



Consignors And Commercial Breeders Association

# Newsletter

1st Quarter 2007 Volume 2, Issue 1

## Inside this issue:

- Legislative Update **1**
- Bio: William A Hoskins, III **1**
- Bio: Gene McLean **2**
- Tax & Budget News **2**
- 2007 Subcommittees **4**

## Welcome New Members

- Anstu Farm
- Arch Bloodstock
- Audley Farm
- Cobra Farm
- Country Life Farm
- Courtelis, Kiki
- Derry Meeting Farm
- Deep Rock Farm
- Dixiana Farm
- Fares Farm
- Elk Manor Farm
- Haras du Fresnay
- Golden Eagle Farm
- Kindergarten Farm
- Manganaro LLC
- Maple Leaf Farm
- Nikkel, Kathryn
- Oceanic Bloodstock
- O'Rourke, Garrett
- Park Stud
- PHS Racing
- Shawnee Farm
- Summerfield Sales
- Spring Hill Farm
- Spruce Lane Farm
- Sunrise Stable
- Top Yield Bloodstock
- Walmac Farm
- Weisbord, Barry
- Voute Sales
- Winter Quarter Farm

## Legislative Update — Spring 2007

This bill by bill legislative update describes in layman's terms the various bills under consideration in Frankfort. Each of these proposed bills has the potential to greatly impact the way we, as breeders, owners, and consignors operate our businesses. It is very important that CBA members understand the full impact these bills may have.

### CBA LEGISLATIVE BACKGROUND

Our legislative goal is to provide our CBA membership with a voice in legislative activities and proposed legislation that may affect our livelihood. It is our purpose to provide oversight to ensure that any legislation introduced is positive for the horse industry and free of unintended negative consequences.

Upon formation of the CBA, no one would have imagined the organization would spend

nearly the amount of time or resources on legislative activities as has been required. The extensive legislative efforts of the CBA, along with our educational efforts, have been important and effective. The financial support received from members has been crucial to the many accomplishments.

From the beginning, the CBA has employed the lobbying expertise of Gene McLean's McLean Communications along with legal advice and support from Bill Hoskins, senior partner with the law firm of Jackson Kelly. The efforts of our legislative team along with countless hours of volunteer work from within our membership has made all the difference. Our legislative team's bios can be read later in this newsletter.

### BILL BY BILL SUMMARY

#### House Bill 367 – Dual Agency

**Bill** - This bill was originally passed in the 2006 legislative session but was brought back in the 2007 session for reconsideration and changes. It was voted out of committee with mutually agreed upon changes between Jackson, the CBA and other industry organizations. Prior to being brought out of committee the CBA insisted on wording in paragraph 6 that prevents a non-litigant from being able to seek financial records and documents from **any** agent or secondary principal involved in a disputed transaction. The CBA and its supporters therefore, limited a non-litigant's access to financial records and documents, as they may only be required from "his or her" agent or principal. Furthermore, this restricted access applies to any transaction for any equine including prospective racehorses, breeding prospects, stallions, stallion seasons, brood- (cont. p. 3)

## The CBA Legislative Team: William A. Hoskins, III

William A. Hoskins is a member in the law firm of Jackson Kelly PLLC. Jackson Kelly has offices in Lexington, Kentucky; Charleston, West Virginia; Denver, Colorado; Washington, D.C.; Pitts-



Bill Hoskins

burg, Pennsylvania; Morgantown, West Virginia; and elsewhere. Mr. Hoskins is resident in the Lexington office and serves on the Firm's Executive Committee.

Mr. Hoskins graduated from Georgetown University in 1973 with a degree in Foreign Service (International Economics) and later graduated from the

University of Kentucky in 1976 with a degree in Law. Mr. Hoskins has practiced law for thirty one years, representing major commercial and business interests in Kentucky throughout his career. He serves on multiple boards within the areas of his interests. He has been honored as one of the Best Lawyers in America and is AV rated by Martindale-Hubbell.

