

AMERICAN KENNEL CLUB
Delegates Meeting
December 13, 2019

Dennis B. Sprung, President in the Chair, called the meeting to order at 10:30 a.m. (National Anthem played.)

Mr. Sprung reminded the Delegates in attendance to sign in at the computer stations outside the meeting room and that the three newest AKC Lifetime Achievement Award winners would be honored during the Delegate luncheon following the meeting.

The Chair introduced the persons seated with him on the dais. Chairman, William Feeney; Vice Chair, Patricia M. Cruz; Professional Registered Parliamentarian, Joan Corbisiero; Gina DiNardo, Executive Secretary; Tony Rolland, the Court Reporter.

The Executive Secretary read the report on the Nominating Committee and the report on additional nominations as follows:

Ms. DiNardo: Pursuant to Article VIII of the Bylaws of the American Kennel Club, the Nominating Committee: Mrs. Anne H. Bowes, Chair, Pembroke Welsh Corgi Club of America; Ms. Constance Butherus, Afghan Hound Club of America; Ms. Sally Fineburg, Hatboro Dog Club; Dr. Geno Sisneros, American Pomeranian Club; Ms. Marilyn Vinson, Southeastern Iowa Kennel Club, appointed by the Board of Directors at its July 2019 meeting has nominated the following Delegates as candidates for such vacancies on the Board of Directors as are to be filled at the next annual meeting of the club on March 10, 2020.

There are three vacancies for the class of 2024 and one vacancy for the Class of 2021.

Class of 2021: Dr. Thomas Davies, Springfield Kennel Club.

Class of 2024: Jeffrey David Ball, Ramapo Kennel Club; Dr. Michael Knight, Texas Kennel Club; Karolynne McAteer, Irish Setter Club of America.

Pursuant to Article VIII of the Bylaws of the American Kennel Club, the following Delegates have been endorsed in writing by the required number of Delegates as a candidate for the vacancies on the Board of Directors for the Class of 2024 to be filled at the next annual meeting of the club on March 10, 2020:

Carl C. Ashby, III, United States Kerry Blue Terrier Club

Dr. Carmen L. Battaglia, German Shepherd Dog Club of America.

Mr. Sprung: The Bylaws state that nominations may not be made from the floor, therefore nominations closed on November 15, 2019. In accordance with the Delegate Standing Rule, each candidate is allowed three minutes to address the body. Keith Frazier will indicate to the candidates when three minutes have expired. The Chair will introduce the candidates in alphabetical order, and no questions from the floor will be entertained. The candidate for the class of 2021 is Dr. Thomas Davies representing Springfield Kennel Club.

Dr Davies: Good morning. The year 2020 is upon us, as amazing as that sounds. With each new year our collective responsibility is to move our sport and our organization forward collaboratively. Let's not forget that we're a community. If we all set out to do everything, we can to achieve our goals, we can make tremendous progress for our purebred dogs. Working together everybody wins and ultimately the dogs win. Our priorities are to increase registrations and entries, grow the number of breeders producing litters, encourage our Juniors, and advance the important work of our clubs. The world is changing, but as dog fans here we must remain true to our core values. The future of our sport depends on our commitment to one another. While on the Board my every intention is to keep all eyes on the prize, a flourishing sport of purebred dogs in America. We need more teamwork and less bureaucracy, more common sense and less complaining, more solutions and more ideas. I have proposed that we conduct a comprehensive study of the issues facing our clubs and our shows. During my tenure I will take this on and I hope that you will all join me as we seek solutions and remedies. We all have the passion to affect the changes we need. We owe it to our sport and surely to our dogs to try. Thank you.

Mr. Sprung: Thank you, Tom. The first candidate for the class of 2024 is Carl C. Ashby, III, representing the United States Kerry Blue Terrier Club.

Mr. Ashby: Good morning. During our brief time together this morning I'd like to share with you the kind of Director I will be. My decisions will be driven by the mission of the American Kennel Club. I would get things done. I would question to gain insight and understanding. I would listen to and respect other points of view. I would be a team player – striving to bring people together to solve problems. I would bring creative thinking and innovative ideas. I would work to make AKC the voice of dogs in America, all dogs, with an increased public relations presence. Most importantly I would value you and your Club's thoughts on issues. I would listen and be accessible. I would seek renewed emphasis on the AKC mission to guide our decisions or directions. My goals would be to increase our visibility engagement with the dog-owning public through registrations, event participation and public outreach to assure our clubs are getting the support they must have as the volunteer backbone of AKC. Make no mistake, I know that policy flexibility is necessary, that some policies are outdated, and that the time for action is now, and to do everything possible to rebuild our legacy event such as Conformation. These are the foundations of our mission and the future of purebred dogs bred to a standard. We must have new approaches to solve old problems. Staying in our “comfort zone” has not moved us forward as many of the old problems remain. We must find solutions that embrace the new reality that surrounds us. During my professional career I was asked to lead organizations facing difficult challenges. I found ways to meet those challenges. The skills I used then would serve you well in the AKC boardroom. I'm not the star at a cocktail party, but that's not where the work gets done. The work gets done in the boardroom, and it gets done in the boardroom and in relationships around it. I build relationships and that is why I have been asked to serve and lead so many community organizations. I hope to talk with many of you in the weeks ahead. If you have a question or concern, please call me. The best candidate information is always from the candidate. If elected I would bring as a past Board Vice Chair a working knowledge of AKC, extensive experience in multiple dog clubs including leading events, successful bottom line business experience, and an unwavering commitment to the

