



IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

FILED IN DISTRICT COURT  
OKLAHOMA COUNTY

DEC -7 2016

RICK WARREN  
COURT CLERK  
89

JAMES KITCHEN COSPER,  
an individual,  
Plaintiff,  
v.  
NATIONAL REINING HORSE  
ASSOCIATION, an Oklahoma  
Corporation,  
Defendant.

) Case No. CJ-2016-5297

) Judge Thomas E. Prince

**DEFENDANT'S MOTION FOR SUMMARY JUDGMENT**

This case involves a nonprofit equine association's revocation of a trouble-causing individual's membership pursuant to discretion that is clear from the organization's Bylaws. Like any voluntary association, Defendant, National Reining Horse Association ("NRHA"), has the authority to create and enforce its own procedures regarding membership. Here, the NRHA did so, but Plaintiff complains because his own bad acts led to a predictable result: expulsion. The NRHA should not be forced to retain Plaintiff as a member when Plaintiff's actions led to his expulsion.

While Plaintiff attempts to claim the NRHA was required to meet a different standard than is applicable to the current situation, Plaintiff is incorrect in his assertion that the more exacting standard applies to simple membership matters. Regardless, even if the more stringent standard applies, the NRHA satisfied it when it revoked Plaintiff's membership.

Because Plaintiff's expulsion was clearly within the discretion of the NRHA Executive Committee and the NRHA did not abuse its discretion in revoking Plaintiff's membership, the

Court should review the NRHA's decision via the lens of arbitrary-and-capricious review and grant summary judgment to the NRHA.

#### STATEMENT OF UNDISPUTED MATERIAL FACTS

1. The NRHA is a voluntary association of members organized “[t]o promote and encourage development of and public interest in agriculture and ranching through the promotion of public reining horse shows,” and “the development of suitable and proper standards of performance and judging,” as well as “to encourage the development and breeding of better Reining Horses[] and to develop and disseminate informational material deemed desirable to provide contestants and spectators a better understanding of a proper performance of the reining horse in the show arena.” Ex. 1, NRHA Bylaws art. I, § 2.<sup>1</sup>

2. While the NRHA makes its membership “open to any individual of good character and reputation that has an interest in reining horses and the promotion of the reining horse,” an individual’s “membership is a privilege and not a vested right.” *Id.* art. II, § 1 (emphasis added). Membership in the NRHA may be “granted, rejected or revoked at the discretion of the Executive Committee.” *Id.* (emphasis added).

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<sup>1</sup> The NRHA adopted new Bylaws that took effect on August 1, 2016. Because Plaintiff's membership was revoked prior to the new Bylaws taking effect, the previous version of the NRHA Bylaws is cited and quoted herein. Regardless of which version of the Bylaws the Court chooses to look to, the result in this litigation is the same.

The NRHA's new Bylaws contain the following membership provision: “Membership is available to any individual of good character and reputation who has an interest in reining horses and the promotion of the reining horse. . . . Membership is a privilege, and not a vested right. All memberships are subject to the approval of the Executive Committee, which may approve, reject, suspend, or revoke the membership of any Member at any time in its discretion. The Board of Directors retains final authority regarding all aspects of membership, including conditions of membership, eligibility, qualifications, approval or rejection, suspension, revocation, processes, types, dues, and interpretations of the provisions of these Bylaws relating to membership, and the decision of the Board of Directors shall be final and not subject to appeal or review.”

3. The NRHA is governed by a Board of Directors and, from that Board, an Executive Committee. *See id.* art. I, § 5(3), (5); *id.* art. VI, § 1, *id.* art. VII, § 1.

4. Plaintiff was previously a member of the NRHA, and he previously served as a member of the NRHA Board of Directors and its Executive Committee. *See Pet.* ¶ 6; Ex. 2, NRHA Minutes (Jan. 21, 2012) (removing Plaintiff from his position as a member of the Board of Directors and, consequently, from his position as a member of the NRHA Executive Committee).

5. In 2012, Plaintiff was removed from the NRHA Executive Committee for improper conduct in compliance with the NRHA Bylaws. *See id.*

6. Subsequently, the NRHA undertook a search for its next commissioner which lasted 16 months. Eventually, Gary Carpenter agreed to become commissioner of the NRHA. *See* Ex. 3, Clark Decl. ¶¶ 5-6. The NRHA commissioner serves a similar role to that served by an executive director in most nonprofit organizations. *See id.* ¶ 6.