## The CBA Legislative Team: Gene McLean



Gene McLean

The lobbying efforts of the CBA are provided through McLean Communications whose principal is Gene McLean based in Midway, Kentucky. McLean is a former “Kentucky Sportswriter of the Year” and was employed by the Lexington Herald Leader for eleven years in that capacity.

In 1988, McLean was named Executive Vice President of the Kentucky Thoroughbred Association and the Kentucky Thoroughbred Breeders Association and during his tenure was responsible for establishing the Breeders’ Awards Fund and the KTDF Bonus Series that promoted two year old races in Kentucky. In 1992, McLean was selected by Kentucky’s four major thoroughbred race-tracks (Churchill Downs, Ellis Park, Keeneland and Turfway Park) to spearhead the formation of Kentucky Off-Track Betting, Inc. and create remote simulcast facilities throughout the Com-

monwealth. McLean started four simulcast facilities in Corbin, Jamestown, Maysville and Pineville over a three and a half year span that created revenues for both tracks and horsemen. In 1995, Gene started McLean Communications that specializes in association management, legislative oversight, corporate communications and Website development and management.

Currently, McLean Communications oversees the lobbying efforts of the Kentucky Beer Wholesalers Association and its not-for-profit organization, The Malt Beverage Education Corporation whose goal is to reduce and eliminate under-age drinking in the Commonwealth. The company furthermore provides legislative lobbying

services to Houchens Industries, Codell Construction, Health Underwriters Group, Appalachian Racing, The Red Mile, The Kentucky Harness Horsemen’s Association, The Moriah Group and the Consignor’s and Commercial Breeders Association.

Knowing when to communicate is often just as critical as how you communicate or whom you reach out to and McLean Communications has developed a strategy for reaching our target audience in the Kentucky General Assembly regarding legislation targeted at the equine industry in the past two sessions. The CBA will continue to keep McLean Communications in its employ and refer to Gene for his expertise and experience in that arena.

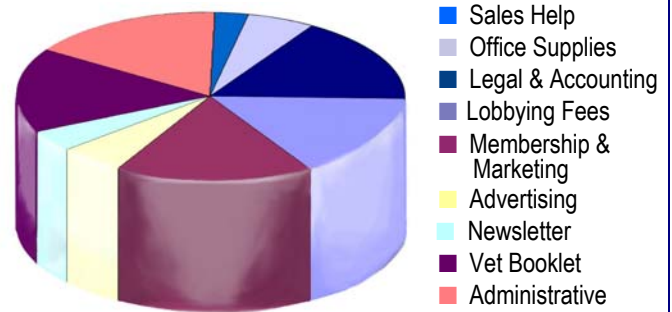
*“As individuals we can accomplish **some** things. As a strong group working together, we can accomplish **many** things and make a difference.”*

## CBA Tax News

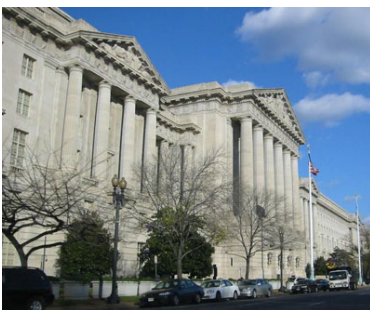
**REMEMBER:**  
**Your membership dues are tax deductible!**

The IRS has recognized the CBA’s status as a 501(c)(6) corporation. **Dues** paid to a trade organization such as the CBA **are fully deductible** as ordinary and necessary business expenses under IRC 162 & IRC 162 (e). Please discuss any other questions with your tax advisor.

## Where Does Your Money Go?



CBA Board members and committee members volunteer their time without compensation. In 2007, the CBA anticipates that almost half of its budget will be spent on Lobbying Fees, Legal and Accounting Fees, in addition to Membership and Marketing. We hope to continue our Vet Booklet series by publishing a third Booklet, as well as reproducing the first two Booklets. The remaining portion of the budget will cover Administrative Costs, Office Supplies, and Sales Help.