mission of AKC. All are required to be an effective AKC Director. Please allow me to serve you and your club with your vote in March. Thank you.

Mr. Sprung: Thank you, Carl. The second candidate is Jeffrey David Ball representing Ramapo Kennel Club.

Mr. Ball: Mr. Ball: Good morning. Everyone in this room has two things in common: Their love of the dog and a knowledge that the success of the American Kennel Club is vital to the well-being of our dogs. The public feels the same way about one of these items. They love their dogs. In 2000 there were 68 million dogs in America. It has climbed to 84 million in 2018. Approximately 56 percent of the homes have dogs. The public spending on their pets went from 17 billion in 1994 to \$72.5 billion in 2018. These figures should be great news for AKC, but there is problem. We are not growing. Our registrations and show entries are down. Clubs are struggling to recruit members. It seems as if our breeding and show rights are under attack every day. Many companies and organizations struggle. In fact, they project 40 percent of the Fortune 500 companies will not exist in ten years. They will fail for different reasons, but one of the main causes is they fail to change. Society is continuously evolving and therefore forces change. Competition comes in different forms and we need to adapt. A problem we have is there is still a disconnect with the public as well as many of the fancy itself. Either they do not know who AKC is, they have the wrong impression of AKC, or they think of AKC as "them" and not "us". The truth is we are all AKC. To properly correct this problem, we need the help of the clubs. There lies the bigger problem. Clubs are struggling. Without clubs, AKC is just a registry or another business. AKC is a club of clubs first. We need to look at our policies and understand what works for one does not work for everyone. Different size clubs, different regions in the country, there are many variables to consider. We need to learn to be more flexible. My goal would be to help us collectively make a change. First, we need to help our clubs. We cannot build internal support if we have internal struggles. We need to be more accommodating and have a lot more flexibility and give the clubs and fancy ownership of the AKC. Once clubs are stabilized, we can begin to reeducate the public. As the fancy and public realize who we really are we will once again begin to grow. I would love that opportunity to work with all the canine experience and knowledge that we have in this room. We can use creative thinking and innovation to revitalize the clubs and help them assist us in continuing our mission, upholding the integrity of the registry for the purebred dogs and breeding, as well as improve the canine lives as well as the families, and responsible ownership. Thank you.

Mr. Sprung: Thank you, Jeffrey. The third candidate is Dr. Carmen L. Battaglia representing the German Shepherd Dog Club of America.

Dr. Battaglia: Good Morning, in the 3 minutes I have, let me begin by saying I have twice been President of both my Parent Club and my local Specialty Club, I am an active member of the Atlanta Kennel Club, a breeder of German Shepherd Dogs, and have finished several himself. I judge the herding and working Groups, several sporting breeds and remain an active Breeder of Merit. I have authored many books on dogs and published more than 70 articles which have appeared in Veterinary Journals, and in many of the leading dog magazines. I was the Assistant Dean at Emory University and the Regional Administrator for the US Department of Education. I served multiple terms on the AKC Board of Directors, chaired countless committees and was liaison to the: Parent Club, Bylaws, Canine Health, Companion Events, Herding, Earthdog & Coursing Events Delegate Committees. I am a current PAC and Reunite

Board member and chair AKC's, Dog Detection Task Force whose mission is to help increase the supply of detection dogs that are needed to protect the country. With that said, my background in business and in the dog world had prepared me for the many projects I would like to finish. For example, I chaired the committee that developed the DNA system we have today and streamlined the requirements for importing dogs. I was on the board when we added the select title in conformation and the 1 + 1 program. I helped improve the obedience point schedule. Achiever dog was a proposal I brought to the Companion Events Committee which generated over 66,000 entries. We have many good things to talk about, the AKC Museum of the Dog is in now in NY and doing well; AKC.TV is growing and beginning to make a difference. These are on some of my accomplishments, but there are other problems facing AKC. Conformation is in its 15th year of declining entries. Shows, clubs and breeds are suffering. The cluster has become the route for most clubs to survive; 50% of the stud book are now low entry breeds, and only 41% of our pups are being registered. Our clubs are getting smaller and the greying effect is taking its toll. We have come a long way and I would like to work with the board to focus on these compelling problems. I like to think of our problems this way, we have the willingness to fight and the talent to win. I will need your vote in March. I am convinced we can make things better.

