mr. Prager: We're in a war to determine whether our sport and our freedom to produce, breed, and use purpose-bred dogs will continue. Animal rights groups have convinced significant parts of the public that it's better to rescue a dog even if that dog needs to be transported across the country without any oversight of its welfare or brought into the country from overseas without any concern for its health and its impact on dogs within the United States.

Legislators and their staffs at the federal level, local level, and state level have come to believe that the AR groups are the experts and that we're not. The AKC Board has begun to address these challenges and is making progress expanding our business model, improving PR, and strengthening GR, but we need to do more to counter the legislative and regulatory onslaught.

Any Board's strength is derived from the fibers made from the individual strands of its members woven into a unified whole. The members' experience, positions, and backgrounds should meld together to form a stronger mesh to support the organization. I think the question for us is what are the threats to the AKC and what does each of us bring to strengthen our defense to them and to provide proactive strategies to deal with them? So what do I bring to this mixture? Well, like many others here, I've headed multi-million-dollar operations in the public and private sector. I have a master's degree in community organization. I have a successful history of working in and with all levels of government negotiating and writing statutory and regulatory language to protect our sport and our freedom. I have been, as Teddy Roosevelt described, the man in the arena. As a representative of Pennsylvania Federation of Dog Clubs, I convinced the governor that they couldn't just write new regulations without changing the law, which is much more difficult. And then I worked to make sure that the changed law did not affect hobby and show breeders, sportsmen, and hunters.

As the legislative director for NAIA, I drafted the first shelter reporting bill which was subsequently enacted Florida, to track, the movement of dogs in shelters around the country. When I worked for APHIS, I convinced them that it was not just breeders that had to be regulated, but that the law required them to regulate anybody conducting activity that is described as regulated activity and that included nonprofits and shelters. And that anyone importing dogs into the United States for resale, had to have a permit. I appreciate your support. Thank you.
(Applause)

Mr. Sprung: Thank you. The seventh candidate is John L. Ronald representing the Samoyed Club of America.

Mr. Ronald: Thank you, Mr. President. Good morning. My name is John Ronald, and I'm a business executive with a professional background in banking investments and finance. Now given the Board's current agenda, I believe at this time my skill sets and experience will be valuable to AKC's successful future.

We all know AKC's current situation. To ensure a secure future, AKC needs more, younger customers and revenue. As a consequence, the Board and AKC staff have put forth new initiatives to improve AKC's core business, attract more fanciers, and create alternative revenue sources. These projects are branching out into areas we never have considered before, including ways to more fully participate in the growth of dog ownership generally - even for those owners who don't show. So let me be clear. As long as AKC's history and traditions are respected, I support this strategy.

Now, if this strategy is successful, AKC will be able to fund its mission and grow. This means meeting its goals with respect to canine health, positive legislation and helping dogs lead full and healthy lives. AKC wants to be viewed as the champion of all dogs. I totally agree with this goal.

Perhaps not all of these initiatives will succeed, but future Boards will need to be able to build on successes and move from those ventures that don't achieve desired results. This will require Board members with the ability to analyze these investments and make prudent, timely decisions. As a licensed Investment Advisor, I think I can help in this process.

In addition to my professional background, I'm a fourth-generation Samoyed fancier, and a 30-year judge, and a 29-year Delegate. I understand and respect AKC's history and traditions. I've also been fortunate to have a successful career as an owner, handler, and a breeder. I'm a dog person who has spent his entire life devoted to dogs. As an active Delegate, I've always tried to help this body grow in its role as a governing partner in AKC, I've edited *Perspectives* for six years and have served on a number of committees since the Committees since their inception. As many of you know, I've served on the All-Breed Clubs committee for the last decade.

However, I would like to have your support to contribute at the Board level. I understand it's going to require some trust on your part, and I promise every day I will work hard to have deserved that trust. Thank you.

