

# Proposal to Acquire and Operate the Central Motorcycle Roadracing Association (CMRA)

Submitted by: Jeff Hughes

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## Executive Summary

My own journey in motorsports began with the Central Motorcycle Roadracing Association (CMRA) in 2007, where I developed lasting friendships and a deep respect for our community-driven spirit. In 2018, I left the CMRA to pursue auto road racing with the World Racing League (WRL) and the National Autosport Association (NASA). I later began racing side-by-sides, similar to a motorcross style racetrack, at TexPlex Offroad Park. Despite an accident in my second season that fractured two vertebrae and ending my competitive racing “career,” my connection to the CMRA and its members remained. Those relationships and the values learned within the CMRA paddock continue to shape how I approach both business and life.

My professional experience has primarily been in defense contracting, manufacturing, and oil & gas services. The skills I’ve developed in these roles will directly apply to my effective management of a motorsports organization. Managing multi-state operations with nearly 150 current employees, complex logistics, high-value assets, precise safety protocols, and coordinated project timelines has prepared me to oversee all aspects of the CMRA’s operations — from staffing, vendor management, and financial oversight to risk mitigation and strategic planning. Just as my companies require precision, accountability, attention to safety and customer engagement, successful racing and motorsports event management demands the same principles. I am confident that my background equips me to professionalize the CMRA’s operations while preserving its grassroots, community-driven culture, ensuring safe, enjoyable, and well-executed race weekends for all participants.

Professionally, I bring a proven record of decisive leadership and results-driven performance, shaped by years of experience in demanding and high-stakes environments. My career began in the U.S. Navy as a Boatswain’s Mate, where I learned the importance of organization, discipline, and safety. I later advanced into Naval Special Warfare as a Special Warfare Combatant-Craft Crewman (SWCC) — an elite special operations community that thrives on tenacity, teamwork, and personal accountability to achieve mission

success under pressure. These same qualities apply directly to managing a high-performance racing organization, where precision, safety, and coordination determine success.

After leaving the Navy, I founded my first company and went on to build, partner in, or revive several successful other ventures. Currently, I hold an ownership stake in the following operating companies:

**President/CEO of Shiloh Services, Inc (Shiloh)** which specializes in providing services to the Department of Defense and other U.S. Government agencies. Shiloh delivers reliable and professional service in key management functions in support of missions that protect our nation. Shiloh currently employs over 75 employees supporting long-term operations across seven states.

**CEO of Halford Mobile Services, Inc**, a small, highly specialized oil & gas technical service company in the Midland/Odessa area specializing in the repair and maintenance of oilfield drilling equipment.

**CFO and Managing Partner of Nutrabound Labs (Nutrabound)**, a FDA-registered, cGMP-certified contract manufacturer specializing in custom nutritional supplements to include capsules, powders, stick packs and bulk formulations. Nutrabound is a full-service brand development from R&D and ingredient sourcing to flavoring, packaging and fulfillment, enabling brands to bring tailored health products to market.

Through these ventures, I've gained extensive experience in organizational leadership, financial management, and operational efficiency — all of which are critical to ensuring the CMRA remains financially sustainable, safe, and member-focused well into the future.

My proposal to purchase and operate the CMRA is not merely another business acquisition — it is the fulfillment of a dream. The CMRA has been instrumental in developing safe, competitive racing in Texas and beyond, and my vision is to carry forward that legacy while providing the structure and resources necessary to support the people who make it thrive.

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## **Long-Term Vision & Expectation**

The CMRA has a long and proud tradition of providing a safe, competitive, and family-oriented environment for motorcycle road racers across the region. As a former CMRA racer and lifelong supporter of amateur motorsports, I am honored to submit this proposal to acquire its assets and operations, preserving its heritage while preparing it for a sustainable, professionally managed future.

My vision is to maintain the CMRA's community spirit and volunteer culture while evolving it into a professional, financially sustainable organization that supports staff, expands member services, and secures the future of the sport. Transitioning the CMRA into a for-profit corporation allows us to fairly compensate those who dedicate tireless effort to running safe, enjoyable races, while continuing to offer the accessible, family-oriented atmosphere members value.

This proposal is driven not by profit, but by purpose — to continue the CMRA's mission, elevate its operations, and protect the community that made it great. My goal is simple: to ensure the next generation of riders experience the same safety, competition, and camaraderie that make CMRA special.

