

MARCH 2007 DIRECTOR'S REPORT

I am pleased to share this report with you all on what occurred at the March 8th and 9th AHA Board meeting at AHA headquarters in Denver.

Registrations

- In 2006, 7,003 Arabian and 3,309 Half-Arabian and Anglo-Arabian registrations were completed.
- Purebred and Half-Arabian/Anglo-Arabian registrations completed were down 11% and 21% respectively from 2005. We experienced a substantial increase in registration numbers in 2005 as a result of an amnesty program.

The disturbing trend of fewer registrations and transfers continued last year. In fact, all major light horse breeds, except for Quarter horses, seem to be seeing the lower numbers. Many people say they are sure that more Arabian and Half Arabians are being produced than are being registered. Thankfully, AHA is bringing back stallion reports this year that should help us determine how many mares are really being bred.

Membership

- As of YTD, we have 36,440 members and are tracking 3-4% ahead of last year at the same time.

New Team

- Molly Hibl recently joined the team in February and has replaced Kim Vogel in processing Event Recognitions.

Customer Service

- A Customer Satisfaction Survey is sent monthly. AHA has sent a survey monthly to a random group of customers that transacted business within the months of November, December and January. The response rate has been between 18-22%.
 - 94% stated the Customer Service Representatives were able to quickly identify the problem
 - 96% rated the representative knowledgeable and competent
 - 97% rated the representative professional and courteous
 - 91% customer satisfaction rate overall

Outreach and Alliance Activity

- Focus for 2007 will be with USEF, National Reining Horse Association, AERC and the Pinto Horse Association.
- AHA's goal is to have the Arabians and Half Arabian horse more visible to members of those associations

USDF All Breed

- USDF All Breed Awards have been expanded. In addition to Training level through Grand Prix in the Open division, Vintage Cup, Junior Rider and Adult Amateur will be awarded.

Futurities

- **The Halter Futurity deadline for new nominations was extended to March 31st to coincide with the deadline for the Sweepstakes Breeding Entries.**
- New this year is the institution of the Halter Futurity "Buy Back" for re-nominations that missed the March 31st deadline. Members can now buy back into the program for a \$500 fee per horse/per country for each year missed for Arabians and a \$250 fee per horse/per country for each year missed for Half-Arabians and Anglo-Arabians. The only stipulation is that the foal must have been nominated in-utero and all previous membership requirements must have been met.

Handbook

- The 2007 Handbook is available online and requests for physical copies can be requested via the web, by mail or by phone.

Sweepstakes

- The final figure for the first Point Enrollment payback was \$37.96 per point.
- Sweepstakes prize money checks for the 2006 event season were mailed the week of February 5th. Some are pending the receipt of a W-9 form which is required before prize money can be awarded. The total amount awarded was over \$2.7 million.
- A link for the 2006 Sweepstakes payout has been posted to the web. The access, click on the green Sweepstakes icon on the left hand side of the AHA home page.
- **The Sweepstakes deadline for 2007 Breeding Entries was extended to March 31st.**

I was able to work with AHA staff at Scottsdale and am pleased to report that most members were positive about the revised program by about a 10 to 1 margin!

INFORMATION TECHNOLOGY

Application Re-engineering

Since November, the majority of IT effort has been dedicated to the Registration system re-engineering project. A working prototype of the new registration application is in place and is approaching final form. The project is operating within budget plans, and is still on target for deployment in the November timeframe.

MARKETING

Magazine

- *Modern Arabian Horse* launches with April/May issue featuring: more editorial content (60:40), more stories about people and places, more information you can use, more coverage of the disciplines, more authority and the broadest reach in the market.

AHYA

- The March AHYA Board of Directors meeting was March 9-11 in Denver in conjunction with the American Youth Horse Council (AYHC) Leadership Symposium. Approximately 30 youth and adult leaders from AHA attended.
- The Silent Auction at the AHA Convention in Louisville raised nearly \$17,000 for AHYA, which was an increase of \$5,000 from the year prior.
- Youth convention planning is in progress. General Session will be Friday, July 27th, and workshops and committee work will be Saturday, July 28th. Harvard graduate and recording artist, Liz Carlisle, will be the keynote speaker.