(Applause)

Mr. Sprung: Thank you. The eighth candidate is Daniel J. Smyth, Esquire, representing Burlington County Kennel Club.

Mr. Smyth: This is a really great panel, and I'm very proud to be part of it. My name is Dan Smyth. I'm from Burlington County Kennel Club. This is my 24th year as a Delegate. What I can say I get out of 24 years is that I probably earned a star for perfect attendance and a Prilosec prescription for too many meals at the Spanish Tavern.

Here's my story.

I Chair the Delegate Advocacy and Advancement Committee, and every time we send a proposal up and -- win or lose, I realize that this group has become much louder in voice than it was when I came here in 1992.

I am the chair of "Perspectives." Back when I joined, nobody really wanted to write an opinion piece. Today you speak. AKC listens. It has changed!

One of the things that upsets us all is the fact that for financial reasons, "Perspectives" and the -- Gazette had to go online. I know most of you don't like that. I will tell you one thing. If I am elected to the board, I will spend the next four years trying to find a way to financially, get these periodicals back into hard copy publication. I believe that that is something that you, the Delegates, would appreciate' I miss them. I know you miss them also.

I've been on the Coordinating Committee for 17 years, chaired it three years.

I sit on the Trial Board, as a Chair for 18 years.

I was originally a breeder of Basset Hounds and switched over to PBGVs to try to avoid the cliché that some owners start to look like their breeds. Not sure if I succeeded.

I was the original Delegate from the PBGV parent club for six years. Learned the ins and outs of what goes on with a parent club. I switched over to an All-Breed club where we participate in and hold all the companion events and most of the performance events. I can tell you, there is nothing like being in the field and working with people and their dogs in the events that these dogs were bred to do. That's what we're here for!

We need to keep our voices .heard. We need to keep these breeds preserved and let the world know this is exactly what we are trying to do.

After judging for 22 years, I applaud the expansion of the activities at the dog shows by the Board. of Directors. Peeweewees was ingenious. I incorporated it immediately into the shows that I Chair.

We need to direct our attention to our young people. We need to bring them along. We need to do things to incorporate and invest in them now because that's who we will be relying upon in 20 years. I will take your ideas into the boardroom and represent them. Anybody who knows me, knows that I'm very persistent. And although we may get a no for an answer, I promise I will persistently continue to pursue what it is that's important to you.

As a breeder of merit, I have bred my own dogs. I've shown my own dogs. I've held my own dogs when I've had to take them to the vet for the final time. I know what you go through. I know what you have gone through, and I know what many of you feel as breeders and people that have worked hard for this organization.

I have very significant experience with this Delegate body for over the last 24 years, and I ask that you give me an opportunity to go to the boardroom and take that experience with me to represent you. I ask that you all join me in making this AKC the best organization that it can be. I promise you I will do my best. Thank you.

Mr. Sprung: Thank you, Dan. The ninth candidate is Harvey M. Wooding, Westminster Kennel Club.

Mt. Wooding: Thank you. Good morning. AKC's greatest strengths are its brand and a bulletproof mission. We are respected for who we are and what we do for dogs. On the other hand, our greatest weakness is our resistance to change and a lack of understanding that productive change is a good and healthy thing. Progressive change is mandatory. Without it, organizations die!

So what should our priorities be? I have four to which I am deeply committed and which I think are critical to our success. By the way, they do require change!

First, AKC must do much more to support and encourage breeders to breed and to expand the public's desire to own healthy purebred dogs. We must provide more tools and assistance to ensure our responsible breeders' success. Doing so will create a larger population of dog owners for which we gain broad support.

Second, in the area of our sport, I believe strongly that we need to create new sports that must attract today's entertainment consumers and their desire to have fun with their dogs. They must be less structured; require less time commitment; be fast-paced; easy to enter; and allow for quick, understandable success.

