

MEMORANDUM

DATE: 28 March 2011
TO: ECSCA Board of Directors
FROM: Barbara A. Penny/AKC Delegate
RE: **March 2011 AKC Delegates Meeting**

This quarter's Delegates Meeting was held once again in Newark, NJ at the Sheraton Hotel on March 7th and 8th, 2011. The next meeting is scheduled for June 12th and 13th in Raleigh, NC. Please feel free to email or call me directly with any questions or concerns you would like researched or addressed.

AKC DELEGATE'S REPORT March Meeting 2011 Newark Airport Sheraton Newark, NJ

Board Election Results

At the Annual Meeting of the AKC Delegates, 394 votes were cast for the Directors Class of 2015. The three (3) Directors elected were:

- **Robert A. Amen**, Delegate for Port Chester Obedience Training Club
- **Carmen L. Battaglia**, Delegate for the German Shepherd DC of America
- **Steven D. Gladstone**, Delegate for the Greater Naples DC

In addition, Ronald H. Menaker was re-elected as Chairman of the Board and Dr. Thomas M. Davies was re-elected as the Vice Chairman at a meeting of the AKC Board of Directors, convened after the Delegate Meeting.

STANDING COMMITTEE REPORTS

I. Parent Club Committee Meeting

There were several interesting discussion points; however, the more interesting dealt with the Breeder of Merit program, the AKC's recent moratorium on new clubs, and the new AKC App featuring breed photos.

1. Breeder of Merit Program

The development of a new program was discussed to help Parent clubs promote the Breeder of Merit program through Parent Club recognition. The recognition and promotion factors are significant in helping breeders communicate to the general public the distinction between the purchase of their puppy from a back-yard breeder, commercial breeder, or from a professional breeder. The need for Parent Clubs to include health testing requirements in their respective

Code of Ethics, which BOM participants must abide by in their breeding practices to earn the distinction, was tied directly to the factors which set AKC breeders apart from the back-yard breeder and commercial breeders.

It was unanimously voted that breeders earning the distinction of Breeder of Merit and who are also Parent Club members should be placed at the top of the AKC Classified Breeder List.

2. AKC Moratorium on New Clubs

At the February Board of Directors Meeting, there was a lengthy discussion on the proliferation of new shows directly tied to 13 new all-breed Clubs, 20 group clubs, and 157 specialty clubs at the sanctioned match level. Of particular concern was the negative impact on entries at long established events created by this club activity as it was estimated that there could potentially be as many as 380 additional shows within the next year or two.

Consequently, the Board voted to place an indefinite moratorium on the licensing of new conformation clubs, with the exception of new breed parent clubs. The intent is to afford the AKC a period of evaluation to study the issue in light of the current increase in the number of shows each year while the total annual and average entry per show was decreasing over the same period. This has resulted in a dilution of competition as well as creating hardship for existing clubs. The Board did not wish to see this situation worsen with this continued trend of more shows and fewer entries every year, so their intent is to develop policies to address and hopefully rectify the situation in a fair and equitable manner on a timely basis.

The Board further voted to not approve any additional All-Breed or Group shows for existing clubs while the AKC studies this issue. As a result, an All-Breed or Group club that has been holding one show a year will not be approved to increase that number during this moratorium.

3. iPhone AKC Application

There is now available a first-ever iPhone application called “AKC Dogs,” currently available for \$2.99 in the iTunes app store. Serving as a portable encyclopedia for all AKC-recognized dog breeds, the app provides the breed standard, a breed illustration, photos, fun facts and history for each AKC breed, which can be used by the fancy as well as by judges in place of their paper standards by tapping the show ribbon icon to access the complete standard.

The application contains only those photos, up to 3 per breed, that are copyrighted by the AKC. A copy of ours is attached. Parent Clubs can add photos, but the person who owns the photo must possess the rights to transfer. The photos should be sent to Daphna Straus at dxs@akc.org.

4. Juniors Participation

The recommendation was made to set up a program to obtain information on what Parent Clubs do to encourage Junior’s participation in Parent Club events, such as local specialties.

5. New Conformation Events

The Board is reviewing and further discussing a staff request to permit clubs to offer a pilot program, currently being called an “Open Show,” as a special attraction to help refine and

validate the proposed regulations that would be used for a new AKC sanctioned “Open Show” event in 2012. Staff has further recommended an AKC Owner Handler Series and an Adult Handler competition as ways to enrich the dog show experience for exhibitors and clubs.

II. Dog Show Rules Committee Meeting

There were several interesting discussion points, to include 1) Reserve Best In Show; 2) Group 5th & 6th placements; 3) 4-6 mos. puppy class; 4) Dividing the Bred-by-Exhibitor into adult and puppy classes, and 4) Grand Champion award levels.