IRS Building  
Constitution Ave., Washington D.C.



## Legislative Update — Spring 2007 (cont.)

mares, or weanlings.

Without this important limitation, any litigant, in effect, would have use of a statutory subpoena to gain access to financial records and documents from many different persons and parties, even though they may or may not have been directly connected to the transaction in question. This specific issue was discussed and agreed to a year ago when Mr. Jackson, his representatives, and the CBA defined areas of concern, negotiated, made concessions, and reached an agreement related to the original Jackson Dual Agency legislation. Thus, less than a year later, Mr. Jackson has attempted to re-open the negotiations and recapture earlier concessions that had been made in the spirit of compromise. Read this bill and related articles at <http://lrc.ky.gov>.

**House Bill 497 – Licensing of Bloodstock Agents** - In another important development, the proposed “Licensing of Bloodstock Agents” legislation was introduced by Jess Jackson and his legislative representatives this session. This legislation was presented as a matter of record, but will not be pursued during 2007. This legislation, in the form presented, would require **all who act as agents or consignors of equines in a public or private sale** to obtain a license through the Kentucky Horse Racing Authority. The Authority would be charged with writing all necessary administrative regulations relating to the licensing and regulation of bloodstock agents and equine consignors. Such regulations would include prescribing licensing and renewal forms,

establishing licensing fees, disciplinary procedures, standards of conduct, and setting out the grounds by which a license may be suspended or revoked.

Immediately prior to a legislative hearing on the issue, several key industry participants, including Bayne Welker representing the CBA, met and agreed to the formation of an industry task force. This task force will include representatives of all horse breeds in Kentucky. The task force will work toward developing an industry consensus on the specific issues targeted by HB 497 and HB 388 (a related bill discussed below). The committee will report back to the Joint Interim Committee on Licensing & Occupations on a quarterly basis with a final report and recommendations due on December 31, 2007. This resolution kept the proposed legislation from going forward during the 2007 legislative session.

The CBA believes that the legislation in the form presented would create a tremendous risk to Kentucky’s signature industry. The proposed legislation had not been presented to industry participants for consideration prior to its introduction in the legislative session. It included a number of restraints that the CBA and others believed would have a very serious negative impact on the sales scene. To view this bill as presented and other related articles go to <http://lrc.ky.gov>.

**House Bill 388 - Equine Ownership and Medical Disclosure** – This bill was presented in tandem with the above bill HB 497. This bill would require **that the owner**

**or seller of a horse used for racing or showing, (including prospective racehorses, breeding prospects, stallions, stallion seasons, broodmares, yearlings, or weanlings or any interest therein), disclose complete historical information concerning the equine’s ownership and medical conditions and treatment. If the equine is sold at public auction, the bill would require that a failure of the seller to disclose pertinent information, or the discovery by the buyer of a material, factual misrepresentation or omission in the disclosure nullifies all claimed and implied warranties and allows for return of the horse within 60 days of the sale.**

The newly constituted Sales Integrity Task Force will also discuss the issues in HB 388 to obtain an industry consensus. In its present form, the CBA views this bill as a serious risk to Kentucky’s multi-billion dollar horse industry. To view this bill as presented and other related articles go to <http://lrc.ky.gov>.

### SPECIAL THANKS

The strong and unified response of CBA members and the support from key industry leaders played a crucial role in gaining the much needed pause for both HB 497 and HB 388. The manner in which these bills were presented also highlights the importance for the CBA and all of its members to remain diligent and informed when it comes to business in Frankfort. It is easy to think that someone else will catch the numerous potential legislative concerns that can affect our business but in reality we all have to do our part to keep Kentucky the Horse Capital of the World.