Third, we must do more on the legislative front. At the August Board meeting, I specifically requested that Sheila Goffe be directed to present a multi-year plan and the budget to greatly expand her department and its scope. My focus was to give Government Relations the status and resources needed to make a larger positive impact. She made the presentation, and I'm proud to report that her requests were approved as part of the 2017 budget. This should be just the beginning!

Fourth, I have been a consistent proponent of examining business opportunities outside of our normal realm, but still connected to our interests. Without revenue from new sources, our ability to support all the many good works, give or take, will suffer. This fourth element helps fuel my other points. In fact, they're inextricably linked.

I believe strongly that successful leaders examine the needs of an organization and set goals. My business hero is Jack Welch, former Chairman and CEO of GE. One of most innovative and successful corporate leaders of our time, he embraced change as a strategic weapon and was willing to take the heat for doing what was right for his company. I try to emulate his methods, and I'm absolutely certain that this philosophy fosters creative thinking and the drive to always be ahead of the curve.

I believe when you accept something as is or even try to fix it, its original flaws and shortcomings constantly limit you. Instead, one must examine what is needed, be willing to abandon what is currently in place, and then create an organization and a plan to address those needs from the ground up. Do that and success is yours.

It's been an honor to serve on your Board for the past four years. Now I'm asking for your vote to support my priorities and to help assure that AKC continues to grow as the dog's champion. Thank you.

(Applause)

Mr. Sprung: Thank you.

The Executive Secretary read the names of Delegates seated since the last meeting:

Dr. Mary-Helene Brown, to represent Scottsdale Dog Fanciers Association

Donna M. Cooknell, to represent Idaho Capital City Kennel Club

Daniel Cunningham, to represent Onondaga Kennel Association

Barbara M. Donahue, to represent American Miniature Schnauzer Club

Michelle Fletcher, to represent East Tennessee Retriever Club

Priscilla Gabosch, to represent Bucks County Kennel Club

Sherry Harman, to represent James River Kennel Club

Deborah L. Kreider, to represent Lakes Region Kennel Club

Jo Lynn, to represent Glen of Imaal Terrier Club of America

James G. Phinzy, to represent Scottish Deerhound Club of America

Theresa Vila, to represent Fayetteville Kennel Club

Rhonda Ann Walker, to represent Terre Haute Kennel Club

The following Delegates, who were attending their first meeting since approval were introduced from the floor:

Erica Behnke, to represent Queen City Dog Training Club

Donna Cooknell, to represent Idaho Capital City Kennel Club

Victoria Dovellos, to represent Japanese Chin Club of America

Debra Duncan, to represent Lawrence Jayhawk Kennel Club

Eduardo Fugiwara, to represent Fort Lauderdale Kennel Club

Deb Kreider, to represent Lake Regions Kennel Club

Jo Lynn, to represent Glen of Imaal Terrier Club of America

James Phinzy, to represent Scottish Deerhound Club of America

Teresa Vila, to represent Fayetteville Kennel Club

Mr. Sprung welcomed the new Delegates.

The minutes of the September 12, 2016 were approved as published.

There was a vote is on Chapter 6, Section 9, of the *Rules Applying to Dog Shows*, which would extend the closing time for entries to be no later than 11:59 p.m. as an option of the club. There was a counted vote with 151 in favor and 94 opposed. As there was not 2/3 in the majority, the amendment was not adopted.

The Executive Secretary read the proposed amendment to Chapter 2, Section 3, of the *Rules Applying to Dog Shows*, which would enable the AKC, upon receipt of an appeal, to approve a club for the holding of a show at a site within the area of another club on a case-by-case basis, if it believes the permission of the host club has unreasonably been denied. The amendment was proposed by the Delegate Dog Show Rules Committee after the subject was referred to the committee by the Delegate body. It was put forward by the Board with a positive recommendation. It will be published in two issues of the online AKC Gazette, and you will be asked to vote on it at the March 2017 meeting.

The Executive Secretary read the proposed amendment to Chapter 14, Section 14, of the *Field Trial Rules and Standard Procedures for Retrievers*, which would encourage new owners of young dogs to train and participate with their dogs in AKC retriever field trials. All subsequent sections of the chapter will be renumbered.