1. Reserve BIS

There has been quite a bit of discussion on this topic and the Board has actually approved the initiative. It will be submitted to the Delegates for a read at the June meeting with a vote at the September meeting.

2. 5th and 6th Group Placements

This initiative has also received Board approval and will be submitted to the Delegates for a read in June with a vote in September. The Dog Show Rules Committee had actually tabled discussion of this initiative pending the recommendation of the Group Realignment Committee; however, the Board felt it was a worthwhile proposal and there was no need to wait on the determination as to the number of groups.

3. 4 to 6 Months Puppy Class

The intent behind this initiative is to revive event interest and to attract new exhibitors. Discussion points included lower fees, judging assignments, placements, and entries.

This class is beneficial not only to the puppies and their owners, but also as an educational opportunity for judges. The general thinking is that rather than assign these classes to regular class judges who could overload with the additional assignment, the puppies should be assigned to judges not yet approved. Judging could be scheduled in a separate ring and judges would be permitted 20 puppies per hour rather than the standard 25, so that the puppies could be given appropriate time and a positive ring experience. In one trial case, the superintendent took entries up to closing and after closing the club took entries. If necessary, it may be the club and the AKC taking entries and keeping records. A judge’s book will be on the website to download, so clubs can prepare their own judges books for the class. The AKC will send an invitation to exhibitors in the area announcing the class being offered at their show. There will be no event or recording fee for these entries.

It was reported in the January Board Meeting that in the first two shows offering this class – Oakland County Kennel Club and Portland Kennel Club – entries were 78 and 69, respectively, with most of the puppies owned by first-time exhibitors.

4. Bred-by-Exhibitor Class Division

Under discussion was the dividing of the BBE class into age divisions: 6 mos. to 12 mos. and 12 mos. and over. The Committee has tabled this for further discussion at the June Delegates Meeting, but input is being requested as to those in favor of a BBE class division. One concern was impact of very mature young puppies or very immature older dogs having to be entered in

an age specific division. One suggestion was dividing the class into 6 mos. to 12 mos. and 6 mos. and older.

5. Grand Champion Levels

Different levels of achievement in the Grand Champion award were announced by the Board. The purpose of the new levels is to encourage exhibitors to continue to compete once the GC title has been attained. The levels are to be introduced in May with the new point schedule. The top 25 of each breed will be listed on the AKC website.

There was some concern expressed that because the GC title could be earned by a dog that has never won Best of Breed. It was asked if consideration should be given to adding some additional requirements. The purpose of the GC title, however, is to encourage exhibitors who might not wish to campaign at the Best of Breed level to earn a new title. The AKC feels that there is a good blend in the present program and that, while there are dogs that may not have won BOB, they are required to earn two majors.

6. Open Sunday Afternoon Judging Schedule Proposal Tabled

Due to the negative response from the Delegate body, the Dog Show Rules Committee had decided not to take further action on this proposal. It was generally not favorably viewed by those exhibitors with coated breeds, who preferred knowing assigned judging times.

III. Bylaws Committee Meeting

Term Limit Exemption Proposal from Board

The Board submitted a proposal for term limit exemptions for the positions of Chairman and Vice Chairman of the AKC Board. The rationale was the lack of continuity should both leave the Board at the same time (as in the present circumstances). The Committee voted unanimously not to pursue this proposal.

IV. Canine Health Committee Meeting

1. Parent Club Health Conference: September 12th to 14th, 2011, St. Louis, MO, at Purina Farm.

2. CHIC Update: Now has over 12,000 samples in the data bank.

3. Canine Health Foundation: To date, \$23 million has been donated for health grants.

AMENDMENT ACTION

I. Amendments Proposed for Vote – Both Passed

1. The first vote was on the proposed amendments to **Chapters 10 and 15, Section 1** of the *Rules Applying to Dog Shows, Duties and Responsibilities of Show Veterinarians, and Protests Against Dogs*. These amendments were brought forward by the Delegate Dog Show Rules Committee.

This amendment, in **Chapter 10**, updates the requirements for show veterinarians to better accommodate on-call veterinarians and require clubs to inform them of their duties. In **Chapter 15**, this amendment would include the Event Committee in the process of removing dogs from the show, and eliminate the requirement for a form, and to assign the fiscal responsibility for veterinary expenses.

By recommendation of the Dog Show Rules Committee, this last proposal was further amended, without objection, because the current wording “jurisdiction of the event” precludes treatment by a veterinarian in a bordering state, which many times occurs with on-call veterinarians. The amendment to **Chapter 10, Section 1** was altered to read that “. . . *any veterinarian licensed to practice veterinary medicine in the jurisdiction where treatment is provided . . .*”

2. The second vote was on the proposed amendment to **Chapter 2, Section 4** of *Rules Applying to Dog Shows, Making Application to Hold a Dog Show*. The proposed amendment was brought forward by the Delegate Dog Show Rules Committee.