The long-term vision extends beyond regional competition. With increased advocacy and a structured environment, the CMRA can help amateur and youth racers reach their highest potential and position the United States to once again produce riders who compete — and win — at the highest levels of international motorcycle racing. To achieve this, structured environments where amateur racers can safely develop their skills, discipline, and race-craft are essential. The CMRA will continue to serve as both a training and proving ground — a place where riders of all ages and levels can learn, safely pushing their limits supported by mentors, experienced officials, and a community that believes in their potential. By strengthening youth development, maintaining high safety standards, and promoting professionalism at every level, we will work to rekindle America's presence on the world racing stage, one rider at a time.

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## **Corporate Structure and Ownership Philosophy**

The organization will be established as a Limited Liability Company (LLC) to provide flexibility, accountability, and financial transparency that a non-profit structure often struggles to maintain. If unable to retain the current "Central Motorcycle Roadracing Association, Inc." name due to legal restrictions, we have secured and will be operating as CMRA Racing, LLC.

While I am capable and prepared to lead the organization as its principal owner, my hope is to form a small owners' group composed of one or two other select individual(s) who share the same values, vision, and commitment to the CMRA that is outlined in this proposal. Such partners would ideally bring complementary business experience, financial support and discipline, as well as a shared passion for

motorcycle road racing — strengthening the organization’s foundation and helping guide its continued growth and development.

## **Organizational Values**

Having spent years racing with the CMRA, I have experienced firsthand the camaraderie, passion, and shared respect that define this organization. Those experiences shaped how I approach teamwork, safety, and community — values that extend to both racing and business. As we look toward the future, our goal is to preserve the family-friendly, supportive environment that has made CMRA great, while introducing the professionalism, accountability, and long-term stability necessary to ensure its continued success. The following values reflect both my personal philosophy and the guiding principles that will shape the next chapter of the CMRA, ensuring it remains safe, inclusive, and inspiring for current and future generations of riders.

1. **Safety First, Always** – Every decision places rider, staff, and spectator safety at the forefront of operations.
2. **Service and Respect** – Treat every racer, family, and staff member as valued and appreciated customers and partners.
3. **Family & Community** – Preserve, grow, and strengthen the existing family-friendly environment that defines the CMRA while respecting and rewarding the people who make it possible.
4. **Pathway to Excellence** – Support youth riders with affordable development programs leading toward professional opportunities.
5. **Integrity & Transparency** – Establish and maintain open communications, clear governance and rules enforcement.
6. **Sustainable Growth** – Reinvest all net proceeds into safety infrastructure, youth programs, and operational improvements.
7. **Innovation with Tradition** – Embrace technology, data, and professional management without losing the CMRA’s grassroots identity.

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## **Organizational Structure**

This structure ensures accountability, clear communication, and operational continuity, with experienced personnel overseeing each functional area to maintain race safety and quality.

- **Chief Executive Officer (CEO):** Strategic leadership, stakeholder relations, financial oversight.
  - **Race Director:** Manages race operations, scheduling, and vendor coordination.
  - **Chief Steward:** Oversees all on-track operations, ensuring races are conducted safely, fairly, and in full compliance with the organization's competition rules and procedures.
  - **Finance & Administration Manager:** Handles accounting, payroll, and compliance.
  - **Marketing & Sponsorship Director:** Promotes the CMRA awareness through partnerships, merchandising, social media, and events.
  - **Digital Operations Manager:** Manages website, social media, and digital communications.
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## **Transition and Growth Plan**

### **Phase 1 — Pre-Closing (Selection to Transfer Date)**

- Execute asset purchase agreement and obtain transfer of trademarks, logos, website, membership database, and all operating contracts.
- Meet with and interview the current Race Director and select staff and finalize a staffing plan.
- Review and finalize track rental contracts, insurance policies, and vendor agreements.
- Establish a Transition Council (see charter below) with representatives from the existing CMRA Board, Race Director, and corporate staff.
- Transition the existing technical knowledge, website and application, social media sites, ect.

### **Phase 2 — Initial Operations (Selection – 30 Days Post Transfer)**

- Interview for the remaining key positions beginning with existing personnel, membership personnel, then outside personnel (if necessary). Key positions to identify: Registration Lead(s), Timing & Scoring, Administration, and Bookkeeping, Marketing.
- Confirm the 8-event schedule and meet directly with track operators to solidify our 2026 racing calendar and create new long-term agreements, ensuring no disruption to scheduled events at existing race tracks in across Texas and Oklahoma.
- Establish the new CMRA Operations, Finance, and Marketing/Communications departments.
- Launch an immediate review of race-day safety procedures, personnel coverage, and equipment condition.

