

March 19, 2013

RE: A FRESH PERSPECTIVE ON HUMBOLDT COUNTY FAIR CONTROVERSY

It is time to set the record straight about the controversy that has embroiled and divided Humboldt County Fair supporters since January 7, 2013 when the fair Board first voted not to renew the contract of General Manager, Stuart Titus, on the same terms and conditions of the previous year. In the media, press and in political cartoons fair Board members have been portrayed as clowns, hooligans, drunks and callously indifferent tyrants. Various Board members have been culled from the herd to be paraded in front of the Grand Jury or repeatedly whacked publicly like a villainous piñata.

A tsunami of negative accusations, speculation and innuendo has swept across the landscape of information disseminated throughout Humboldt County and has consequently created a large gap between public perception and reality. My objective is to bridge that gap with fact not fiction.

Since 2011 I have had the privilege of volunteering my services to the Board of Directors and its General Manager in my capacity as Special Counsel. For more than 30 years I have migrated every August from the Bay Area for the Redwoods, the Lost Coast and the most unique and tantalizing racing fair imaginable.

When powerful forces in the racing industry attempted to eliminate the Humboldt County Fair, I joined with Stuart Titus, David Mogni and Cindy Olsen as we traveled across the state and spent countless hours formulating strategies and steadfastly fighting to preserve the August fair in Ferndale. We resisted efforts to push the fair off the coveted August dates and into the school year. We stood boldly and with determination while other fairs such as Solano County and San Joaquin crumbled to their detriment.

Preserving our August dates was one challenge. Trying to generate sustaining revenues following elimination of state-funded assistance and the determination by the California Horse Racing Board that Humboldt must now share race dates with Golden Gate Fields was another.

In the year 2012 with no access to government assistance and being forced to share our racing dates with Golden Gate Fields we were able to draw the attention of a national thoroughbred industry periodical, the Paulick Report, to bring national focus on the threatened future of our fair. As a result, Del Mar, the Thoroughbred owners of California (TOC) and Golden Gate Fields all made substantial one time contributions to our fair in 2012 which enabled us to obtain sustaining revenues and replenish reserves.

However, the California Horse Racing Board was less empathetic in 2013 and our assistance from other sources has been cut to less than half of what it was in 2012. We have been admonished that there will be no additional assistance in 2014 as Humboldt was expected to raise its own sustaining revenues from sponsorships and community involvement.

Although our efforts in 2012 had been a success it is apparent that 2013 would be a stiff financial challenge and 2014 would require a monumental increase in community related sponsorships and support for the fair to sustain itself for that year and beyond.

As custodians of the fair, the fair Board is perpetually challenged to find new revenues and to reduce expenses. When General Manager Titus advised me that his future with the fair was up for vote on January 7th of this year, I sent a pair of emails in his support recognizing his value and expertise. When I learned that the vote had been to not renew the contract of Stuart Titus on the same terms as the preceding year, I contacted the then Board President John Burger and Stuart Titus and volunteered my services as a mediator to attempt to negotiate a way for Stuart Titus to continue to serve the fair and be compensated for his services.

The fair Board never got a chance to approve of a mediation process. Rather than engage in an intensive mediation process, Stuart Titus decided that he had a clear picture of what he could accept and wished to present that to the Board of Directors so that they could choose to whether or not retain his services on those non-negotiable and specific terms or reject them.

Suffice it to say, I am not a Board member and did not attend that meeting. Constrained by the Brown Act and privacy considerations the only source of information I have regarding that meeting has come from the media, specifically the January 31 edition of the Ferndale Enterprise. Stuart Titus was working under a one year Employment Agreement at that time. The Ferndale Enterprise reported he was seeking an eighth three year contract while indicating he would retire in March of 2016. In a very close vote the majority of the Board members elected not to commit to a three year commitment. Stuart Titus was never fired, never laid off and was never "let go" in any sense of the word. Instead, he elected to present his position to the Board as the minimum of what he would accept and the Board elected not to accept it.

There are two things that I will always regret about the first five weeks of 2013. First, is the play calling strategy that the San Francisco 49ers employed when they had the ball at first and goal in the waning minutes of the Super Bowl. Second, is the election by Stuart Titus to present the Board with a firm three year proposal rather than seek approval to mediate. Both the 49ers and Stuart Titus are responsible for formulating their own strategies. In both cases their chosen tactics did not produce the desired result. It is useless folly to blame the referees or the fair Board for the ultimate outcome. Stakes were high, the risks were known and a carefully considered game plan was implemented and the results are necessarily final.

It will never be known why each member voted the way they did. Board members are precluded from discussing such things. However, the mere fact that the Board majority did not see it appropriate to make a binding three year commitment in the face of fiscal uncertainty does not make them clowns or incompetent. Rather, it makes them cautious stewards of the financial viability of the fair.

Board members are established and accomplished members of the Humboldt County community, they serve without compensation and are subjected to more ridicule than thanks. Rather than engage in a debate or a dialog on the record they have collectively bit their tongues knowing that they are precluded by law and ethical considerations from revealing the contents of closed sessions.

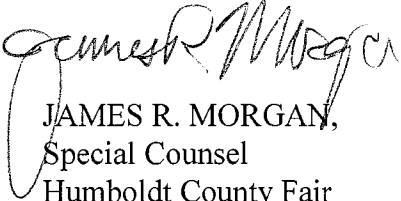
It is mercilessly unfortunate that circumstances made the departure of Stuart Titus as General Manager so abrupt and unceremonious. He alone chose the terms of his position and chose how it would be presented to the Board. He stuck to his chosen strategy. We all must accept the result and consequences and move forward.

The Humboldt County Fair is unique venue in all the world. It draws thousands of visitors who travel hundreds of miles to be a part of this community unifying event each year. The estimated 6.4 million dollars in economic revenue it brings to the community is the life blood of many businesses. To elect a boycott or withhold support of the fair at this critical time and its future is to undermine the economic benefits it bestows upon the entire region. The fair ought to remain a treasure to be cherished for generations to come.

The reality is that there are no clowns, hooligans or drunks running the show. The Board members are individually and collectively appreciative of the outpouring of support they have received from sponsors and the community at large. They will hold fast to their task of being a conscientious and devoted Fair Board trying to preserve this precious asset that is essential to the economic and cultural fabric of this community.

A 117 year tradition of the Humboldt County Fair is much larger than one individual or one group of individuals. It is a annual beacon that sheds light on all that is good about Humboldt County and those fortunate to live here. Despite the challenges of the moment the fair will go on. With the understanding and support of the community it will thrive. The sooner we can collectively look through the windshield of what lies ahead and forsake the rear view mirror of what is behind us the better it will be for all concerned. My allegiance has always been dedicated to the success of the Humboldt County Fair and those entrusted with running it. With your objective, understanding and support it can remain a blissful oasis of joy each August in perpetuity.

Very truly yours,



JAMES R. MORGAN,
Special Counsel
Humboldt County Fair