This amendment creates a common deadline for the application and judges’ panel in a effort to reduce confusion by clubs.

II. Amendments Read for Vote at June Meeting

1. The amendment to **Article VI, Section 5**, new paragraph of the *Charter and Bylaws of the American Kennel Club*, which was to have been read at this meeting, **is headed back to the Board for modification.**

This amendment would not allow former employees of the AKC, who have been dismissed or were requested to resign for misconduct, from serving as an AKC Delegate and thus possibly being elected to the AKC Board of Directors. It would also include former employees, whose misconduct was uncovered after their employment ended. If approved, any denial or removal by the Board would still be subject to appeal by the Delegate body, whose determination would be final.

2. Amendment proposed to Article VII, Section 1 of the Charter and Bylaws of The American Kennel Club would make the AKC Board members who have served two consecutive terms ineligible for re-election for the length of one four-year term. This amendment was brought forward by the Greater Collin Kennel Club. The AKC Board of Directors has made no recommendation. It will be published in two issues of the AKC Gazette and voted on at the June 2011 Delegates Meeting.

REPORTS

I. Chairman’s Report – Ron Menaker

1. **Coursing Ability Test** - AKC Staff announced a new Coursing Ability Test, an introductory level coursing event, effective February 15, 2011, which may be held by all licensed lure coursing clubs. Eligible dogs must be at least 12 months of age and individually registered/listed with the AKC (registered purebred, Foundation Stock Service (FSS), Purebred

Alternative Listing (PAL) or AKC Canine Partner). In order to pass the test, a dog running alone must pursue a lure, completing the course with enthusiasm and without interruption within a given time. Dogs that pass the Coursing Ability Test three times will earn a Coursing Ability (CA) title. Ten passes and a dog earns a Coursing Ability Advanced (CAA) title and 25 passes results in a Coursing Ability Excellent (CAX) title.

Two clubs - the Blue Grass Coursing Club and the Greyhound Association of Northern Georgia - hosted the first AKC Coursing Ability Tests at the end of February. This new titling event, which tests the dog's ability to course, is intended to introduce the fun of Lure Coursing to dogs beyond sight hounds. There were 28 different breeds of all shapes and sizes coursed, including a Newfoundland, Great Dane, Boxer, and Cardigan Welsh Corgis, as well as mixed-breed dogs. The first dog to earn a Coursing Ability Title was "Juno," a Belgian Tervuren who also earned his AKC Championship three weeks prior. The clubs received 158 entries and approximately 75% of the dogs passed, but the real focus was on camaraderie and fun.

2. Preferred Agility Championship Title (PACH) - AKC Staff has announced a new agility title to take effect July 1, 2011. The Preferred Agility Champion Title (PACH) was created to recognize the superior performance, speed, and consistency of agility competitors. A minimum score of 750 championship points and 20 double qualifying scores must be achieved from the Excellent B Preferred Standard class and the Excellent B Preferred Jumpers with Weaves class to obtain this title.

The PACH title is a prefix title and is retroactive, so any dogs that earned the title prior to July 1st, 2011 will be "grandfathered" in and will automatically have PACH added to their AKC name. The retroactive points will be based on the new point schedule as of July 1st, 2011 that will earn all dogs 1 point per second under the Standard Course Time. There will not be any point multipliers applied at any time for the points earned toward the PACH title.

3. First Mixed-Breed Master Agility Champion - "Prince Doggie," a five-year-old from Michigan, completed the MACH title requirements on February 20th at a trial in Dexter, Michigan. This title came just ten months after Canine Partners Program enrollees became eligible to compete in AKC Agility, Obedience and Rally trials. This impressive accomplishment was achieved by a first-time dog owner.

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II. President's Report – Dennis Sprung

1. Companion Events - Companion Events added two classes - Obedience Advanced Teamwork and the now popular Beginner's Novice Class. The National Obedience Invitational was well received. April was a turning point with Canine Partners' eligibility for Rally, Agility and Obedience. Over 900 dogs have competed, earning more than 2,200 titles. Agility led the way with strong growth and is rapidly approaching 1 million entries annually.

2. Performance Events - Doug Ljungren and his Performance team introduced a number of innovations. The Parent Club Performance Program was launched acknowledging titles earned in breed-specific events held by Parent Clubs. An Endurance Earthdog title is now being awarded as well as the Retriever Master National Hunter title.

3. Conformation Events - With the introduction of the Grand Champion award in May, 2010, history was made shortly thereafter when *CH. Monterra's Best Bet* was the first to achieve this title. He is the only Weimaraner to earn a Master Hunter Title and a Best-In-Show. 4,900 Grand Champion titles have since been earned. Significantly, there was an increase of nearly 40,000 in specials entries as compared to 2009. This is especially meaningful in Conformation where entries have been declining, despite AKC's aggregate entries total having increased.