The amendment was proposed by AKC staff and brought forward by the Board with a positive recommendation. It will be published in two issues of the online AKC Gazette, and you will be asked to vote on it at the March 2017 meeting.

The Chair recognized Tim Carrion, Delegate from the American Chesapeake Club who spoke as follows:

I know many of the Delegates are not familiar with Retriever Field Trial Rules, but I'd like you to consider the fact that we really have to question whether this prefix title is appropriate for a minor stake. There is currently no prefixed title in any field trial events. There is a suffix title in retrievers for the other minor stake event, which is the qualifying stake. The idea of having this prefixed title, which is commonly a championship title prefix, is one of the things coveted by most people within the AKC. This title would have as much to do about a dog's birth date as it would its ability. So I think the title would be misleading and would probably be inappropriate, given the tradition and the meaningfulness of a prefixed championship title. Thank you.

The Chair recognized Robert Eisele, Delegate for the Suffolk County Kennel Club who spoke as follows:

I wanted to comment on the previous read to Section 2, Section 3, of the *Rules Applying to Dog Shows*. May I make a comment?

Mr. Sprung: Of course.

Mr. Eisele: Well, I think I'd like to praise the Dog Show Rules Committee on actually addressing this. A famous president had some sort of comment to the effect that, unforeseen circumstances to a rule are things that you really need to worry about. Suffolk County Kennel Club is the one that brought this to the attention of the Delegate body about a club holding a show outside their territory, but yet still controlling that territory. We just did not think that that was fair. We presented our motion; and, if you remember correctly, some people in the Delegate body thought it was too complicated. We were thinking about those unforeseen circumstances. The problem that we have with this motion as written is that to simplify it, they're sending it to a committee for them to make the decision. We have the problem that there is no criteria for that decision. In life, I find sometimes it's not what's right or wrong; it's about who you know. And I would rather see criteria written before I vote on anything like this. I would like to see this go back to the Committee and get that criteria before I have to vote on it.

The Chair recognized John Russell, Delegate for Middle Tennessee Amateur Retriever Club, who spoke as follows:

I was on the Committee that formulated the proposal for the retrievers. And I'd like to explain a couple of things if I could. First, let me say that I frequently hear -- and very often today -- about the encouragement of new people to enter our sport. Keep that in mind, please, as I tell you what I will say now. We have a Committee of 13 people, and I know that ten of which have had in excess of 40 years of experience in retriever field trials. They represent in excess of 21 national titles. They understand the quality of that, I believe. We are taught that although retriever field trials are doing okay, it's only at the upper levels. When I started this 40, 45 years ago, we consistently had 60 derby dogs. We currently are looking at 15 to 18 all the time. And that tells me our entry level is not doing what it ought to be doing. The suffix title Mr. Carrion refers to is a QAA, which is actually the acknowledgment of an achievement that you don't even have to place in a field trial to achieve, as opposed to winning a national competition as this suggests. And we don't have any retriever national title that is not a

prefix title. And so I would disagree with him on those points. I encourage you all to investigate this on your own. I'd be available to you at any time. Thank you.

Doug Ljungren, Vice President of Sports and Events addressed the Delegates about a New Club Development Department and the AKC Canine College.

Mr. Ljungren: Good morning. Clubs are the cornerstone of AKC events and have a major impact on the success of our sports. On occasion, unique issues arise that are difficult for a club to address on its own. In order to provide assistance when needed, I am pleased to announce the creation of a new unit called the "Club Development Department." Its purpose will be to work cooperatively with clubs to address challenging situations and enhance their ability to hold quality events. Sports and Events already receives many calls from clubs seeking assistance or advice. I want to share with you one that we recently received from a very concerned club member. The e-mail said, "All our club officers and members of our event committee for upcoming show have resigned."