Special thanks should be noted for all the members who helped spread the word and went to Frankfort to voice their concerns. We would also like to thank the following individuals who worked on the behalf of the CBA and the industry to help us define and develop specific issues, build a consensus, and prevent HB 497 & HB388 in their present form from damaging the state’s signature industry by rushing to a quick decision on complex matters. Please take the time to email or call the following individuals and thank them for the consideration and support they have shown our industry.

**Gene McLean** (CBA Lobbyist)  
502-875-2300  
[gmclean@setel.com](mailto:gmclean@setel.com)

**Rep. Rocky Adkins**  
502-564-5565  
[Rocky.Adkins@lrc.ky.gov](mailto:Rocky.Adkins@lrc.ky.gov)

**Rep. Larry Clark**  
502-564-7520  
[Larry.Clark@lrc.ky.gov](mailto:Larry.Clark@lrc.ky.gov)

**Rep. Charlie Hoffman**  
502-564-2217  
[Charlie.Hoffman@lrc.ky.gov](mailto:Charlie.Hoffman@lrc.ky.gov)

**Rep. Joni Jenkins**  
502-564-8100 ext. 692  
[Joni.Jenkins@lrc.ky.gov](mailto:Joni.Jenkins@lrc.ky.gov)

**Rep. Tim Moore**  
502-564-8100 ext. 702  
[tim.moore@lrc.ky.gov](mailto:tim.moore@lrc.ky.gov)

**Rep. David Osborne**  
502-564-8100  
[David.Osborne@lrc.ky.gov](mailto:David.Osborne@lrc.ky.gov)

**Rep. Rob Wilkey**  
502-564-7756  
[Rob.Wilkey@lrc.ky.gov](mailto:Rob.Wilkey@lrc.ky.gov)

**Senator Damon Thayer**  
502-564-8100 ext. 644  
[Damon.thayer@lrc.ky.gov](mailto:Damon.thayer@lrc.ky.gov)

## CBA Subcommittees

Following are the standing committees forming for 2007. The CBA welcomes members to participate on these committees and would like to get the membership more involved. If you are interested in serving on one of these committees, please talk to a CBA board member or officer.

### Budget:

Craig Bandoroff (chair), Neil Howard, James Keogh, John Stuart

### Education:

Rob Whiteley (chair), Clifford Barry, Andrew Cary, Mark Taylor

### Legislative:

Kerry Cauthen (chair), Mike Cline, Don Robinson, Dermot Ryan

### Membership:

Mike Cline (chair), Pat Costello, Robbie Lyons, Dermot Ryan

### Communications/Newsletter:

Braxton Lynch (chair), Mike Owens, Kitty Taylor, Rob Whiteley

### Nomination:

Bayne Welker (chair), Craig Bandoroff, Kerry Cauthen, Mike Cline, Mark Taylor,


### Medication/Vet:

Tom VanMeter (chair), Craig Bandoroff, Kerry Cauthen, Bayne Welker, Mark Taylor

### Website:

Kris Stuebs

The Board of Directors has adopted two important bylaw amendments. One moves the election of the Board of Directors to February and the second addresses attendance requirements for Board members. The complete bylaws can be read on the CBA website: [www.consignorsandbreeders.com](http://www.consignorsandbreeders.com).



*The CBA works democratically on behalf of every consignor and commercial breeder, large and small, to provide representation and a constructive, unified voice related to sales issues, policies, and procedures. The Association's initiatives are designed to encourage a fair and expanding marketplace for all who breed, buy or sell thoroughbreds.*

## What Do You Think?

The CBA continually works on behalf of all members, large and small. Your opinion is valued and important. The CBA would like your feedback and ideas.

### *What topics would you like to have the CBA address in 2007?*

Please email your comments to [royaloakfarm@speedbeam.net](mailto:royaloakfarm@speedbeam.net). Alternatively, you can send your comments to the CBA at the address below. The CBA plans to use interactive internet surveys to poll both members and potential members about various topics in the future. If you would like to participate in future CBA surveys, please inform us of your interest by sending an email to the address above.