Mr. Sprung: Thank you, Carmen. The fourth candidate is Dr. Michael Knight representing Texas Kennel Club.

Dr. Knight: I spent three weeks writing my speech and then I tore it up last night and decided just to talk to you. I am probably the least-known person running for this office and what I've heard is "who is that guy?" So, my name is Michael Knight, I have a Ph.D. in human resources, a degree in banking and finance, a degree in human resources, a degree in psychology, and a master's in psychology. And I was taught to be a fundraiser by my grandmother. That's part of what my family does. I own a staffing firm. I am very familiar with working with a multimillion-dollar budget, I do it every day in charity work and with our company. I cannot tell you who I will be, I can just tell you who I am already. I am the guy who will listen. I am opinionated. I have a point of view. I think we need to make changes now. I think that AKC needs to make some changes, but I think it's already in process. I would like to hurry that along because I think we're running out of time. I think band aids don't work. We need serious changes now. In our local area, in our cluster, and I've said some of this before. If it's a repeat to you, I'm sorry. I took a tour of our junior high schools and we got the principals and the teachers to give us an hour in several of the junior highs. We chose junior high kids because they're not thinking about college yet. Seniors are thinking about college or specialty schools, so we backed up and went to junior high schools to talk about dog shows and being a handler or being a breeder, because juniors haven't made decisions about college yet. They're not thinking about what they want to do with their lives. Their parents quite frankly aren't pushing them yet to make those decisions. I asked the local schools, one in particular which like I mentioned earlier there are 49 junior high schools in Dallas and Fort Worth, to please come to our dog show. We expected a few kids to show up. Three school buses showed up, 96 kids came, they took a tour, they had a great time. We're going to go to the other 49 schools and offer the same thing. And we then had a class on our programs about being a handler. We had 19 children show up with their parents, completely enthusiastic about this

might be something my kid would love, even though the children brought the parents. They all left with a lot of knowledge about what AKC is, what AKC could be to them, what our local cluster could do for them. We have grown our show, like I said, to 36 specialties. We help them financially. We take our Purina sponsorship money and sink it into the Specialties because we want to grow the treasuries of the small clubs because without the treasuries they're going to go away anyway. We have helped them with volunteer work. We help find people to help them. We don't care if you're in the club or not, just if you want to volunteer, we will let you help us and we will help you join us. Thank you.

Mr. Sprung: Thank you, Michael. The fifth candidate for the class of 2024 is Karolynne McAteer representing the Irish Setter Club of America.

Ms. McAteer: I have one piece of paper because I too tore up what I thought I was going to say. I am from the Irish Setter Club of America and I am a 50-year breeder of Irish Setters. I am in conformation, hunting and field trials, and I am also the chairman of a small rural all-breed club, so I think it's safe to say I'm in it with all of you, and I'm experiencing exactly what you are. I thought it might be more interesting to tell you what I have done in the past four years since I had the honor of your votes to win a board seat. Since I stood before you four years ago and earned your support, I have joined the Board of the AKC CHF with an emphasis on communications. I am a founding member of the AKC.TV with the idea that as we celebrate our second birthday of that wonderful growing entity, we are really starting to reach out to those beyond our own fancy; that is where our growth is going to come and it's where the saving will come of purebred dogs. I serve on the board of the PAC and focus on ways to communicate to the public that we do not want to lose what we love. That includes the dog lying down next to you in front of the hearth, and it includes the one going around a group ring. Our way to communicate is to get to the general public, and that's my personal mission. So that is what I've been focusing on in the four years that I've sat in place. I coordinate the live streaming for this event, so you'll see me on the floors for daytime, and at night I'm hidden in a truck choosing camera shots, so I'm hoping the general public gets to see all that, and I've done that for 15 years for Westminster. I am vice president of Moore County Kennel Club which I told you about when we were all talking, a small club with the same issues all of you are having. However, we have found many ways around those issues and to grow ourselves, and I would look forward to sharing those with the small clubs, in discussion. I ask for your support so I can finish some of what I started and because I do want to be a part of what I see as much needed change, so thank you all.

Mr. Sprung: Thank you, Karolynne.