### **Phase 3 — Stabilization and Enhancement (2026 Race Season)**

- Create a digital media marketing campaign to promote CMRA events as well as our racers.
- Enhance event operations and attract new riders to the CMRA through agreements with established professional track day organizations to operate the Friday practice sessions of each race weekend, similar to what Lone Star Track Days has successfully done for the CMRA in the past. This agreement will create a mutually beneficial opportunity as these organizations can make their time and resources profitable, while the CMRA gains valuable exposure to potential future members and racers while reducing overall event costs.
- Engage the members through monthly online town halls and event surveys. We want to hear the good, bad, and ugly from our clients to help ensure constant and continued improvement.

### **Phase 4 — Growth and Professionalization (2027 and beyond)**

- Enhance Event Sponsorship Opportunities by developing structured sponsorship packages for race weekends and annual partnerships that deliver clear value to both regional and national sponsors. These will include branded on-site visibility, digital and livestream exposure, and member engagement opportunities.
- Provide a number of entry-level junior race bikes and racing equipment to be used as loaners to allow new families to “try out” racing with the CMRA without making a large capital investment before knowing if their child will enjoy it.
- Develop a Youth Racing Academy, including junior coaching, mentorship, and sponsorship programs.

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## **Risk Management Philosophy**

The foremost goal is to preserve CMRA’s safety, continuity, and community while recognizing that any organizational transition and live event management involve inherent risks. These include operational challenges, financial uncertainties, and unforeseen disruptions. We proactively identify potential issues and apply lessons learned from our existing business operations to reduce impact and maintain excellence. Through deliberate planning and responsive management, we ensure every CMRA race remains safe, well-organized, and enjoyable for members, volunteers, and staff. The following table outlines key risks and our proposed mitigation strategies.

<b>Risk</b>	<b>Potential Impact</b>	<b>Mitigation Strategy</b>
Member concern over transition from nonprofit to for-profit	Possible membership attrition or resistance	Transparent communications; maintain continuity of rules and pricing; Member Transition Council for input
Safety lapses during handover	High liability, reputational harm	Retain existing key staff members such as the Race Director/Chief Steward and Safety Director.
Loss of volunteers	Operational gaps during events	Offer compensation or stipends; implement structured volunteer rewards
Contract or insurance lapses	Event disruption	Immediately engage with current insurance, vendors, and track operators.
Legal/tax complications from asset transfer	Closing delays, unforeseen taxes	Engage nonprofit conversion counsel; clearly define assets, indemnities, and post-sale liabilities.
Cash flow variance during early operations	Underfunding of improvements	Maintain contingency fund (\$50,000 annually for first 3 years) and phased investment approach

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## **Financial Proposal**

We (Maria Hughes and I) propose to purchase all of the CMRA’s non-cash operating assets—including its equipment, vehicles, trademarks, logos, membership lists, website, and other related intellectual property for \$25,000. This will allow us to commit the necessary capital immediately toward race operations, competitive compensation, marketing and promotions and future growth rather than acquisition premiums.

To ensure a successful launch and operation of the 2026 racing season, we are fully prepared to contribute an additional \$50,000 in capital to cover the anticipated financial shortfall and to support operational upgrades, safety enhancements, and any unforeseen expenses. For each of the following two years, we project the potential need for up to an additional \$50,000 per year as the organization transitions toward financial stability. By the end of the 2028 season, we expect the CMRA to be financially self-sustaining, with all net proceeds reinvested into member experience improvements.

This proposal is not driven by a profit motive. We are not seeking to acquire the CMRA to turn it into another income stream, nor do we believe it ever will be. The intent of this acquisition is to preserve and strengthen an organization that has meant so much to so many, not to extract financial return. We fully recognize that there is a high probability we will not recover part or any of our initial capital contributions, and we accept that risk willingly as part of our commitment to ensuring CMRA’s long-term survival, stability, and continued service to its members and the sport of motorcycle road racing.

### Assumptions:

- 8 sanctioned events annually, replacing NOLA with a new event at Circuit of the Americas
- ~290 active members starting 2026, growing to over 400 active members by end of 2028
- Average of ~280 entries per event in 2026, growing to over 400 entries per event by end of 2028
- Capital contributions and reinvestment of up to \$50,000 annually available for upgrades, unexpected expenses, and/or safety initiatives
- By the end of 2028, operations are conservatively projected to be self-sustaining with net proceeds fully reinvested