To further address declining Conformation entries, pilot programs are being refined with the addition of the 4-6 Month Beginner Puppy Competition and an Open Show designed to attract new exhibitors and puppies. Another pilot program is the Owner/Handler series to showcase owner/handlers competing against their peers, offering more fun with your dogs.

4. Declining Registrations - As a result of AKC declining registrations, a ripple effect followed reflected in the reduced sales of pedigrees, subscriptions and royalty revenue. Alternative revenue has become an increasingly necessary source of income. The Hartford Insurance Company recently joined forces with the AKC as a sponsor of CGC and the STAR Puppy Program.

III. Financial Report – Jim Stevens, CFO

Important figures to highlight from Jim’s presentation:

(000’s)	2010	2009
Registration Fees	\$24,901	\$27,743
Total Operating Revenues	61,397	64,913
Total Operating Expenses	62,432	63,112
Operating Income (Loss)	(1,035)	1,801

Royalty revenues were almost \$800,000 lower in 2010, while pedigrees sales were \$454,000 less than the prior year. 273,000 litters were registered in 2010, representing a 12% decline over 2009. Approximately 564,000 dogs were registered in 2010, which represented a decrease of 13% from 2009.

Despite the fact that the **number of events in 2010 decreased** slightly from the previous year, the total **number of entries showed a modest increase**. Nevertheless, AKC absorbed a **net loss of over \$11 million from events**. Given a total of 3 million entries last year, the AKC incurred an average net loss of \$3.75 per entry. For certain sports, this amount was considerably higher. It is important to note that, prior to last year, the net profits earned from registrations always fully subsidized the continuing loss from events. This was not the case last year. Registrations generated a net profit of almost \$8 million last year as compared with the \$11 million loss from events, resulting in a shortfall of \$3.5 million.

Given the revenue challenges the AKC is dealing with, management continues to remain focused on cost containment. Total operating expenses were \$1.1 million or 2% less than the prior year. Payroll was reduced by \$754,000; however, employee benefit costs rose by \$874,000, primarily due to the rising cost of healthcare insurance and the accrued post retirement amount increasing. Other expenses were lower due to management in every department remaining diligent in controlling their costs.

At the end of 2010, the AKC Operating Reserve was over \$29 million. The Endowment Reserve stood at almost \$30 million. Investments generated a gain of \$6.5 million, representing an impressive 10% return. AKC's bylaws require that the amount of the Board's expenses be reported annually to the Delegates. The total amount of such expenses in 2010 was \$258,803, as compared with \$270,235 reported in 2009.

IV. AKC Legislative Caucus

Sheila Goffe, AKC Staff, reported that in 2010 AKC's Government Relations (GR) department monitored and responded to a vast increase in legislation, tracking over 1,200 bills, as compared to 875 in 2009 and over 600 in 2008. Throughout the year, AKC GR worked with state federations, local clubs, fanciers, professional breeders and also developed other key alliances such as sportsmen's and agricultural groups to help stem the tide of restrictive canine legislation. Key legislative victories (several of which ended a two-year legislative battle) were achieved in California, North Carolina, Florida, New Hampshire, Ohio and Wisconsin.

AKC NEWS

1. Companion Events Juniors' National Competition: AKC Staff presented a plan to introduce a "juniors-only" competition to be held in conjunction with the 2011 Agility Invitational and National Obedience Invitational competitions. The goal is to recognize the participation by Juniors in AKC Companion Event sports and promote future growth in Companion Events by younger competitors. A second goal is to encourage experienced exhibitors and clubs to participate in mentoring programs for young handlers. In the initial year, the two events will be open to all competitors with an AKC Junior Handler number. Future competitions will become invitation-only events.

2. Time 2 Beat Agility Class: A new effective date and editorial changes were reported for the previously approved Time 2 Beat Agility Class. Implementation will be moved up to 01 July 2011 from 01 January 2012.

3. AKC/Eukanuba National Championship 2011 Judging Panel Released: The AKC has announced the judging panel selected for the 11th Annual AKC/Eukanuba National Championship to be held in Orlando, FL on Saturday, December 17th and Sunday, December 18th, 2011. This event will once again showcase the nation's top AKC-registered and international dogs as well as the popular Best Bred-by-Exhibitor competition, AKC Meet the Breeds® and the fifth Eukanuba World Challenge. The AKC National Obedience Invitational and AKC Agility Invitational will again be held in conjunction with this event. The Brevard Kennel Club, the Central Florida Kennel Club and the Space Coast Kennel Club of Palm Bay shows will precede the AKC/Eukanuba National Championship at the same site on December 14th -16th, 2011.

Best in Show -
Best Bred-by-Exhibitor in Show

Mrs. Polly Smith
Mr. James Reynolds

Respectfully submitted,
Barbara A. Penny/AKC Delegate
ECSCA