The Chair called on the Executive Secretary to read the names of the Delegates seated since the last meeting:

Jennifer Amundsen, Cottage Grove, Wisconsin, to represent Badger Kennel Club

Christine Cone, Ontario, New York, to represent Kanadasaga Kennel Club

John Cornell, Richmond, Vermont, to represent Champlain Valley Kennel Club

Judy McMaster Descutner, Hickory, Pennsylvania, to represent Western Pennsylvania Kennel Association

Loretta 'Sandie' Friend, Glen Allen, Virginia, to represent Virginia Kennel Club
Leslie Jaseph, Crownsville, Maryland, to represent Columbia Terrier Association of Maryland
Steven Lisker, East Rockaway, New York, to represent Akita Club of America
Susan Olsen, Chicago, Illinois, to represent Park Shore Kennel Club
Chris Reed, Port Allen, Louisiana, to represent Giant Schnauzer Club of America
Joanne Wilds, Chesapeake, Virginia, to represent Miniature Pinscher Club of America

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

Alyson Casper to represent Nova Scotia Duck Tolling Retriever Club, USA
Christine Cone to represent Kanadasaga Kennel Club
Chris Reed to represent Giant Schnauzer Club of America
Loretta 'Sandie' Friend to represent Virginia Kennel Club
Joanne Wilds to represent Miniature Pinscher Club of America

The minutes of the September 10, 2019 Delegates Meeting were published in the online Gazette and the complete transcript is posted on the delegate's portal on AKC's website. There were no corrections and the minutes were adopted as published.

Mr. Sprung advised that the Chairman's report would be distributed to all delegates via email following the meeting and would be available on the Delegate Portal and on AKC.org.

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

I'd like to congratulate everyone as we join together celebrating America's National Champion in Conformation, Agility and Obedience. With over 11,000 entries, this is the largest dog event ever held in the United States. Additional good news to share is that litter registrations are increasing for the fifth consecutive year, and individual dog registration is up for the sixth consecutive. The number of unique breeders continues to grow. Aggregate entries through October are plus 60,000. Together, we are on target to achieve the highest number of entries in AKC's 135-year history. Show breeders are the pillars of our sports, and in support of that AKC's Board of Directors designated 2020 as the Year of the Breeder. I am happy to announce that we will offer a free litter registration to the winner of Best Bred-by at every All Breed and Group show and each Parent Club's national specialty. In October I emailed to the delegate body research on All-Breed shows, and last month shared with each of you a report about our public relations initiatives which keeps enhancing our brand and reputation. I'll continue to provide you with ongoing information. On December 2nd the social media department reached their goal of 300,000 Instagram followers. This huge growth enables more conversations, education and engagement with fanciers and the dog loving public. We are experiencing ongoing success with our educational outreach on many fronts.

Mr. Sprung called on Ashley Jacot, Director of Education, to deliver a presentation on two current Education initiatives.

Ms. Jacot: Thank you so much so having me here today. I'm really looking forward to telling you about two of the many initiatives that education uses to share our mission. William Butler Yeats once said that "Education is not the filling of a pail, but the lighting of a fire." I was a

classroom teacher for several years before working for the American Kennel Club and I've seen the fire that's lit in children when they learn something new. I've been fortunate to see that again in my work with the American Kennel Club. I've seen children come to their very first dog show as a part of our AKC Patch Program and leave wanting to be a junior. I've seen their parents meet a breed that they never even knew existed and ask how to find a breeder in their area. We believe in the power that our educational programs have to bring people to purebred dogs, and I'm really excited to share with you two of our initiatives. The mission of AKC education is to bring dog fanciers, dog owners and the general public quality education about purebred dogs, the sport of purebred dogs, and the ongoing importance of the relationship between people and canines. It's that relationship and our commitment to it that connects us all. The first initiative I'd like to talk to you about today is AKC Math Agility. AKC Math Agility is a mobile app that was launched on December 9, 2019. It's aimed at children five to eight and it features math facts in addition, subtraction, multiplication and division. It introduces children to up to 60 breeds and the sport of agility. Its purpose is to be designed as an educational tool that will introduce a new audience to purebred dogs and the sport of purebred dogs. So why a children's app? Fifty-two percent of mobile app users under the age of 18 are ages five through eight, and nine out of ten parents believe that educational apps will play an important role in their children's learning. It's a great way to reach an audience that's very important to us. Little 10 Robot made this app for us. They were founded in 2017, and they have created many learning apps for children. In addition to their library they've also created apps for the Walt Disney Company. As of August 2019, Little 10 Robot's apps have been downloaded more than 2.2 million times and have reached more than 850,000 classrooms all over the country. So how does this app work? Players will tour the country competing in the AKC agility events as they work their way to the AKC National Championship. Players will take 12 different tours across the map and eventually end at the AKC National Agility Championship in Perry, Georgia. The math facts that they choose will determine where in the country they go. The game will feature 15 playable dog breeds, and the children can unlock up to 60 additional breeds using a motivational system. The more challenging levels they play, the more breeds they will unlock. Players will be able to practice math facts in addition, subtraction, multiplication and division, and as the math facts appear on the screen, the faster the children answer, the faster the dog will complete the obstacles. As the player dances through the game, they unlock additional breeds. Each card features information about the breed as well as two different angles of the dog. Sixty total breeds were chosen ranging from the most popular to the more rare. Little 10 Robot created these dogs using geometric shapes and researched each breed's standard for accuracy. As the player dance advances through the game, the dog will travel more challenging obstacles such as A frames and weave polls. And once the course is finished, the results appear on screen with scoring that is correct to the sport of agility. I have a little preview here for you.