(Laughter)

Mr. Ljungren: "We know how to run the show, but we don't know where the club is with paperwork or contacts. Need help."

(Laughter)

Mr. Ljungren: This is an extreme, but real example. The club development department will now be there to assist when addressing these challenging situations. The functions of the club development department will include: champion the best practices being developed by Delegate committees and communicate the successes being experienced by many of our clubs; Proactively reach out to clubs when trends or feedback indicate assistance may be helpful; Working in conjunction with other AKC departments, develop educational material to pass on the knowledge needed by new event committee members. Research has shown that 25 percent of the conformation events have a new show Chair every year. Work with clubs to address issues regarding loss of show sites or clustered partnership problems. Assist clubs in exploring the feasibility of adding special attractions or complementary events. This can include four- to six-month puppy, NOHS or open shows, and dock diving, Fast CAT, or other new events that AKC has in the works. These additional activities could add to the gate and increase public interest in your event. A recent survey of dock diving participants indicated that 73 percent went in to watch the show and visit the vendors. Champion the B-match. Assist clubs in developing pre-event publicity and follow up with success stories. And mentor new clubs during their first events or when adding new event types. The head of the club development department will be Glenn Lycan, director of event operations support. Working with Glenn will be Guy Fisher, club development manager. One of the first projects of this new group will be to reemphasize the importance of the AKC Code of Sportsmanship. Sportsmanship is essential to the long-term health of our sports. Superintendents will be provided large poster boards with the Code of Sportsmanship to be displayed at our events. A smaller size will be available. Interested clubs may obtain these for free by contacting the club development department. We must never compromise our commitment to fairness, respect, and a sense of fellowship. Creating an organizational champion for clubs will provide the resources and focus that is consistent with the importance that clubs have on our future. If your club is facing challenges or seeking advice, please feel free to contact our new department at clubdevelopment@akc.org. Thank you very much.

(Applause)

Doug Ljungren: I would now like to introduce to you Leslie Fetzter, Education Project Manager, who will provide an overview of the Canine College.

Ms. Fetzter: Good morning. Rather, good afternoon. I think I might be standing between you and lunch. So I'll keep this brief. The AKC Client Canine College launched on September 27th, and we are currently averaging just under 2000 visitors a week. Despite that, many do not yet know what the AKC Canine College is. For this reason, we are working on an informational video. And I thought I'd show you a little bit of what we've pulled together so far.

(On video: Caninecollege.akc.org. What is the AKC Canine College? The American Kennel Club's Canine College extends learning and certification opportunities with online courses, exams, and resources. The AKC Canine College may be accessed anytime, anywhere, and on any device with Internet access. It is a tool that can be used effectively and efficiently to supplement what has been available for years. The AKC Canine College offers multiple modes of learning within one course to meet different learning needs. What can it do for you? AKC Canine College courses offer immediate feedback, videos and interactions that reinforce learning, and opportunities to apply what has been learned through exercises and assessments. Our platform allows information to be presented visually, textually, and audibly. AKC's instructional designers develop courses through collaboration with subject matter experts. For breed courses, that's a partnership with a parent club. For courses on anatomy and breeding, that's accomplished veterinarian and renowned breeder and author, Claudia Orlandi. What can you expect? What can it do for you? Work completed in the AKC Canine College is automatically and immediately reported to the judge's file. An e-Portfolio allows a judge to store and organize documentation demonstrating their work in each breed. The e-Portfolio can be shared when ready with a click of a button to the judging operations department. Audiences in the future and the American Kennel Club will continue to expand our catalogue offering courses and resources to conformation, companion, and performance judges; breeders; groomers; trainers; stewards; show Chairs; and more. The AKC Canine College team values your feedback. Being committed to a path of continuous improvement, the catalogue of courses and resources will evolve with current technology.)

(Video concluded.)

