

6/11/15

MINUTES OF
MISSISSIPPI GULF FISHING BANKS, INC.
BILOXI, MISSISSIPPI

May 14th, 2015

ATTENDANCE:

Ralph Humphrey, President
David Andrews
Tim Knighten
Lee Trahan
Mark Miller
Jimmy Sanders

Darlene West, Secretary
Alva Bennett
Robert Fishman
Carly Somerset
J. R. Titmus
Craig Gusa

The meeting of May 14th, 2015 was called to order by Ralph Humphrey, President.

FINANCIAL STATEMENT

Copies of the financial statement were distributed and reviewed by the members. A motion was made to accept the minutes as is by Lee Trahan. Motion was seconded and carried upon vote.

MINUTES

Copies of the minutes were distributed and reviewed by the members. A motion was made to accept the minutes as is by David Andrews. Motion was seconded and carried upon vote.

GULF STREAM ENTERPRISES

Ralph Humphrey gave the members background on the circumstances with Gulf Stream. This was carried on from quite some time ago, before Mr. Humphrey was president. MGFB and Gulf Stream Enterprises had entered into some sort of agreement, either handshake or verbal. But there was nothing written as far as Mr. Humphrey knows. The agreement involved a barge. The barge was donated – we thought – to MGFB. And come to find out here about three years ago, when questions were coming up about when the Ladniers were going to deploy the barge, Mr. Humphrey got together with Will and Will showed Mr. Humphrey

documentation. The company that was doing the cleaning of the barge actually had ownership of the barge. And the company transferred ownership of the barge to Will and Greg's nonprofit organization. Mr. Humphrey brought the paperwork to the MGF. And there is a copy in the minutes and there is a copy in our records that show that a company of Gulf Stream actually has ownership of the barge. Mr. Humphrey believes that Gulf Stream has every intention at some point to donating the barge and deploying it. But in the meantime, the barge is at their property, and they're using it.

So as part of that barge agreement, MGF went and took down an antenna that Cable One donated to us. Mr. Humphrey stated that's kind of when he started getting involved in the organization. Some volunteers, including Mr. Humphrey, dismantled the antenna, loaded it up, got it down to the Ladniers, loaded it on the deck of that barge along with some other material, and that's been sitting there for years. Mr. Humphrey said about two and a half years ago, right after BP, the Ladniers needed to get this stuff out of the way because they converted their yard into a work space for BP and they were operating out of their shipyard. They needed the stuff out of the way; they were going to use that deck barge for a couple of more years. So the Ladniers deployed the stuff on the barge inshore. Mark Miller was out as the spotter boat and was reimbursed. Just recently, three months ago, they gave us a bill. And we paid it and reimbursed them for what they charged, \$4500.

Tim Knighten asked Mr. Humphrey who authorized that payment. Mr. Humphrey replied that he did. Mr. Knighten asked him where he got that authorization from. Mr. Humphrey replied because they preformed the work on behalf of MGF that we requested them to do. Mr. Knighten asked where is the paperwork on the request for them to do the work. Mr. Humphrey said the agreement took place before he came on the board and he does know that there was some sort of agreement working between the MGF and the Ladniers to get the barge deployed with stuff on it, the barge didn't get deployed, the stuff got deployed. Mr. Knighten said there was an agreement but that Mr. Humphrey didn't know what the agreement was and the invoice was paid without even knowing what the agreement was. Mr. Knighten said Mr. Humphrey had no authority to pay the invoice and that he had a big issue with that and that he didn't understand why Mr. Humphrey got an invoice and didn't forward it to the

Board of Directors. Mr. Knighten said in the bylaws it says that all bills will be approved by the BODs.

Mark Miller said the way he remembered it was that we did Will a favor letting him put it there and as he understood it Will had a job in Mobile and he needed the barge to use it for that job and that Will basically deployed the material on the way to Mobile. Mr. Miller said Will asked him a day or two afterwards what Mark thought about him coming to the group and asking if he could bill us for it. Mr. Miller said he told Will it wasn't his decision, that Will would have to go to the MGFB and talk to them but that Will never did. Mr. Miller said he really didn't think there was an agreement for \$4500 initially.