Youth Initiatives Development

- Work is well underway to meet ambitious goals for membership growth and retention. Plans include: improved media coverage, new print campaign across youth equine publications, expanding the Youth of the Year program with ambassadorship opportunities; establishing internships for youth at AHA headquarters and creating an online internship network; providing a cash incentive award and tools for clubs to host youth membership drives; and creating a prestigious all-around youth horse award.

Youth Resources

- The expanded Equitation Manual was released in January to rave reviews! Now featuring 60 patterns, this reference tool is truly a library for exhibitors and judges.
- Leg Up program is in the process of being expanded with new online features including slides and additional lessons such as horsemanship. This web page has received more than 3,000 hits since program launch in mid-May 2006.
- Planning for the next Arabian Horse Judging DVD is in the works.

Outreach

- The youth association continues to sponsor both the Eastern and Western 4-H Championship events with cash and trophies. This allows AHYA excellent exposure within a widespread organization which is otherwise challenging to reach on a national level.

- AHYA is now a sponsor and corporate member of AYHC. Katie Reynolds has been nominated for a position on the AYHC board, and Nancy Harvey has been nominated for 2006 Youth Leader of the Year. AHA will also have a booth at the AYHC Leadership Symposium March 9-11.
- The FFA National Convention will again feature an AHA booth and host AHYA leaders interacting with FFA youth.
- The first ever USEF Youth Council meeting in January highlighted two AHYA youth leaders. Monica Christian of Region 14 was elected co-chair of the Youth Council. Kirsten Kimbler of Region 6 represented AERC and was 2006 Youth of the Year first runner-up.

AHA Marketing and Programs

Arabian Community Shows

- Arabian Community Shows Year-end High Point Award winners have been announced. Both Youth and Adult categories, seventeen of each, are recognized.
- Sixty-three shows are already committed for the 2007 calendar year.
- *Equus* and *Horse Illustrated* both have plans to include coverage of ACS in spring '07 issues.

AHA Convention

- Both host hotels in Tulsa are already taking reservations for this year's convention in Tulsa, OK.

National Events

- US Nationals
Marketing plans are underway for the following activities at US:
 - Barn Parties
 - Wine and hors d'oeuvres reception for Modern Arabian Horse
 - Fashion Show
 - Launch of Arabian Horse Hall of Fame including cocktail reception and Saturday night presentation
 - Possible Friday night vocal entertainer
- Youth Nationals
Marketing plans are underway for the following activities at Youth:
 - Emerson Drive and Liz Carlisle outdoor concerts
 - Liz Carlisle as keynote speaker for Youth convention
 - Evening activities including ice cream social and Arabian horse Test Drive
 - The Boot Scoot Street Dance has been discontinued in favor of AHYA Movie Night, a family-friendly outdoor movie showing for exhibitors and friends.

- Sport Horse
Marketing plans are underway for the following activities at Sport Horse:
 - Wine, jazz and outreach will lead the way for proposed direction of progressive barn parties

Print/Online/TV Advertising

- New Purebred Arabian ad to appear in *Dressage Today*
- New Purebred Arabian ad to appear in *Trail Blazer* magazine
- Starting April 1, AHA will invest in multi-market online campaign
- TV spot to be produced; will run on RFD-TV in conjunction with sponsorship of the Tommy Garland's Show – CPR for the Horse and Rider – will show in 5.3 million RFD TV households

Public Relations

News Release Pick-ups

- Expanded USDF All Breed appeared in *Dressage Today* and *USDF Connection*
- Arabian Breeders Sweepstakes \$2.7M payout appeared in *PHR News*
- Arabian Community Shows appeared in *Horse Illustrated*
- Article about AHA programs picked up by *Equine Journal*
- Distance Horse of the Year picked up by *Equine Journal*, *Endurance News and Ride*

Promotional/MDP

- New Competitive Trail and Endurance brochure in design stage

Trail Rides

- Actively supporting National Events with marketing and promotion of the 3 rides.
- Will have "Ride in a Box", tool to allow local clubs on Regionals to produce a trail ride in 2008.