Ms. Fetzter: We would like to invite the Delegate body to have the opportunity to examine one of the breed courses. Courses for breeders are already available at no charge. Exams for conformation and performance judges are also available. Breed courses have a charge of \$50. A coupon code will be sent to the Delegate body next week so that you may have the opportunity to check those out. I also encourage you to stop by the AKC Canine College booth, as we have Jane Myers there demonstrating how the AKC Canine College works. You can also see some of the courses and learn how to access them yourself. Currently, learners are either pre-enrolled (judges and breeders already in our records) or people find us by going to the Web site. When they find and select a course that they want, they're automatically enrolled in that course. Please stop by the AKC Canine College Booth, and I'm happy to answer any questions that you may have after the event. Thank you.

(Applause)

The Chair informed the Delegates that the annual meeting will be held on Tuesday, March 14, 2017, at the Doubletree Newark Airport Hotel. The March meeting is the annual election of Directors for the Class of 2021. AKC be e-mailing and placing hotel information on the Delegate Portal as soon as it is available.

The following Delegates spoke during New Business:

The Chair recognized Maureen Setter, Delegate for Cleveland All-Breed Training Club, who spoke as follows:

I started to fill out my 2017 calendar, and I'd like to schedule an appointment for my dog to be groomed at the New York City Day Care Dog Grooming Business. Is there a date when I can start looking at this?

Mr. Sprung: Yes. We expect to be open towards the end of January.

The Chair recognized Sylvia Thomas, Delegate for Kennel Club of Riverside, who spoke as follows:

I'm speaking now as *Perspectives* Secretary and Assistant Editor. As you all know, *Perspectives* is the publication written by and for the Delegates. We wouldn't exist without all of you, and we need your help. I know you have ideas. You have suggestions. You have criticisms. And maybe there's an opinion or two out there as well. We hear about it in this room. We heard about it in the hallway. We read about it on the Delegates' e-mail list. We'd like to read about it in *Perspectives*. So please send your articles to us. Geno Sisneros is the issue coordinator for March. The deadline is January 15th. And you can find his e-mail address in the December *Perspectives*. And speaking of December *Perspectives*, if you have not yet had an opportunity to click on that link and read it, I encourage you to do so. I highly recommend the articles and not just because I've read each of them at least 20 times trying to get them ready for publication, but because they're really good! There's an article in there on a topic that is of interest to all of us. It's on the length and quality of our dogs' lives called, "The Dog Aging Project." You'll also have a chance to meet Professor Paws, who is a Labrador Retriever named Niko, who is working in an educational environment in a college classroom trying to teach occupational therapy students the use and value of the service dog. There's also a great article on Fast CAT to attract new exhibitors to our sport, and there's also a great article on juniors, then and now. And there are many, many other articles as well of great interest. So give yourself a holiday gift. It won't cost you a single cent. Click on that link and read the December *Perspectives*. Thank you.

Mr. Sprung: Thank you.

The Chair recognized Ann Wallin, Delegate for Atlanta Kennel Club who spoke as follows: I'm speaking on behalf of the All-Breed Clubs Committee. As you know, we have all been working diligently on establishing best practices for All-Breed Clubs, and our next survey, which helps us to evaluate input from all of our licensed members and clubs, is going to be on the financial life and aspects of the club. I do want to let you know, though, however, that the survey was e-mailed out to the Delegates a couple of weeks ago, just a little bit premature. We needed to fine-tune the survey and make some corrections to it. So we have blocked that link to that original survey that went out. We really appreciate the 73 responses we received. But we have finished our final product on that survey, and this will be e-mailed again to presidents, secretaries, and Delegates of All-Breed, Member and Licensed clubs. So we do apologize for those that took the time to fill it out, but we are going to ask you, please go ahead and click on the new survey when it comes out, complete that so that all of our questions and answers will be formatted in the same manner. If you have any questions, feel free to e-mail me, or to talk to me here. And I'll be glad to answer your questions. We do want to thank you in advance. We've had wonderful response to the surveys, and we hope that it will continue. Thank you.