The matter was discussed vigorously. Mr. Knighten referred to many excerpts of previous minutes. It was brought up that there could have been a payment made previously to the Ladniers for deployment of the barge. Darlene West, the secretary, asked what date Mr. Knighten was looking at as she had in her possession at the time the MGFB checkbook dating back to '06. Ms. West reviewed the check register and found no check payable to the Ladniers for the deployment of the barge.

Mr. Knighten said the big issue he had was the way it was handled and the fact there was no transparency within our organization. Mr. Humphrey said he thought there had been nothing but transparency. Mr. Knighten said he didn't understand the rush to pay the check. Mr. Knighten informed the members that the next day he sent an email to Mr. Humphrey requesting to stop payment on the check, that he thought a stop payment should have been issued and that he's not so sure that the Ladniers rightfully own the barge. Mr. Humphrey said he is absolutely convinced that they own the barge and Mr. Knighten hasn't proved to him otherwise. Mark Miller said the documentation presented that the Ladniers owned the barge was basically a letter from Will Ladnier on his own letterhead and it was stating thank you for your donation, blah, blah, blah. Mr. Humphrey said it was the corporation that was responsible for cleaning the barge that presented the documentation.

Mr. Knighten said the second thing was the fact that he sent the email requesting that payment be stopped on the check until the BOD could discuss it and sort it all out and that he thought that it could be considered a criminal act. Mr. Knighten

said he addressed the email to Darlene West also and that he got a reply that stated please do not threaten Darlene with possible legal ramifications. Mr. Humphrey requested that Mr. Knighten read the entire email for the group.

After reading the emails, Mr. Humphrey asked Mr. Knighten if he was proposing something or could we move on. Mr. Knighten said he wished to address Ms. West for a moment. Mr. Knighten told Ms. West he thought Mr. Humphrey had given her some bad advice in signing checks at his direction and read an excerpt from the Mississippi Code of 1972 regarding liability of directors for unlawful distribution which stated that a director who votes for or assents to a distribution made in violation of Section 79-11-101 is personally liable to the corporation for the amount of that distribution. Mr. Knighten stated that meant Mr. Humphrey and Ms. West could be held personally liable for the \$4500. Mr. Knighten told Ms. West if she had any doubt in her mind that we should be paying somebody something that he would suggest that she ask somebody about it.

Again, Mr. Humphrey asked Mr. Knighten if he was making a motion, did he want him to resign, did he want him to write a check for \$5000, what did he want. Mr. Knighten said he'd like to make a motion that we investigate this situation and see if we can determine whether we've paid this guy already or not. Craig Gusa suggested we discuss the situation a little bit further. Mark Miller said he didn't think we paid anything prior. Ms. West said if we paid something we didn't write a check for it that she could find in the register.

David Andrews told Mr. Knighten that it was his understanding that the \$4500 was for the material that was sitting on top of the barge that was deployed by Will and Greg in their landing craft. Wasn't it? Mark Miller said it was for his efforts in deploying it. Mr. Andrews said it had nothing to do with the barge. Mr. Knighten said the barge was supposed to be deployed with this material. Mr. Knighten said he was sure if we go back to the beginning of it we will find out that it was the intention for the barge to be deployed, that that was the wishes of the Grand Casino, Casino Magic or whoever it was. Mr. Knighten told Mr. Andrews that he believes his friend took advantage of this situation, he's made a profit off of the barge, then he turns around and wants to charge us for deploying the material so he can use this barge that was originally intended to be deployed as a wreck. Mr. Miller said the point is there was no agreement to pay him for what he did. Mr. Miller said it didn't come up at a meeting, it came up in between

meetings to deploy this material the day after tomorrow or something like that, and that was it.

Mr. Andrews asked Mr. Miller and Mr. Knighten if they were objecting to the amount of money they charged. Mr. Miller said the objection is the way it was handled, that the BOD is who approves funds and we don't need to operate like this. Mr. Knighten told Mr. Humphrey that he'd just put it out there that if he can't do any better than this he thinks he should resign. Mr. Humphrey asked Mr. Knighten if that was a motion. Mr. Knighten said he'd make the motion. Mr. Humphrey asked for a second. There was no second.