Public Relations Network

The Public Relations Network is off and running with member reps in all regions available to help clubs promote the Arabian horse in a myriad of ways.

Kentucky Horse Park: Arabian Pavilion

- The Kentucky Horse Park Arabian Pavilion is on hold to determine whether we should build a custom building or wing to museum, or go ahead with the refurbish and the replacement barn for the KHP.

First in TV 3-Part Documentary Series

- The documentary will cover a basic overview of breed history, physiology/form-to-function and human/animal bonding.
- Finish date has been pushed from January to March 2007.
- Active sales to cable networks will be gin in March 2007.

Corporate Partnerships

AHA officially launched its corporate partnership program at the PGA FBR Open in Phoenix, AZ, January 29 – February 5, 2007. The AHA brand was exposed to more than 510,000 golf enthusiasts and was seen by more than 5 million households who watched the event on TV. Proxy Partners valued our presence at the FBR at \$300,000 in terms of brand awareness. As a direct result of AHA's presence at FBR, 25 new corporate contacts (25 new companies) were made. Today, of those 25, 15 sit at 50% or better in terms of probability for a resulting corporate partnership with AHA.

- Companies that are in some stage of negotiation for corporate sponsorship are: HumanaOne, Dodge Truck/Daimler Chrysler, Farnam, Montana Silversmiths, Luitpold Pharmaceuticals, Southwest Airlines, Wrangler, Ariat, Justin, Lucchese, Sooner-Exiss Trailer, Resistol Hats, Sidran, Moet-Hennessey, Wells Fargo, Cingular Wireless, Coke, Diageo, Target, Mobil Mini, Roma of Arizona, Starwood Hotels, Taylormade, Adidas Golf and The Baron Group.
- More than 350 guests previously unknown to AHA attended the evening Scottsdale Soiree parties at Brookville Arabians, Los Cedros and North Arabians. 15 potential corporate partners received a first-class, up close and personal look at our magnificent breed and the lifestyle that surrounds it.

FINANCIAL

The great news is the benefits of the merger and New Business Deployment Plan implemented by President Myron Krause along with the management of AHA produce a profit this year of approximately \$700,000 – money that is needed to help fund the IT project, breed promotion and member services.

AHA will be running a “Life Membership” special for \$650 (versus the normal \$1000) from April 1, 2007 through March 31, 2008.

At the Board meeting, we spent a considerable amount of time on the Governance Task Force Report and the findings of consultants, Charney & Associates – we broke into small groups and discussed our views of the study and provided our concerns for the Task Force to take back to Charney and report back to the May Board of Director's meeting. You may hear some pretty controversial things about this study on the streets, but let me assure

you, there was no mention of eliminating the delegates at the convention – but there are concerns about how our current structure can represent the 80% of our members who do not show horses and how to streamline the operation side of our business.

COMMITTEE STRUCTURE RE-ORGANIZATION TASK FORCE

Dennis Valentine, Task Force chair, had his report distributed to the Board of Directors, and to the chairs of the Tier B committees. Further, it is to be posted on the AHA website as a committee report.

Please note that the significant amendments consist ONLY of:

- a. NOT dissolving the National Championship and Regional Classes Committee.
- b. Combining ONLY Cutting with Working Western, and Competitive Trail with Endurance.
- c. Clarification of the voting for chairs and clarification of chair term limits.

The Task Force is in the process of seeking the endorsement of this amended report from the Tier B Committee chairs.

EXECUTIVE COMMITTEE

There still seems to be a Trust issue between membership, the Executive Committee (EC), Pat and the Board. This distrust between some members of the Board and the EC came to light during the Charney study as a result of these comments. The minutes of the EC meeting were shared with the entire board before our meeting began.

LEGAL DEFENSE FUND

Lance Walters questioned the amounts necessary to maintain a Legal Defense Fund. How much is enough? In the past, we have been given poor advice and spent too much money and spent too much time. What is our commitment to our contributors? What is the right amount in a reserve fund? As fiduciary managers, we must consider all options. Howard Pike feels that AHA is not at great risk and is adequately covered. Further advice is needed before any action will be taken by the Executive Committee on the unrestricted designated and temporary designated funds. President, Myron Krause, instructed Gary Zimmerman to gather more information and any action will be deferred until the May meeting.