(Video played)

Ms. Jacot: Thank you. We're very excited about this. The next program I want to tell you about is the AKC PupPal program. The AKC PupPal program provides children in need of uplifting with a photo of and a letter from a canine friend. Any child is eligible to receive a note, including children who are struggling with illness, those who have lost a parent or a sibling, children who are missing a deployed parent, or who otherwise are struggling through a difficult

time. Our department seeks from dog owners photos of their dog and information about them. We utilize that information as well as information provided by the child's parent to match children with dogs that share similar interests and personality traits. We then write the letter and mail it to the child on behalf of the dog. This is Leo whose picture and information is being shared here with permission from his parents. Leo has a very serious chronic medical condition. He requires constant treatment. He was paired with Darla, a chihuahua who also has a chronic medical condition. Leo's mom sent us this picture and told us that Leo received his PupPal after a very difficult day of treatment and when he opened it and saw Darla, that was the first time he had smiled that entire day. We have received more than 250 requests from children just like Leo, some who are struggling with illness, some terminal or chronic, those who have a missing parent, a deployed parent, these who have just recently lost a parent or a sibling. The children who have been assigned to PupPal range in age from two to 15, however, any child is eligible. They're facing very serious issues, and a PupPal really helps to brighten their day and help them make a connection to someone when they're needing it the most. So, who are our dogs? We've received more than 2,000 submissions for dogs. We receive approximately 75 per day, and this is just since this program launched in late September. Eighty-one percent of the submissions represent 142 recognized breeds. Seven percent are FSS or miscellaneous -- excuse me -- twelve percent are FSS and miscellaneous, and seven percent are All-American dogs. The dog owners represent a really diverse group of individuals. Forty-five percent have previously or currently compete in AKC sports. Fifteen percent have a dog registered with the AKC but have had no further interaction. Two percent are other, meaning that they may have attended a dog show or seen one on TV. And then 38 percent are completely unfamiliar with the American Kennel Club, and the PupPal program is their very first time interacting with us. Where are the dogs from? We have dogs from all 50 states, the District of Columbia and Puerto Rico. We also have dogs from Norway, Canada, Australia, Ireland, Scotland, Wales and Croatia, and we get more every day from all over the world. It's really easy to get involved in this program. Parents can submit their child, and dog owners can submit their dog online using a simple form on the AKC PupPals website which you'll see right here on the right-hand side of the screen. If you'd like to sign your dog up this weekend, you can come by the public education booth on Saturday and Sunday. Children receive their letters in seven to ten business days, and dogs who participate receive a certificate in the mail as well as a bandana. You can see this is my dog Boone wearing his PupPal bandana. So how do these initiatives help us accomplish our goals? They help increase awareness to purebred dogs and the sport of purebred dogs amongst parents, teachers and children. They help provide us an opportunity to combat the negative message that animal rights groups spread in schools and in our communities. And they provide us an opportunity to make an impact on children and their families and share with them the value that purebred dogs bring to their lives. Thank you so much for your time today. Please feel free to reach out to me, and also please feel free to grab an AKC Math Agility flyer when you turn in your registration badge. Thanks so much.

Mr. Sprung: Thank you, Ashley. The Chair called on Joe Baffuto, Chief Financial Officer to give the Financial Report.

Mr. Baffuto: Good morning Everyone! Thank you very much for joining us here today amidst the celebration of events that comprise the AKC National Championship presented by Royal Canin! Before we continue to enjoy in all the festivities with such great people and most especially the wonderful dogs from all around the world – I am here to provide you with unaudited standalone financial results of The American Kennel Club through October 31, 2019.

Taking a macro review, I'll begin with our year to date revenues and expenses. Through our most recent month-end closing, we have recorded nearly \$65.0 million dollars in Total Revenue and \$60.7 million dollars in Total Expenses, for an Operating Income of almost \$4.3 million dollars. In comparison to our prior year audited results where we recognized \$62.0 million dollars in Revenue with \$62.4 million dollars in Expenses for an operating loss of just under \$500,000 dollars.

A key headline to specifically showcase is that our total year to date revenue comparison presents an overall increase of \$3.0 million dollars or 4.8% from that of October 31, 2018. Let's discover where our finest successes have been.

Core Registration Volumes through October 31. We have registered grand totals of 215,000 litters and 499,000 dogs over 10 months this year. Our litter volume has increased by 3% from 209,000 in 2018, while our dog registrations have risen by 1.5% from 492,000 at October 31, 2018. We continue to remain optimistic in our objectives and as we approach the remaining two months of the fiscal year, our ambitious goals remain to exceed milestones of 250,000 litters and 580,000 dogs which both would mark improvement over the 2018 year.