Craig Gusa asked why wasn't an invoice presented two and a half years ago. Mr. Miller said he should have submitted it then. Mr. Miller added that he also postdated the invoice. Mr. Andrews said some of that may have been his fault, that Will asked him about this and how are we doing on the money and continually asked how are we doing on the money. Mr. Andrews said he told Will we have several potential sources, we were expecting some but that nothing ever came through. Mr. Gusa said we don't ever do anything unless we can pay for it. Mr. Miller agreed and said there was no agreement at the time and that not long after he deployed it that he asked Mr. Miller about asking for money for it. Mr. Miller said he told him he'd have to come to the meeting and ask about that and that Will never came to a meeting and asked for it. Mr. Andrews said Will never gave him an amount, but that he just said I need to bill y'all for putting that out and was asking how much money we had and were we going to get money from any source. Mr. Knighten said that Will knew how much money we had in the account and that he just thinks that's a bunch of BS.

Mr. Humphrey reminded the group there is a motion on the table to remove him as president that we should be discussing. Mr. Humphrey asked if there was any more discussion along those lines. Mr. Miller said he didn't think that was necessary but that he thinks when we have an expenditure like this the board needs to review it. Mr. Knighten said we didn't have to think it, it's in the bylaws.

Mr. Lee Trahan said is there any way to prove that the other board approved it. Mr. Miller said it's not in the minutes, that it didn't come up until two days before we did it and that it didn't come up in a meeting that we wanted to deploy some material. Mr. Miller said the way it was presented to him is that it came up that

Will had some material he needed to get rid of, that he was going to deploy it at FH-10 and that it wasn't going to cost anything. Mr. Humphrey said he didn't hear that it wasn't going to cost us anything. Mr. Knighten said if he wasn't sure about the agreement why didn't he wait, why was he so gung-ho to pay the bill.

Mr. Humphrey said Mr. Knighten could sit here and berate him all he wants and he's going to tell him the same thing. Mr. Humphrey said he paid the bill because it was submitted to us, he thought it was our obligation to reimburse him for the work that was done. Mr. Humphrey reminded the group there is a motion on the table to remove him as president and asked for a second. There was no second. Mr. Humphrey said short of a second we're going to drop the issue and move on.

STIMULUS MONEY

Jay Trochesset was not present for the meeting. Ralph Humphrey said he went to the meeting yesterday at the Golden Nugget, The State of Our Coast. Mr. Humphrey said there was a lot of discussion about the stimulus money that's coming out. Mr. Humphrey said he was informed about a website and he went to it and it's where you submit your proposals for acceptance. Mr. Humphrey said he's trying to fill the lengthy paperwork out, there is no guarantee, but that hopefully we'll get some funding for some reef deployments. David Andrews said the more our name shows up the better.

FUNDRAISING ACCOUNT AND CROWD SOURCING

Ralph Humphrey again informed everyone about the GoFundMe account. Mr. Humphrey said they're looking for a specific project and so he tagged getting reef pyramids built because we had nice pictures of them. Mr. Humphrey requested anyone on social media to please share it. Mark Miller recommended a project with FADs. Mr. Humphrey said he thinks it's going to come up as a separate project. Mr. Humphrey said if someone else wants to go on and set up another account for MGFB that it shouldn't be a problem.

CHARGING FEES FOR DUMPING ON MGFB SITES

Ralph Humphrey reminded the group that this topic was tabled and that we haven't heard anything yet regarding the Tidelands Grant. Darlene West said in the last meeting Jimmy Sanders was going to check on the Tidelands Grant. Mr. Sanders said he hasn't checked on it yet and asked Mr. Humphrey to send him a

text to remind him. Mr. Humphrey said he knows no official declarations have come out yet.

Mr. Humphrey said he knows that the DMR is not happy with the stance that appears to be coming out of the MGF B about charging them to deploy materials. Mark Miller said he's sure they're not. Tim Knighten asked why that was. Mr. Humphrey said he didn't know why. J.R. Titmus interjected that we already have a motion that was passed at the previous meeting to table this until the results of the Tidelands Grants were known. Mr. Knighten said we also had one before to send a letter that the president chose not to send. Mr. Humphrey said that is correct.