CONTINGENCY FUND

Lance Walters questions the necessity of a “rainy day fund”. Does a small portion need to be set aside for unexpected expenses? A three to five year capitol budget fund may be the solution. This is also known as a “capitol improvement fund”. August 2006 to January 2007 roof and infra-structure

costs to AHA have been \$22,000. We are now facing a \$160,000+ repair to the HVAC system and no funds have been put aside.

OPPORTUNITY CLASSES

USEF has approved new Opportunity classes. These are meant to allow people who want to try showing their horse at the rated show level a place to start. These classes do not require membership in USEF. Complete rules can be found in Chapter 3 of the USEF on-line rule book at www.USEF.org.

REGION 10 SHOW

This year's regular Region 10 show will be in St. Paul, MN with a pre-show on Wednesday, June 13th and ending on Sunday, June 17th. Nancy Miller will be our show manager again this year. Nancy and Kristin Urban are putting together a great class list for the Region 10 Sport Horse Dressage Show to be held June 30th and July 1st in Waukesha, WI. **WE NEED YOUR HELP! Please consider sponsoring a class and volunteering for part of a day!**

If you read this report, you will see AHA is trying some new things to try and attract people to our breed and organization. You may ask why we are trying to have a presence at a Golf Tournament and why we would be hosting a concert at one of our national shows –

Quite simply – if you review the registration numbers shown above, it is clear we need to try and attract new people to our breed to stop the continuous slide in registrations and find some outside funding sources so we do not continue to fund all our activities on the backs of our members.

The paradigm has to shift. We are no longer primarily a HORSE SHOW ORGANIZATION but need to transition as soon as possible to a BREED Organization. That means we all need to keep an open mind to proposed changes that may come out of the Governance Study. Each of us needs to look for ways to attract new people to our breed. We need to encourage people to own and enjoy Arabian and Half Arabian horses on all levels, not just as a show horse in that environment.

Before we can grow, we need to stop the slide. This is the same phenomenon all other major breeds, other than the Quarter horses, are experiencing.

What we were doing wasn't working. We need to try new things and be positive in sharing the joys of Arabian horse ownership that we have experienced with as many people as possible.

Hope you all have beautiful athletic foals and a great Show season!
Dean

AUGUST 2007 DIRECTOR'S REPORT

The AHA Board of Directors met on August 10th and 11th at the AHA offices in Aurora, CO. You can view the full text of the unapproved minutes on the AHA website www.arabianhorses.org.

Financial

There are several rather large budget items where it looks like the income will fall short of projections. Most notably, magazine advertising and the anticipated corporate sponsors fell short. The good news is that AHA is ahead of budget in several key areas and has reduced expenses in several others.

We were told that based on these changes, and assuming that our national shows are close to budget, we can still anticipate a profit very close to the \$500,000 figure that was budgeted.

Registrations

As of July 30, 2007, **3,148** Arabian and **1,389** Half-Arabian registrations completed.

- Down **8.9%** and **16%** from 2006
- Note: The PB negative variance versus 2006 continues to diminish at a rate of approx 1.5 basis points per month, a favorable trend
- This is still a cause of concern. As even with the hundreds of thousands of dollars we are spending on promotion, the numbers keep falling

Stallion Reports

Stallion reports have been instated. The form is available on the AHA website, or you can complete the form on line

Letter and report sent to the 5,618 unique owners of the 6,958 stallions that have produced foals registered 2002 through July 2007

There is a sense that many more horses are being produced than are being registered. Stallion reports will give us the information we need to contact mare owners and determine if a foal was produced and encourage registration of that foal, Market AHA programs like Sweepstakes and Futurities to the breeder, and better project income from these sources.

Membership

As of July 30, 2007, we have **39,430** members

- Tracking **flat versus** last year
- 4,426 Youth members, 95% of last year

New membership card in-house

- Will be available within the next 60 days to those renewing or first joining

Lifetime Membership special campaign developed and launched to promote the discounted fee of \$650 that is available through March 31, 2008

Education

2007 Fall Exhibitor/Judges School and Judges Evaluation

The Fall Exhibitor/Judges School and Evaluation is scheduled to be held December 6-9, 2007 in Denver, Colorado. The live judging portion of the school will again be held at The Colorado Arabian Horse Club Christmas Show.