Let's measure our Major Revenue Sources and their increases year over year. Registration related items. Specifically, Dogs. We have recorded an additional \$482,000 in revenue this year which is a 3.2% increase from 2018. Our Litter Revenue increase of \$287,000 dollars reflects an even better growth at 4%. Reg Transfers have garnered an additional 14% or \$193,000 dollars above last year. Pedigrees also have displayed a modest 2% increase which has equaled \$87,000 dollars of additional revenue. Outside of Registrations, our next largest areas of revenue increases include a number of various programs throughout the organization: AKC.TV year-to-date has produced added revenue of \$614,000 dollars which we expect to positively continue through the end of our fiscal year. Royalties & Sponsors have generated an annual increase in revenue of more than \$480,000 dollars supporting AKC programs. Our Ecommerce platform has contributed an increase of \$106,000 dollars year over year, and our Marketplace program has increased \$60,000 or 5% above 2018 level. Next, we will focus our analysis on the year's success in our Sports and Events programs.

Comparing year to date activities in Sports and Events, there have been more than 19,700 events representing a 5% increase from the 2018 period. Our events have recorded greater than 2.8 million entries, which reflects a 2% increase from last year. These successes have directly reflected a 5% or \$760,000 dollar increase to Revenue across all of our Sports and Events. Congratulations to everyone involved!!

Let's next measure the cost side of the equation. Through October 31, 2019 our total expenses have declined by \$1.8 million dollars or 3% as compared to the ten months of 2018.

In reviewing our Expense fluctuations year over year, we note Payroll and Benefits have declined by \$468,000 dollars this notwithstanding a minor 2% increase in Headcount from 2018. Monies spent on Consultants have decreased by more than \$1 million dollars since our prior year. This is primarily due to the relocation of both our AKC headquarters and AKC Museum of The Dog that took place during 2018. Our AKC.TV program which is flourishing tremendous growth during 2019 has incurred increased costs of \$825,000 dollars this first full inaugural year. Equipment and maintenance costs have been controlled by \$486,000 dollars or 40% as compared to last year. Postage and supplies costs company-wide have declined by greater than \$385,000 over the first ten months this year. Our year-to-date contributions are comparatively below last year by \$305,000 dollars. However, we do expect to match last year's support efforts by calendar year-end.

Aside from our operating results analysis, we will briefly glance at our investment portfolio results. For the 10-month period ending October 31, 2019 our portfolio has unrealized gains of \$12.7 million dollars or a 14.6% return. The portfolio has outperformed its benchmark of 13% by 1.6%. If this performance continues through the balance of our fiscal year this could very well afford us record breaking results.

The Balance Sheet of the AKC still exhibits plenty of financial strength and capacity. With \$153.4 million dollars in Total Assets and \$84.1 million in Total Liabilities we are successfully sustaining just over \$69 million in Total Net Assets, this remains unchanged from last quarter's report and just under a \$20 million dollar increase from our December 2018 audited financial results. Thanks to everyone on the Board, Management and Staff, and the Delegate Body for contributing to these exceptional results throughout 2019!

I look forward to providing you a full year report on 2019 at our next meeting in March. Enjoy this wonderful weekend ahead, and to all I wish a Happy Holidays and Healthy New Year in 2020!

Mr. Sprung: Thank you, Joe.

The first vote is on Rules Applying to Dog Shows, Chapter 3, Section 22, Dog Show Classifications, which would allow dogs registered with an acceptable foreign or domestic registration to participate in Miscellaneous, making the language applying to registration numbers consistent with Chapter 11, Section 1. The amendment was proposed by staff with support from the Dog Show Rules and the Parent Club Committees and brought forward with approval from the AKC Board of Directors.

There was a vote with two-thirds in the affirmative and the amendment was adopted.

The next vote was on Rules Applying to Dog Shows, Chapter 11, Section 8-A, which removes the requirement for an injury to have occurred for an Event Committee to disqualify a dog that has attacked a person or dog at its event, and it believes presents a hazard to persons or other dogs.

Without an objection, the vote was withdrawn so that Staff circulate a comprehensive Q&A and also respond to Delegate inquiries about the process to follow if the rule change was adopted.

The amendment will be republished in two issues of the *AKC Gazette* and the Delegates will vote on it at the March 2020 meeting. The full text is on the worksheet previously emailed.

The next vote is on the Rules and Standard Procedure for Pointing Breeds, Chapter 14, Section 20, which allows for a National Walking Gun Dog Championship for Weimaraners. The amendment was proposed by the Weimaraner Club of America and brought forward with the approval of the AKC Board of Directors.

There was a vote with two-thirds in the affirmative and the amendment was adopted.