7. During 2015 and 2016, Plaintiff undertook numerous actions adverse to the NRHA, its staff, and the NRHA Executive Committee. *See id.* ¶¶ 7-9. Plaintiff's actions included incendiary statements aimed directly at the NRHA commissioner:



Kit Cosper ► Take NRHA Back

Yesterday at 7:29 PM · Northwest, NC · 2

This is pretty much what we have these days. Significant changes to our governance are happening in Executive Session (which is patently bogus - there are specific guidelines for what the Association treats as confidential) and we're back to the "secret society" days of backroom deals and attempts to concentrate power in a small group. "Where all think alike, no one thinks very much." -Walter Lippman



The cartoon depicts Carpenter ("GC") and Christina Morris-Stone ("CM"), the Assistant Commissioner and another staff member of the NRHA. *See Ex. 3, Clark Decl. ¶¶ 7-9; see also Ex. 4, Facebook Post (July 9, 2015) (depicting Plaintiff's comments about Todd Branson, a then-employee of the NRHA).*

8. In May 2016, the NRHA Executive Committee voted unanimously to revoke Plaintiff's membership in the NRHA. *See Ex. 5, NRHA Executive Committee Minutes (May 25, 2016) (revoking Plaintiff's NRHA membership); Ex. 6, Letter from Terry T. Wiens to Kit Cosper (May 25, 2016) (informing Plaintiff of the NRHA Executive Committee's decision).*

9. In revoking Plaintiff's membership, the NRHA Executive Committee analyzed its Bylaws and General Rules and Regulations, interpreting these documents to allow the Executive

Committee to revoke Plaintiff's membership based on the discretion given to the Executive Committee by Article II, section 1 of the Bylaws. *See* Ex. 3, Clark Decl. ¶ 10.

10. Plaintiff now seeks judicial review of the NRHA's decision regarding his membership. *See* Pet.

### ARGUMENTS AND AUTHORITIES

#### I. The NRHA, as a private voluntary association, is entitled to make decisions regarding its membership.

The NRHA is a voluntary association of members organized, among other purposes, “[t]o promote and encourage development of and public interest in agriculture and ranching through the promotion of public reining horse shows,” and “the development of suitable and proper standards of performance and judging,” as well as “to encourage the development and breeding of better Reining Horses.” UMF No. 1. The NRHA makes membership “open to any individual of good character and reputation that has an interest in reining horses and the promotion of the reining horse. However, membership is a privilege and not a vested right and is granted, rejected or revoked at the discretion of the Executive Committee.” UMF No. 2.

In Oklahoma, a voluntary association such as the NRHA—whether incorporated or unincorporated—is allowed to select its own membership parameters and procedures. *See Okla. Ass'n of Ins. Agents v. Hudson*, 1963 OK 199, ¶ 7, 385 P.2d 453, 455 (“It is patent that the by-laws of a voluntary association constitute a contract between the members . . . In this respect it is insignificant whether the association be unincorporated or incorporated.”); *cf.* 18 O.S. § 1013(B) (“The bylaws may contain any provision, not inconsistent with law or with the certificate of incorporation, relating to the business of the corporation, the conduct of its affairs, and its rights or powers or the rights or powers of its shareholders, directors, officers or employees.”). And an association such as the NRHA may enforce its membership

determinations, so long as it does not act in an arbitrary and capricious manner when doing so. See *Hudson*, 1963 OK 199, ¶ 15, 385 P.2d at 456 (“Membership in such corporations as the Association is considered to be regulated by the contract expressed in the articles of incorporation and by-laws of the corporation, and assented to by each member upon joining.”).

Said differently, the “rules of an association governing [membership] may be enforced against the member. . . . [but they] may not be enforced in an arbitrary or capricious manner.” *State ex rel. Okla. Bar Ass’n v. Gasaway*, 1993 OK 133, ¶ 8, 863 P.2d 1189, 1194. Thus, there is no doubt that the NRHA’s membership parameters—including that “membership is. . . not a vested right and is granted, rejected or revoked at the discretion of the Executive Committee” (UMF No. 1)—may be enforced by the NRHA against Plaintiff so long as the NRHA does not act in an arbitrary or capricious manner.