2008 Judges Seminar

Dates for the 2008 Judges Seminar have been set for March 14-16, 2008 at the Renaissance Denver Hotel in Denver, Colorado.

2008 Spring Exhibitor/Judges School

The spring Exhibitor/Judges School will be held April 10-12, 2008 in East Lansing, Michigan at the Michigan State University campus. We are currently working with the university to have all activities held on campus including all classroom lessons and demonstrations. The Michigan State program maintains the third oldest Arabian herd in the United States. The program at MSU is 100 years old and the Arabian Breeding and Teaching program will celebrate its 50th Anniversary in October, 2007. It will be an outstanding venue for our school and a tribute to the Michigan State program.

Convention

If you haven't had a chance to book your hotel for the convention – **DO IT TODAY!** There are evidently very few rooms left at both the host and back up hotels.

BE SURE TO GET YOUR REGISTRATION IN BY THE SEPTEMBER 14TH POSTMARK DEADLINE TO TAKE ADVANTAGE OF THE EARLY BIRD SPECIAL.

Mailings have been sent to all clubs regarding the Convention along with their eligible delegate roster and certificate of voting delegates and alternates. Information is in the August/September issue of AMH and available online. Convention registration is also available on line.

New Committee Sign Up Procedure

There is a new procedure for electing chairs of the General Membership Committee. Every committee member will be allowed to vote for the chair using an internet voting procedure. **MEMBERS MUST SIGN UP** for committees by September 4th. Voting will begin September 17th and end October 15th. The results will be announced in November and the new chairs will take office at the close of the Convention.

Marketing

Magazine

- *Modern Arabian Horse* has published two editions under the new name and design.
- First scientifically randomized survey showed a 78.4 favorable to neutral response to the new name versus 21.6 unfavorable
- Same survey showed an even stronger favorable response to the new design: 94.1% favorable to neutral

The second scientifically randomized survey, which as of this writing, was trending similarly positive with 80.9% favorable to neutral to the name change versus 19.1 unfavorable

Advertising sales for the June/July issue of *Modern Arabian Horse* were 43% higher than they were for June/July 2006

Online – PDF version of magazine:

- Members can see full online version at <http://modernarabianhorse.epubxpress.com>
- Includes hyperlinks to email addresses or websites contained in the magazine

AHA Marketing and Programs

Arabian Community Shows

- 76 shows are already committed for the 2007 calendar year versus 2007 goal of seventy-five shows

TV Documentary

The one hour documentary being produced through the efforts of the AHA Marketing Department and the Market Development and Promotion committee is near completion. The Board of Directors had the opportunity to view a portion of the video at the meeting and all thought it was extremely well done. The goal is to have this documentary placed with several cable TV networks so it will be broadcast beginning this fall.

Other Marketing

TV Advertising

AHA has produced a sixty (60) second commercial. If you get RFD television, you can see the commercial on Tommy Garland's Show "RX for the Horse and Rider". This is great national exposure for the breed.

The *New Arabian Horse Guidebook* will be available any week now. AHA is combining the plethora of brochures created through the years covering all things Arabian into one omnibus type publication that should be more valuable to review and retain.

Shows and Events

*YTD have recognized 461 shows and rides

- In 2006, we had 416 recognized shows and results

*Of the 461 events recognized in 2007, 147 are Endurance and CTR

- In 2006, 83 of the 416 were Endurance and CTR

*Of the 436 events recognized in 2007, 314 are shows

- In 2006, 333 were shows

New Corporate Sponsor

Montana Silversmith is a new corporate partner that produces wonderful products. One of the benefits of this affiliation is that AHA clubs and Regions can purchase custom made items to use as awards and trophies at a substantial discount

USDF All Breed

YTD entries for USDF All Breed Awards are 266, compared to 311 for the same time frame in 2006

Futurities

YTD, we have 4,591 new nominations, compared to 4,142 for 2006

With the newly instituted "Buy Back" for Halter Futurity re-nominations, we have had 4 purchases for U.S. and 2 for Canada for Arabians and 2 purchases for U.S. for Half-Arabian/Anglo-Arabian. This adds an additional \$3,500 for future payout