The Chair called on the Executive Secretary to read the proposed amendment to the Rules Applying to Dog Shows, Chapter 9, Section 2, Superintendents and Show Secretaries.

Ms. DiNardo: This amendment to Rules Applying to Dog Shows, Chapter 9, Section 2, Superintendents and Show Secretaries, which would allow for an individual to be approved as a Show Secretary for the events held by one all-breed or group club and any additional events held the same day and site as the club in a calendar year. This amendment was proposed by staff, approved by the AKC Board based on a request by a member of the board of directors. The amendment will be published in two issues of the *AKC Gazette* and the Delegates will be asked to vote on it at the March 2020 meeting. The full text is on the worksheet previously emailed.

The Chair called on the Executive Secretary to read the proposed amendment to Rules Applying to Dog Shows, Chapter 14, Section 5, Measuring, Weighing and Color Determinations When Factors of Disqualification in Breed Standards or Eligibility Under the Conditions of a Class or Division of a Class Cancellation of Awards.

Ms. DiNardo: This amendment to Chapter 14, Section 5, Measuring, Weighing and Color Determinations When Factors of Disqualification in Breed Standards or Eligibility Under the Conditions of a Class or Division of a Class Cancellation of Awards, which eliminates the italics, rewords the section to add language to specify that all equipment must meet AKC requirements and inserts it into the rule. The change also generalizes the wording for wickets to eliminate the need to modify in the future and clarifies expectation for a number of sets of wickets and scales that must be provided at all-breed group or specialty shows. The amendment will be published in two issues of the *AKC Gazette* and the Delegates will be asked to vote on it at the March 2020 meeting. The full text is on the worksheet previously emailed.

The Chair called on the Executive Secretary to read the proposed amendment to the Beagle Field Trial Rules and Standard Procedures for Brace, Small Pack and Small Pack Option, Field Trials and Two-Couple Packing Hunting Tests, Chapter 6, Section 4.

Ms. DiNardo: This amendment to the Beagle Field Trial Rules and Standard Procedure for Brace, Small Pack and Small Pack Option, Field Trials and Two-Couple Packing Hunting

Tests, Chapter 6, Section 4, removes the requirement to show the street address in the premium list for the judges, trial chairs and club officers.

Please note this change also applies to the following:

- Beagle Field Trial Rules and Standard Procedures for Brace, Small Pack and Small Pack Option Field Trials and the Beagle Field Trial Rules and Standard Procedures for Large Pack Field Trials, Chapter 6, Section 4
- Field Trial Rules and Standard Procedures for Dachshunds, Chapter 6, Section 4
- Field Trial Rules and Standard Procedures for Basset Hounds, Chapter 6, Section 4
- Field Trial Rules and Standard Procedure for Spaniels, Chapter 7, Section 1
- Field Trial Rules and Standard Procedure for Pointing Breeds, Chapter 7, Section 1
- Field Trial Rules and Standard Procedure for Retrievers, Chapter 7, Section 1

The amendment will be published in two issues of the *AKC Gazette* and the Delegates will be asked to vote on it at the March 2020 meeting. The full text is on the worksheet previously emailed.

The Chair acknowledged the Delegates who have served for 25 years.

Mr. Sprung: This medallion is in recognition of meritorious and long-term contributions to the sport. The program enables us to recognize our core constituency and allows a grateful American Kennel Club the opportunity to honor our own.

The following Delegates were called forward:

James S. Corbett, Tualatin Kennel Club (in attendance)

James R. Dok, Gig Harbor Kennel Club (not present)

Daniel J. Smyth, Esq., Burlington County Kennel Club (in attendance)

The Chair called on Gail LaBerge of the Atlanta Obedience Club who spoke about AKC PAC initiatives as follows:

Ms. LaBerge: Good morning, everyone. At the request from many of you for our caricature artist that would draw you and your dog is back this year – it can also be done from a picture if you do not have your dog with you. This is the last opportunity for a caricature as we have something new scheduled for next year. The artist is there today through Sunday, go over, sign up at the AKC PAC booth, which is next to the AKC Government Relations booth. This is a fundraiser for the PAC and a \$50 donation will receive a larger drawing than last year. We are raising our funds now and we are earmarking who is going to receive those funds running for office at the first of the year. Election is coming in the late fall of 2020, but we have to have our donations out earlier than that in order to help them impact their election campaign. We are strictly authorized for the Federal Election Commission to only look at a candidate's view on canine issues, and that's what we do in choosing those we support. I want to say something, and I am, Michael, I am stealing something you said when you spoke this morning. He talked about how children can't speak for themselves. Your dogs can't speak for themselves, and they depend on us every day to protect them, and one of the ways that you can protect them is to support the PAC and support us in helping to elect those who think like we do on legislative

issues. If you don't want to do the caricature, we're more than happy to just take a donation. I said to the Board at a meeting, "What we really need to say is trust us on this, we're protecting you and your dogs. Give us your money." They thought that was a little direct. Sheila is at her table outside – I don't know what we'd do without Sheila Goffe, she is an amazing woman, and she will take your donations.