## Consignors And Commercial Breeders Association

Email: [info@consignors@breeders.com](mailto:info@consignors@breeders.com)

[www.consignorsandbreeders.com](http://www.consignorsandbreeders.com)



Consignors And Commercial Breeders Association  
P.O. Box 23359  
Lexington, KY 40524

Please  
place  
stamp  
here

TO:



## CBA MEMBERSHIP

CBA members account for approximately 75% of auction sales revenue in North America.

### CBA Officers

<b>Bayne Welker</b>	President/Chairman
Mill Ridge Farm	<a href="mailto:bwelker@millridge.com">bwelker@millridge.com</a>
<b>Mark Taylor</b>	Vice President
Taylor Made Farm	<a href="mailto:mtaylor@taylormadefarm.com">mtaylor@taylormadefarm.com</a>
<b>Joe Seitz</b>	Secretary
Brookdale Farm	<a href="mailto:jseitz@brookdalefarm.com">jseitz@brookdalefarm.com</a>
<b>Craig Bendoroff</b>	Treasurer
Denali Stud	<a href="mailto:craig@denalistud.com">craig@denalistud.com</a>

### CBA Board Of Directors

<b>Rick Abbott</b>	Charlton Bloodstock
<a href="mailto:charltonbloodstock@hotmail.com">charltonbloodstock@hotmail.com</a>	
<b>Craig Bendoroff</b>	Denali Stud
<a href="mailto:craig@denalistud.com">craig@denalistud.com</a>	
<b>Kerry Cauthen</b>	Four Star Sales
<a href="mailto:kcauthen@fourstarsales.com">kcauthen@fourstarsales.com</a>	
<b>Mike Cline</b>	Lane's End Farm
<a href="mailto:mikecline@lanesend.com">mikecline@lanesend.com</a>	
<b>Robbie Lyons</b>	Hartwell Farm
<a href="mailto:hartwellfarm@aol.com">hartwellfarm@aol.com</a>	
<b>Braxton Lynch</b>	Royal Oak Farm
<a href="mailto:royaloakfarm@speedbeam.net">royaloakfarm@speedbeam.net</a>	
<b>Dermot Ryan</b>	Ashford Stud
<a href="mailto:dryan@coolmore.com">dryan@coolmore.com</a>	
<b>Joe Seitz</b>	Brookdale Farm
<a href="mailto:jseitz@brookdalefarm.com">jseitz@brookdalefarm.com</a>	
<b>John Stuart</b>	Bluegrass T'bred Svcs.
<a href="mailto:charltonbloodstock@hotmail.com">charltonbloodstock@hotmail.com</a>	
<b>Mark Taylor</b>	Taylor Made Farm
<a href="mailto:mtaylor@taylormadefarm.com">mtaylor@taylormadefarm.com</a>	
<b>Tom VanMeter</b>	Eaton Sales
<a href="mailto:tom@eatonsales.com">tom@eatonsales.com</a>	
<b>Rob Whiteley</b>	Liberation Farm
<a href="mailto:liberationfarm@yahoo.com">liberationfarm@yahoo.com</a>	
<b>Bayne Welker</b>	Mill Ridge Farm
<a href="mailto:bwelker@millridge.com">bwelker@millridge.com</a>	