Racing

Ten tracks currently running

Unique numbers YTD, Starters 594 and Owners 335

Number of starts YTD, 1,451. Total starts for 2006 = 3,730

Sweepstakes

4,299 Breeding Entries have been received YTD versus 4,258 in 2006

YTD point enrollments are 2,251 YTD, this compares to 1,671 for all of 2006

NATIONAL EVENTS

Upcoming Plans for National Events

Youth Nationals at 100% of budget

National Events are on track for a successful season. All show operations are being tracked in Microsoft Project. Hopefully, this will eliminate many of the loose ends at our national shows that have “fallen through the cracks” due to staff turnover.

National Endurance twice the participation as last year

Recreational Rides:

- Ft Robinson ride 90% full
- Leatherwood Resort NC cancelled
- The V6 Ranch in CA offering a three day option

Awards

YTD have issued 69 plaques for Amateur Achievement Awards

- Versus 66 plaques during the same time frame for 2006

YTD have issued 284 plaques for Horse Achievement Awards

- Versus 344 plaques during the same time frame for 2006

Governance Task Force

For months now, the Board of Directors has worked towards improving our governance structure. The objective is to create definitive “corrals” for various entities, outlining roles and responsibilities. Considerable time was spent at the August Board meeting on developing and approving policies – the very “rules” which will make roles and responsibilities much clearer. In some instances, bylaw changes are necessary and this is something that would need to occur at Convention. I believe we will “test drive” the policy changes that can be adopted without any bylaw changes beginning in 2008, with resolutions coming to the Convention in 2008 to complete the process. The Board believes these policies are necessary if we are to progress as a true “Breed Organization”, moving us from an organization that functioned primarily as a horse show events/rules approving body. We do so many things in a convoluted fashion. It is time to define responsibilities and parameters in writing and move our organization forward.

USEF Study Task Force

Frank Galovic gave a report from the survey that went to many AHA competition members trying to determine the strengths and weaknesses of AHA's affiliation with USEF.

While the survey questions and interpretation of the results has been the subject to quite a bit of debate; the results predictably showed appreciation for many things that USEF does well, and concerns in other areas. The results were shared with USEF and they are in the process of developing a survey of their own that should go out to our members in the near future. It is my feeling that most of these issues are easily resolved with cooperation between the two organizations. They will also be looking at areas where there are duplications of services and costs and try to simplify and reduce those activities.

AHA Health Insurance

AHA is now offering its membership comprehensive health care insurance through United Healthcare. Unfortunately, due to federal laws, it is not available in every state at this time. It is good news for the Badgers, but unfortunately, the Gophers will need to continue to "go-pher" coverage elsewhere. If you want more information, there is a link on the left hand side of the website www.arabianhorses.org.

New 3 Judge Scoring System

Due to many issues that were raised on the 3 judge scoring system that was adopted for 2007 at many of the Regional shows and Youth Nationals this year, Region 10 is co-sponsoring a resolution along with Region 8 and others to bring back a basic Total Points Won system.

Region 10 member, Sharon Trindal, was very instrumental in introducing this resolution with the help of Region 10 Resolution writer extraordinaire, Laura Michelson. Ron Harden from Best Mess software was able to rescore classes under several systems and the variations in placings was amazing!

Region 10 Shows

While the financial numbers have not been finalized, it appears that the 2007 Region 10 Show held at the Minnesota State Fairgrounds in St. Paul was a success. The pre-show was well attended and entries at the regular show were up as well.

I am not sure everyone realizes what a huge undertaking managing a Regional show is, but Nancy Miller deserves thanks from all of us for the outstanding job she does.

We are also appreciative to all the Region 10 members who volunteered to help at the show. Without their help, the show would never be able to be produced.

The Stand Alone Region 10 Sport Horse and Dressage Show held in Waukesha, WI was a success, as well. The number of exhibitors was down a bit but most of the comments we received were very positive. The Wisconsin Desert Horse Association generously donated part of the day Saturday – this allowed us to hold the Sport Horse In Hand classes on Saturday and spread the show out a bit. We were also able to include over fence classes again this year. Kristin Urban did a great job of enlisting volunteers to help at the show and this made a huge difference.