Mr. Knighten said he read somewhere in the minutes that the charging really ruffled their feathers and he didn't understand that. Mr. Miller said he thought it was a good thing. Mr. Knighten said he was looking through DMR's budget or their bills. Mr. Knighten said DMR is very transparent and post their stuff on the internet. Mr. Knighten said he saw a payment the DMR had made to Silver Ships, who is a shipbuilding company in Mobile and is probably a pretty good customer, for dockage fees. Mr. Knighten said what if Silver Ships took the stance that we better not charge them any more docking fees, they may not come back and get any more boats built. Mr. Knighten said it's just a business thing and shouldn't ruffle anybody's feathers.

JACKSON COUNTY FUNDING

Jackson County funding has been tabled for now.

LAWSUIT

Nothing new was presented. Mr. Humphrey suggested we drop the matter for now and monitor what's going on with the Louisiana lawsuit.

OMEGA PROTEIN

Jimmy Sanders said it's ready to go and they're waiting on good weather. Mr. Sanders said he has been in touch with Stewart at Walters Marine like every other day and they're just waiting for a break. Mark Miller asked if Walters Marine was still doing the FADs. Mr. Sanders said they were.

CONCRETE CULVERT DEPLOYMENT

Ralph Humphrey asked Jimmy Saunders if he was still working on deploying culverts. Mr. Sanders said he's waiting on a quote that he should be getting any day and then he's doing to move forward.

HANCOCK BANK

Darlene West told the group she hasn't had a chance yet to contact Benji Richoux and talk to him about maybe transferring the CDs which totals a little over \$46,000. Mr. West said she would have something for the next meeting.

BILOXI SEAFOOD FESTIVAL BOOTH

J.R. Titmus informed the group that they're not accepting booth space requests at this time. Mr. Titmus said he didn't go down to talk to anybody yet but from what's he's read they don't know what to expect with the space they've got and how it's going to work so they're just saying they're not accepting any booth requests. Mr. Titmus said he can go check with the chamber and that he's ready to do it.

Mr. Titmus said he thought about buying a box of noodles and making them FADs and for \$20 you can buy the FAD and write your name on it and we can tie it to something and sink it. Tim Knighten suggested if we do get a booth that we sell some raffle tickets and give away a nice rod and reel or something like that. Mr. Humphrey said he thinks the Seafood Festival is a good idea, let's see how it plays out.

MS GULF COAST BIG GAME FISHING CLUB TOURNAMENT BOOTH

Jimmy Taylor's tournament will be on Sunday 6/14 for MS Wounded Veterans. J.R. Titmus said if he was in town he would do it. It's a one-day deal on Sunday. Ralph Humphrey said we'll wait till the next meeting and firm up plans for a booth.

AREA BETWEEN HORN ISLAND AND PETITE BOIS

Ralph Humphrey said he's talked in depth with Jimmy about this. Jimmy Sanders said it's a shot in the dark to be honest because the entire MS Sound including three miles south of the barrier islands and the east part of Louisiana is considered critical sturgeon habitat. Mr. Sanders said for you to drop anything on the bottom you have to have a large amount of testing done and it is not

cheap. Mr. Sanders said even if you have it tested and you provide all the information to the national marine fisheries they can just straight up say no.

Mark Miller said he thought the place we were looking at was past three miles off of Petite Bois. Mr. Sanders said the place he was pointed to was between Petite Bois and the fairway. Mr. Miller said there was one small area off the east end of Petite Bois that Greg Byrd had plotted out and it was about three miles past the island and it's about a mile by half a mile or something. Mr. Sanders said it still needs to be tested. Mr. Humphrey suggested if someone wants to put together something specific that's a mile north of the fairway but three miles south of the island so we don't have to deal with the sturgeon issue he will follow up with that but that based on his conversation with Jimmy he doesn't want to spin his wheels and be obligated to start spending monies on the good chance that we're going to be shot down.

MEMORANDUM OF UNDERSTANDING

Ralph Humphrey said there had been some discussion and he had taken an IOU to talk to the DMR about a memorandum of understanding. Mr. Humphrey said Johnny Marquez sent him their MOU that they came up with for their interactions with the DMR. Mr. Humphrey said based on the twenty years of working together in a fairly transparent relationship that he doesn't know that it's necessary to put anything in writing. Mr. Humphrey said the CCA has never had a relationship with the DMR and they wanted to put something in writing but the MOU that CCA did really doesn't say anything.