Mr. Sprung: Thank you.

The Chair recognized Terrie Breen, Delegate for Farmington Valley Kennel Club, who spoke as follows:

One of the questions I've heard today, and in the past, is how do we change the way AKC is perceived by the general public? And how do we go about becoming the place to go for legislation? I have an easy way for everyone in this room to make a big impact on your local level. Go to your pet supply store, buy a big box of dog bones, slap a ribbon on it, find your local shelter. Go in, introduce yourself as an AKC Delegate, and tell them that this box of doggy bones is from the AKC, and they want to make sure that every dog has something special for the holidays. It goes a long way. I did it nine years ago. And as a result, whenever some bills come up, obviously, the dog animal control officer has put my name out there, and I get calls all the time. If I don't have an answer for them I can now direct them where to go. It's a five- or ten-minute investment that will definitely pay off. Walking in there and saying, "This is from the AKC," ups our image. It's a small gesture, and it goes a long way. Everyone in this room has five or ten minutes that they can donate to doing that. Thank you.

(Applause)

The Chair recognized Robert Schroll, Delegate to the Clarksville Kennel Club, who spoke as follows:

I'm a relatively new Delegate, having *only* been here 16 years. I'm going to speak about something that goes back to the October Board meeting. It also does not affect me whatsoever. But I was very disappointed to see that, when the question arose about waiving the Delegate new breed application fees, only three directors voted in favor of it. There was a straw poll taken. The Delegates all wanted it done. And I don't think that this is really too much to ask. The Delegate body serves a great deal of time and expense personally, often having to give up their national specialties because it conflicts with the Delegate meeting. We make all kinds of sacrifices. And while I was opposed to the Delegates being able to charge \$150 to judge, I don't see why the waiving of new breed application fees was just dismissed out of hand. With the financial report we got this morning, of an \$8 million operating profit, we're talking about Delegate application breed fees in the amount of \$25. So it really isn't going to cost the American Kennel Club a whole lot. Like I say, I'm not judging. I'm not applying for anything, but I would like to have the Board reconsider this. I was really astounded by the fact that only three board members voted in favor of this.

(Applause)

The Chair recognized Harvey Goldberg, Delegate for the Somerset Hills Kennel Club, who shared his thoughts about the collar. Mr. Goldberg suggested that too many capabilities had been incorporated in the product increasing its purchase price potentially limiting its appeal.

The Chair recognized Cathy Coxwell, Delegate for the Bearded Collie Club of America, who spoke as follows:

I would just like to ask this gentleman how much he paid for his cell phone. How many people in this room have a cell phone for which they paid \$200 or more? Raise your hand. Okay. Did you find that it is an unnecessary expense in today's world? No. You're going to pay to stay in touch with people. I will gladly pay for one of these for every dog I own.

(Applause)

The Chair recognized John McCullagh, Delegate for the Blennerhassett Kennel Club who spoke as follows:

I had an occasion in the past to mention the Amtrak program, whereby you can bring your dog with you on the train. It continues to expand. They just added the Vermont train running

from Washington all the way up to St. Albans, Vermont. There are some restrictions on the program that will probably appeal more to those of us with smaller breeds. It is a limit of 20 pounds weight for the dog, and they have to be in a carrier. Although, for example, the trains from New York to Miami are included, you can only bring it if you're going less than seven hours. But apart from that, it's continuing to increase in usage. More than 15,000 people now have pets being carried since they started. It's only \$25 extra to bring the dog. And if you want any more information, I have some here on it. Thank you.

Mr. Sprung: Thank you. Sir.

Unidentified Delegate: I know everybody's anxious to go to lunch, but I'd feel remiss if I didn't ask everybody to join me in wishing a good farewell to a Delegate of ours that's been with us for over 21 years that's leaving us after today, Carole Plesur. She's been on the Delegate Advocacy and Advancement Committee. Carole, are you still here? I hope. Yes, she is. Thank you.