Again, HUGE thanks are due to the people who volunteered their time and talents to make this show a success. Kristin Urban was very helpful in trying to coordinate the WDHA Dressage and Sport Horse Show as our pre-show WDHA members, Heidi Kohlbeck and Amy Thalacher, deserve a huge thanks for there tireless 1-1/2 days of help.

I hope you all had a great summer. Feel free to contact me at meier@wisonline.net with any questions or concerns.

Dean

**DIRECTOR'S REPORT FOR THE NOVEMBER 14, 2007
AHA BOARD MEETING HELD IN CONJUNCTION WITH
THE CONVENTION IN TULSA OK**

Hello Everyone!

I am pleased to report as follows on the November 14th Board of Director's meeting -

Registrations

- As of September 30, 2007, **4,461** Arabian and **1,969** Half-Arabian/Anglo-Arabian registrations completed.
 - Down 7% and 15% from 2006

Stallion Reports

- Letter and report sent to just over 5,600 stallion owners in September
- To date, 300 plus have been completed and returned
- Due by December 31
- Effective tool for forecasting 2008 registrations and for soliciting registration

Membership

- As of September 30, 2007, we have 39,568 members
 - 98% of last year
 - 4,464 Youth members, 92% of last year
- New membership card launched
- Lifetime Membership special campaign developed and launched to promote the discounted fee of \$650
 - **68** new life members since April 1, 2007
 - Average age of new life members is 43.4
 - Premium lifetime member card sent late October
 - Available through March 31, 2008

Alliance Activity

- AHA booth was at the NRHA Futurities in Oklahoma City, OK in November
 - We are available to answer questions and conduct business
- USLGE funded a Russian delegation's visit to the U.S. to see Arabian horses and they:
 - Expressed interest in reining, halter and racing
 - Visiting Al Marah Arabians in Tucson and Midwest Training Center, Los Cedros, Brookville Arabians, North Arabians, Kristy Howe in the Scottsdale area

Attended final three days of U.S. Nationals to meet with many breeders,
board members and trainers
Draft of Alliance has been done for Pony Club

Marketing

- Corporate Partners – We are pleased to announce the addition of two new partners:
 - Markel Insurance – Distinct from our business relationship (no longer a corporate partner) with Equisure, Markel will market horse mortality, commercial equine liability & umbrella, care/custody/control coverage, riding/hunt club and farm insurance
 - Markel will be denoted as “The Official Sponsor” of the Arabian Community Show Program
 - Financial Agreement = \$75,000, three years @ \$25K/yr
 - Cardinale Way – Previously signed as a 2007 YN and USN event sponsor, this multi-state operator of auto dealerships is completing construction of a co-branded website which will be known as the AHA Auto Mall. From this site, AHA members will receive dedicated and high-level service and discounts.
 - New URL is not ready for publication. For now, go to http://cardinaleautomall.cms.dealer.com/build_research.htm to see a representation of the many brands available
 - Financial – In addition to the \$25,000/yr already committed, AHA will receive \$150 per vehicle sold **and** the **member’s Region** will receive \$50 per vehicle sold. We are doing this in hopes that all Regions get behind the promotion of this program to help generate sorely needed funding for Breed Promotion
 - Possession of vehicles will be taken by members from their nearest US dealer depending on brand acquired, all warranties and service agreements will be honored locally, we continue to also work towards manufacturer deal(s)
 - Bank of America – Gary Zimmerman announced a new Centennial Celebration Membership Drive campaign that will be sponsored by Bank of America. **An AHA/Bank of America contract is in the works which will allow for all new AHA/MasterCard holders to have their base membership dues paid by Bank of America**
- Special URL that was placed within AHA’s new breed awareness commercial (The Perfect Horse for Every Adventure) has delivered more than 1,000 unique visitors to www.arabianhorses.org/TV
- *Modern Arabian Horse*
 - The Oct/Nov issue is in the mail. It’s full of great features and event reporting, too numerous to list here, but look for your copy soon
 - Data: At 316 pages and \$169K ad revenue, this issue yields 41% more ad revenue than the same issue last year
 - Year over year MAH ad revenue stands at +35%