Tim Knighten said any time you have a written agreement that it takes all the guesswork out of it and you don't have an issue like we had tonight and you've got something to go back on and he thinks we should have an agreement with them as to what is required when we deploy something, twenty-hour notice, forty-hour notice, whatever. Robert Fishman said he thinks the whole point behind the MOU was starting a fresh relationship with DMR and not just having a piece of paper.

Mr. Humphrey said he wasn't entirely comfortable writing an MOU as far as liability purposes and he would prefer to have it written by someone that's smarter than him, perhaps a lawyer. Mark Miller said it's a good project for Tristan Armour. Mr. Knighten said he didn't think it was necessary that we hire

an attorney to draft an agreement. Mr. Sanders said DMR's lawyer is always involved in these type issues. Mr. Knighten said we just need to discuss the issues and say we need however many hours notice before we make a deployment, this is what we expect, this is what we're required by the Corps of Engineers and he didn't see a big issue with it. Mark Miller said we're required to give fifteen days written notice to the Corps.

Mr. Humphrey said he agrees that it's not a bad idea to have a MOU. Mr. Knighten said then he shouldn't try to talk us out of having it. Mr. Humphrey said what he's telling everybody is that he's not comfortable writing it and that he's not going to write it. Mr. Knighten said if he knows what everyone agrees to he doesn't have a problem writing it. Mr. Humphrey told Mr. Knighten to get something together and bring it to the next meeting.

GRAIN BINS

Tim Knighten reiterated his idea regarding chicken coops and grain bins. Ralph Humphrey said if he wants to put forth a specific proposal for next month we'll look at it.

PUTTING MINUTES ELECTRONICALLY ON MGFB WEBSITE

Darlene West brought the minutes beginning 5/13 to the present for Mark Miller to copy so they can be posted on the website. Beginning next month, the minutes and financial statement will be emailed to Mr. Miller. It was agreed previously that although the financial statement will be sent electronically to Mr. Miller that the financials will not be made public.

NONPROFIT REEF BUILDING

Mark Miller reiterated his idea for updating the MGFB as Florida did and recruiting more membership. Ralph Humphrey said Mark raised two really valid points, one, we're struggling for money, but more importantly, we're struggling for membership. Mr. Humphrey said as Mark stated there isn't a lot of incentive to join MGFB because the reefs are getting built and after a year the numbers are public. Mr. Miller said we need to study the bylaws and the mission statement. Mr. Miller said he thought we could get more members if it was more privatized and we're sharing information that not everybody has.

Lee Trahan made a motion for Mark to research updating the MGFB structure. Tim Knighten seconded the motion. Upon vote, the motion was carried. Mr. Miller said he would do some research and report back.

NEW BUSINESS

DIVE REPORT

Mark Miller did not have a dive report this month.

MANDATORY SNAPPER REPORTING

Carly Somerset informed the group of the specifics of the mandatory reporting for snapper. Tailsandscales.org. Ralph Humphrey said it's very easy to use. Ms. Somerset said you fill out a trip report before you go fishing and when you get back you have to close it out. Ms. Somerset said there are a few questions, how many people fished on the boat, how many red snapper you caught, the time that you spent fishing, the lines in the water, so take out travel time, and then whether you fished on a rig, natural bottom or artificial reef. Ms. Somerset gave out cards to the members for the reporting program.

Mr. Humphrey said this is important because Mississippi is going to make a decision on state waters based on the number of snapper landed. Mr. Humphrey said to give an example of how off it can get with the numbers that at the meeting yesterday the guy from Alabama said last year their fish landed reported was somewhere around two hundred thousand but the federal government reported 1.2 million. Mr. Humphrey said it's critically important that the states do this. Mr. Humphrey said he spoke with Dale Diaz and he said that the Gulf Council is discussing turning over managing red snapper to the states but it's a matter of the states all using the same goals and seasons and working together.

Motion to adjourn. Motion was seconded and carried upon vote.

There being no further business, the meeting was adjourned.

President

Secretary