### Three-Year Financial Projection Summary (2026–2028)

Projected Income	2026	2027	2028
Membership & Licensing	\$64,500	\$73,000	\$76,500
Race Entry Fees (8 events)	\$430,000	\$485,000	\$500,000
Gate/Admissions	\$38,500	\$44,000	\$46,000
Transponder Rental	\$8,700	\$9,500	\$10,000
Other – Product/Services Sales	\$30,300	\$34,000	\$36,000
<b><u>Total Income</u></b>	<b><u>\$572,000</u></b>	<b><u>\$645,500</u></b>	<b><u>\$668,500</u></b>
<b>Projected Operating Expenses</b>			
Track Rental & Facility Costs	\$255,000	\$274,000	\$281,000
Insurance & Safety (medical, trackside, liability)	\$51,500	\$58,000	\$59,500
Staff & Officials Payroll	\$166,000	\$175,000	\$180,000
Equipment, Supplies, Admin	\$33,000	\$35,000	\$36,000
Marketing, Website, Digital Ops	\$5,000	\$10,000	\$10,000
Travel, Lodging, Fuel	\$25,500	\$29,000	\$31,000
Youth Development	\$0	\$3,000	\$5,000
Miscellaneous	\$80,000	\$85,000	\$87,500
<b><u>Total Operating Expenses</u></b>	<b><u>\$616,000</u></b>	<b><u>\$669,000</u></b>	<b><u>\$690,000</u></b>
Net Income	-\$44,000	-\$23,500	-\$21,500
Cash Reserves	\$0,000	\$6,000	\$11,000
Owner Capital Contribution	\$50,000	\$50,000	\$50,000
<b><u>Net Available</u></b>	<b><u>\$6,000</u></b>	<b><u>\$32,500</u></b>	<b><u>\$66,000</u></b>



## **Community and Member Engagement**

The CMRA has always been more than a racing organization but a community built on a shared passion, friendship, and respect. Our vision is to strengthen that sense of connection by expanding opportunities for our customers to engage both on and off the track. We plan to host regular town hall meetings, digital forums, and paddock meet-and-greets to ensure members have a voice in the organization's direction and feel informed about upcoming initiatives. We will also introduce social events and family-focused activities designed to celebrate the people and families who make the CMRA special. By promoting transparency, open communication, and genuine appreciation, we aim to keep the CMRA's close-knit community thriving while welcoming new members into our family. As someone who has experienced firsthand the lifelong friendships and sense of belonging this organization creates, I am deeply committed to preserving and growing that same community spirit for the next generation of racers.

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## **Youth and Junior Development**

A core priority of our vision for the CMRA is to expand and strengthen our youth and junior racing programs. The future of motorcycle road racing depends on fostering the next generation of riders in a safe, structured, affordable, and supportive environment. We plan to enhance the CMRA's youth programs by partnering with and supporting organizations such as the Texas Mini Cup (TMC) and Texas Mini GP (TMGP) thus helping to promote their racing organizations while exposing their young racers to the CMRA.

We also plan to increase access to entry-level classes, developing mentorship opportunities with experienced racers, and partnering with sponsors to help offset costs for young competitors. Our goal is to create a clear, affordable pathway from youth racing through advanced amateur, semi-professional and professional levels, allowing young riders to grow their skills, confidence, and sportsmanship within the CMRA family.

The CMRA helped to develop world champions in our past and we aim to do so again.

## **Preserving History**

We are committed to preserving and honoring the legacy of the CMRA and its members. As part of this transition, we will maintain and carry forward the veteran status of all current CMRA veterans, including the race license discounts and championship winner discounts presently in place. We will also retain the current Hall of Fame as well as all historical race results and championship records from prior seasons to ensure continuity of the organization's proud competitive history. We want to build on the existing CMRA and not rebuild it into a new CMRA.

In addition, we will expand and promote the CMRA's standing and historical lap records, celebrating achievements both at current venues and at the legendary tracks that shaped our community, including Texas World Speedway and Oak Hill Raceway. These records are an important part of the CMRA's identity and the legacy of the riders who helped build it, and we intend to keep their stories alive for future generations.

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## **Conclusion**

The Central Motorcycle Roadracing Association has long served as a cornerstone of amateur motorcycle racing — a place where families, friends, and competitors gather to share their passion for the sport. Our proposal reflects deep respect for CMRA's history, volunteer-driven culture, and the community that has sustained it for decades.

Drawing on my experience as a racer, entrepreneur, and operator, I bring both personal passion and professional expertise to ensure CMRA thrives. We will preserve the legacy of veteran riders, historical race results, and lap records while enhancing safety, operational reliability, and youth development programs. Every aspect of this transition actively honors the past and positions CMRA for a sustainable future.

We commit to carrying forward CMRA's traditions, expanding opportunities for youth and junior racers, and delivering a professional, safe, and enjoyable racing environment. By doing so, CMRA will maintain its position as a premier amateur racing organization and continue to inspire and develop the next generation of motorcycle road racers for years to come.