(Applause)

Hearing no further business, the Chair adjourned the meeting. (Meeting adjourned at 12:53 p.m.)

The opinions expressed by the speakers may not necessarily reflect those of The American Kennel Club.

Financial Report

Next I will provide you with a financial performance report through November 30th. First, let's summarize our year to date revenues and expenses. We have recorded \$59.3 million in Total Revenue and almost \$54.2 million in expenses, for an Operating Income of just over \$5 million dollars. This is relatively comparable to our prior year results of nearly \$55 million in Revenue with only \$47 million in Expenses and an outstanding \$7.6 million in Operating Income.

Let's observe our Core Registration Volumes. We have registered rounded totals of 205,000 litters and 483,000 dogs. Our litter volume has increased by 7%, while our dog registrations have escalated by 8. As we look to close December, our expectation is to surpass the milestones of 220,000 litters and 520,000 dogs by year-end. We have not seen these volumes in two decades. We are getting a return on our investment in marketing and customer support efforts!

As a transition, let's just highlight here Revenue successes. Year over Year we are up \$4.3 Million Revenue or nearly 8%

Our Major Revenue Sources Year to Date in Registration We have recorded \$14.0 million in revenue which is an 8% increase from 2015. Our Litter Revenue of \$6.8 million reflects a 7% surge. Our next largest registration revenue is that of Pedigrees. The \$4.3 million total this year has increased 9%. Outside of Registrations, the next largest areas of revenue includes Recording and Event Fee. We have logged over \$11 million in total revenue which is about a 3% increase. Royalties and Sponsorship Revenue of over \$3 million has jumped 14%. Digital Advertising of \$1.5 million has flourished by 65%!

Let's transition to an analysis of Expenses. Year over Year – costs have risen by \$6.9 million or 15%.

In evaluating major expense results year to date, Payroll and Benefits of \$26.6 million, represents an 11% increase from this same comparative period. Our current Full Time Equivalent Headcount is 313, which has increased by 15%. The increases have been in the

areas of Technology Services, Marketing and the Growth Group.

Also, coinciding with an increase to headcount, has been an increase in Consulting costs of \$800,000 year to date, which is a 30% increase – in order to drive revenue and support our customer focus. Service fees costs of \$2.8 million includes a 33% increase—in technology software as a Service along with Investment service fees to support our portfolio performance. Next, Marketing costs have almost doubled from 2015 levels, where we were experiencing a transition. We have spent almost \$2.7 million this year to provide overall marketing support to the success of products and services and to grow our business for continued long term success.

Lastly, Contributions in 2016 have increased dramatically from 2015 levels. \$1.0 million already donated this year – includes contributions to CHF as a matching gift program, along with the CHF Tick-Borne Disease program, and the Theriogenology Grant support. We are planning to continue these philanthropic research efforts in the future.

Aside from operating analysis, we'll take a brief look at our investment portfolio results. For the 11-month period, our portfolio has gains of \$4.9 million dollars. The investment return of 5.3% has outperformed our combined benchmark by 30 basis points. Post-Election Day, the financial markets are continuing to sail at near record high levels and we are currently participating in that upside, and AKC's alternative investments will continue to reflect more positive results in the portfolio in December.

The Balance Sheet of the AKC shows long term strength. We are just shy of \$144 million in Total Assets, an almost \$8 million-dollar increase from the same point last year. We are a cash flow positive organization. Finally, Total Liabilities of \$67.2 million has decreased by nearly 5% and \$3.4 million over the past year. The majority of liabilities are extended term in nature and include more than \$63 million in pension and post-retirement benefits. I'd like to conclude this brief performance report with the phenomenal fact that our long-term net assets have increased by more than \$11 million or 17% over the past year! Thank you everyone on the Board, Staff, and the Delegate Body for contributing to AKC's outstanding achievements in 2016!

We wish everyone a memorable time here in Orlando! Continued success ahead in 2017!