- The new “Arabian Guide Book” has been published and a copy was included in the delegate’s packet at the convention. This new publication is in a magazine type format, is extremely well done – it will be replacing the plethora (18) of individual pamphlets that have been developed over the past 3-4 years and reasonable quantities are available for distribution free of charge from the AHA Marketing Department

Shows and Events

- YTD have recognized 506 (19 more than the last report) shows and rides
 - In 2006 we recognized 416 shows and results. The majority of the increase has been from AHA recognition of local endurance and competitive trail competitions
- For the 2008 show season, we have 91 Recognized Shows in office. For the 2008 ride season, we have 18 Recognized rides

USDF All Breed

- YTD entries for USDF All Breed Awards are 341. 247 of those have met both requirements for AHA and USDF
- According to USDF’s website, 226 have met their requirements but not AHA’s (target market for next year)
- This is the first year for the awarding of Junior Young Rider, Adult Amateur and Vintage Cup. All of those categories have a Grand Prix rider qualifying

Futurities

- With the newly instituted “Buy Back” for Halter Futurity re-nominations, we have had 37 purchases for U.S. and Canada. This adds an additional \$16,000 for future payout
- The 2007 Canadian Halter Futurity paid a total of \$146,862.40 with the top 3 year old mare receiving \$12,858.56
- The U.S. Futurity classes have a forecasted payout of \$216,310.01 (expenses have not been deducted)

Racing

- Average Handle YTD \$83,868.00. Total Handle YTD \$31,282,634.00
- Number of starts YTD, 2,649. Total starts for 2006 = 3,730
- YTD, 210 informational packets sent, 405 races entered

Sweepstakes

- 4,299 Breeding Entries have been received YTD versus 4,258 in 2006.
- YTD point enrollments are 2,301, this compares to 1,671 in 2006

SWEEPSTAKES IN-UTERO ENTRIES AND FUTURITIES CLOSE ON DECEMBER 31, 2007!

By now, I would guess many of you have received a convention “update” from your club delegates. One of the more controversial items was the approval of a resolution that would allow 2 concurrent AHA shows to be held in the arena with 2 judges adjudicating

one performance for 2 placings. The proponents argued that most of the stock breeds do this successfully and it will reduce the cost of showing. Those against the resolution felt that shows held early in the year that went with this format would have a distinct advantage and the later shows and their clubs would suffer. My concern is once again the delegates approved a significant change in our industry without any type of a “test market” to try the idea on a limited basis and no report (other than verbal claims) on the impact this change will have on our clubs, shows, members, AHA and on the new Sweepstakes Program where points and Sweepstakes pay back are awarded at local rated shows.

With no rules or procedures in place, I am sure this will continue to be a topic of discussion well into 2008 – and a HOT topic at the January Region 10 Board of Director’s Meeting.

Another major concern is that the Purebred Arabian Trust (PAT) is cutting back on the funding of many of the AHA and MDP committee’s promotional funds. PAT is channeling their resources into a new “Arabian Horse Museum” at the Kentucky Horse Park in Lexington KY. Their goal is to have the museum open before the World Equestrian games that will be held in 2010. Details of the changes are a bit “squishy” in my opinion. MDP will conduct the majority of the programs they have supported in the past on a reduced basis for 2008. PAT has listed the building they own and we were told that when the building sells, those funds will be redirected to the museum and there should be more funding available for breed promotion. From a historical perspective, there have been many times through the history of IAHA that virtually no funds were available for promotion. At one point, they were making black and white copies of the brochures and mailing those out. I think we will be OK this time around.

I would also like to thank the Region for presenting me with a “Life Membership” in recognition for my service to the Region. It is greatly appreciated!

In closing, **make sure you file your Stallion Reports, Sweepstakes and Futurity entries prior to the December 31st deadline!** When you are renewing your AHA membership, consider taking advantage of the \$650 special on the “Life Memberships”.

I would like to wish every Region 10 member and their families a Joyous Holiday Season and a Happy and Healthy New Year!

Sincerely,

Dean