Ms. LaBerge: Thank you. Sheila needs to hear that. She works really hard for all of us, and loves the dogs as much as we do, and is a great breeder herself. If she is busy you can give your donations to me, I'll make sure it gets to where it needs to go. Please don't forget to donate. Thank you.

Mr. Sprung: Thank you, Gail.

The Chair informed the Delegates that the Tuesday, March 10, 2020 meeting would be the annual election of the Board of Directors Class of 2021 and the Class of 2024, held at the Doubletree Newark Airport hotel. Travel options are emailed and posted to the Delegate Portal in early January when they become available.

The following Delegate spoke during New Business as follows:

Warren Cook, Delegate for Southern Oregon Kennel Club:

Warren commended the Delegate Body for forming a subcommittee to focus on the immediate issues facing small dog shows. He advocated that dog sport events should be treated as a business and cautioned about the acceleration of a decreasing market. He encouraged the subcommittee to take fast action on this initiative.

Don James, Delegate for Leonberger Club of America:

Don spoke on behalf of Sylvia Thomas, the Editor of the Perspectives Delegates magazine who was on a judging assignment. He thanked those Delegates who contributed to the December issue. He offered printed copies for those that could not access it online using the Delegate Portal. Don announced that a special January edition of Perspectives would concentrate on the candidates for the upcoming Board election in March. Submissions for the regular March issue are due on January 15, 2020 to coordinator Sylvia Arrowwood of the Perspectives staff. Lastly, he apologized for the unintentional omission of David Hopkins (Delegate for English Springer Spaniel Field Trial Club of Illinois 1997-2019) from the Perspectives column in tribute of Delegates who have passed away. The online version of the issue was corrected.

Pat Laurans, Delegate for German Wirehaired Pointer Club of America:

Pat shared the success of the AKC Pet Disaster Relief program. She reported that as of December 1, 2019, 410 clubs were participating. \$1,812,927 in donations have been received. \$450,000 was funded by AKC Reunite, for total funds raised \$2,262,927, resulting in 72 trailers that have been delivered to 28 states. Currently 6 trailers are in the pipeline to be built which would total 78 trailers. Pat thanked the Delegates and their clubs for their donations and praised the Reunite staff for the program and hard work.

Karen Gunzel, Delegate for Trenton Kennel Club:

Karen announced that on May 3, 2020, Trenton Kennel Club will host its 100th All-Breed Show. The show will be held at Mercer County Park, West Windsor, New Jersey which is approximately 30 minutes from the AKC Delegate meeting site in Newark, New Jersey. Club member Deanna Lonabaugh will act as Show Chair for the 30th year. To mark this milestone all Best of Breed winners will be awarded a commemorative Trenton Kennel Club medallion. This 100th show medallion will also be awarded to all group placements and best junior and to the fastest dogs in our lure coursing events. The Best in Show trophy will be presented by Trenton, New Jersey's Mayor, the Honorable Reed Gusciora, and (it is hopeful that) AKC President, Mr. Dennis Sprung, will present the Best in Show medallion. Attendees will enjoy trays of cookies and beverages from morning through lunch. During group judging at ringside a full buffet will be available to all. Each and every exhibitor will receive a special gift from the Trenton Kennel Club. With the assistance of AKC Delegates and Staff, one of the AKC Reunite disaster relief trailers will be on display (Jeffrey Ball, Delegate, Ramapo Kennel Club). The entire day will be covered by AKC.TV (Gina DiNardo, AKC). Event notifications will be sent via email blast (Glenn Lycan, AKC). Vintage photos will be featured on the club Facebook page and website (Bud Buccone, AKC). The Trenton Kennel Club 100th show will also offer Trick Dog, CGC and the AKC Patch Program.

Donna Smiley, Delegate for Harrier Club of America:

Donna thanked AKC Reunite for their service during multiple earthquakes in Southern California. She explained that she lived in a little desert town called Ridgecrest, California. On July 4th, 2019 they were hit by a major earthquake followed by a larger 7.1 the next day. Despite no loss of human life, there was devastation to the town and its livelihood. Their two local veterinarians left the area. The people without a place to live couldn't keep their dogs. This rescue group, East of Eden K-9 took them in but was struggling. As an AKC Delegate, Donna contacted the Delegate's group on Facebook and asked AKC to help. AKC Reunite sent \$5,000 via PayPal to East of Eden. When the East of Eden K-9 Founder, Linda Miller found out that there was relief money she broke into tears. Donna was able to convey the message that AKC supports ALL dog efforts.

Hearing no further business, the Chair adjourned the meeting.

(Time noted: 11:42 a.m.)

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