Airdrie Stud	Fares Farm	Nikkel, Kathryn
Anderson Farms	Farish, W.S. Jr.	Nuckols, Alfred Jr.
Andrew Thompson Co.	Farish, W.S. III	Oceanic Bloodstock
Anstu Farm	Four Star Sales	O'Rourke, Garrett
Arch Bloodstock	Foxtale Farm	Orange Blossom Farm
Ashford Stud	Foxwood Thoroughbreds	Paladino, Jill
Atlas Farm	Gabriel Thoroughbreds	Paramount Sales
Audley Farm	Gaines-Gentry T'breds	Park Stud
Ballinswood Farm	Gainesway Farm	Penn Sales
Ballyrankin/J. Lockhart	Gardiner Farms	PHS Racing
Bandoroff, Craig	Gaulstown Stud	Plumley Farms
Barker Farm	Gentry, Olin	Richwood Farm
Beau Lane Bloodstock	Glenmalure Farm	Robinson, Jim & Pam
Bedouin Bloodstock	Glennwood Farm	Rockwell Sales
Belvedere Farm	Glory Days Breeding	Royal Oak Farm
Berger, Robert	Golden Eagle Farm	Runnymede Farm
Beth Bayer Sales	Greenfield Farm	Russell Springs Farm
Bettersworth Westwind Farm	Grovendale/James Keogh	Ryan, Dermot
Blackburn Farm	Haras du Fresnay	Seitz, Joe
Blandford Stud	Hart Farm	Sellers, Bill
Bluegrass T'bred Svcs.	Hermitage Farm	Serendipity Farm
Bluewater Sales	Hernon, Michael	Seven Islands Ltd.
Bowling/Dodd Inc.	Hidden Brook Farm	Shadwell Farm
Bradley T'bred Brokerage	Highclere	Shawnee Farm
Brandywine Farm	Hilbert Thoroughbreds	Spring Hill Farm
Brookdale Farm	Hill 'n' Dale Farm	Spruce Lane Farm
Burleson Farm	Hinkle Farms	Stonereath Farms
Calumet Farm	Hopewell Farm	Stonerside
Castle Park Stud	Hundley, C. Bruce	Strouss, Callan
Cauthen, Kerry	Hunter Valley Farm	Sugar Grove Farm
Chantclair Farm	Hurstland Farm	Summer Wind
Charlton Bloodstock	Idle Hour Farm	Summerfield Sales
Chesapeake Farm	Indian Creek	Sunrise Stable
Clark, Tom & Nancy	Jamm Ltd.	Susan Forrester, agent
Clarkland Farm	Kane, Eddie	Swettenham Stud
Claunch, Todd	Katalpa Farm	Taylor Made Farm
Cline, Mike	Kilroy Thoroughbreds	Taylor, Mark
Cloverleaf Farms II	Kindergarten Farm	The Acorn
Cobra Farm	Kingswood Farm	Thoroughstock
Corner Woods Farm	Knockgriffin Farm	Three Chimneys Farm
Costello, Pat	Lane's End Farm	Top Yield Bloodstock
Country Life Farm	Langsem Farm	Trackside Farm
Courtelis, Kiki	Lanni, Donato	True North Farm
Damara Farm	Latimer, Christina	Twin Willows Farm
Darby Dan Farm	Legacy Bloodstock	Upson Downs Farm
Dark Hollow Farm	Liberty Farm	Valkyre Stud
Darley America	Machmer Hall	Viking Stud
Deep Rock Farm	Manganaro LLC	Vinery
Dell Ridge Farm	Maple Leaf Farm	Voute Sales
Denali Stud	Margaux Farm	Walmac Farm
Derry Meeting Farm	McDonald, Reiley	Walnut Green
Diamond A	Meadow Haven Farm	Warrendale Sales
Dixiana Farm	Middlebrook Farm	Weisbord, Barry
Double K LLC	Millford Farm	Welker, Bayne Jr.
Dreamfields	Mill Ridge Farm	Whiteley, Rob
Dromoland Farm	Mitchell, Frank	Willis, Rob
Dunford Farm	Mitchell, Kelli	Windfields Farm
Eaton Sales	Montessori Farm	WinStar Farm
Elia, Christopher	Monticule Farm	Winter Quarter Farm
Elk Manor Farm	Morgan's Ford Farm	Woods Edge Farm
Elm Tree Farm	Mt. Brilliant Farm	Woodstock Farm
Equus Farm	Mulholland Springs Farm	
Eutrophia Farm	Narvick International	
Falls Creek Farm	Needham-Betz	