## **II. The NRHA acted pursuant to its membership parameters when it revoked Plaintiff’s membership.**

The authority of the Executive Committee to revoke an individual’s membership is clear: “[M]embership is a privilege and not a vested right and is granted, rejected or revoked at the discretion of the Executive Committee.” UMF No. 2. The only limitation on the NRHA Executive Committee’s authority to revoke an individual’s membership is the arbitrary-and-capricious standard. See *Hudson*, 1963 OK 199, ¶ 15, 385 P.2d at 456. In this way, the Court’s role in this dispute is similar to its role in the review of an action taken by a state agency. See *Rouse v. Okla. Merit Prot. Comm’n*, 2015 OK 7, ¶ 29, 345 P.3d 366, 377 (“An administrative decision will be affirmed on appeal if it is supported by substantial evidence and is not arbitrary or capricious.”).

An organization acts in a manner that is arbitrary and capricious if its action “is willful and unreasonable without consideration or in disregard of facts.” *Sanchez-Munoz v. State ex rel.*

*Okla. Horse Racing Comm'n*, 2015 OK CIV APP 87, ¶ 19, 360 P.3d 1267, 1271. Here, the NRHA did not act unreasonably and without consideration of mitigating facts. Instead, the NRHA took into account Plaintiff's actions that affected the NRHA's workplace from his time as a member of the Executive Committee, as well as the campaign he waged for the past two years against the NRHA and its staff members. *See UMF Nos. 4-9.* Plaintiff's blitzkrieg against the NRHA and its staff is especially troubling in light of the NRHA's recent protracted search for staff leadership. *See id.* Nos. 6-7. Plaintiff's actions against the NRHA staff, alone, are enough for the NRHA Executive Committee to revoke Plaintiff's NRHA membership.

Whether the Court, upon considering potential membership revocation in the first instance, would reach the same decision as the NRHA is immaterial. *See Cox v. State ex rel. Okla. Dep't of Human Servs.*, 2004 OK 17, ¶ 29, 87 P.3d 607, 618. Instead, as long as the result reached is supported by facts presented to the NRHA Executive Committee, the organization's decision stands. *See id.* ¶¶ 29-31, 87 P.3d at 618-19. Here, Plaintiff's actions to disparage the NRHA, its Executive Committee, and—most importantly—its staff are at least sufficient for the Executive Committee to act pursuant to its discretion and revoke Plaintiff's membership. Accordingly, the NRHA's action should be upheld on judicial review under the arbitrary-and-capricious standard that is applicable.

### **III. Plaintiff's allegations regarding the NRHA General Rules and Regulations are incorrect.**

Plaintiff's only allegation concerning why the NRHA's decision to revoke his membership was erroneous centers on his assertion that the Disciplinary Procedures section of the NRHA General Rules and Regulations (the "Disciplinary Rules") applies to his scenario. *See Pet.* ¶¶ 14-18. However, Plaintiff misconstrues how the NRHA Bylaws and the NRHA Disciplinary Rules relate to one another and their respective scopes. By any of three

interpretations of the Disciplinary Rules, the NRHA acted properly in revoking Plaintiff's membership. That is, regardless of how the Court reads the Disciplinary Rules (if the Court determines them to apply at all) the NRHA's action should be affirmed.

Because the NRHA Executive Committee's decision was made pursuant to article II of the Bylaws, which gives it discretion in matters relating to membership, *the Court never needs to reach any issues relating to the Disciplinary Rules*. Indeed, the Court's analysis should stop at a determination that the NRHA Executive Committee did not act arbitrarily or capriciously when it acted pursuant to the Bylaws.

However, to the extent the Court determines it must reach the Disciplinary Rules, the Court should determine, *first*, that the Disciplinary Rules provide a different—and separate—option for the NRHA to discipline members, up to and including expulsion. This is clear from a comparison of the Bylaws—which focus on “the discretion of the Executive Committee”—and the Disciplinary Rules—which limit discipline to “good cause.” *Compare* UMF No. 1, *with* Ex. 7, NRHA General Rules and Regulations § D(1). These different standards (complete discretion versus good cause) give the NRHA two individual options to regulate membership, but nothing in the Bylaws or the Disciplinary Rules indicates that one limits the other.

Indeed, had the NRHA meant to impose a good cause standard in the Bylaws, it could have done so, as exhibited by the Disciplinary Rules. But the exclusion of a good cause requirement from the Bylaws is evidence that good cause is not required for the NRHA Executive Committee to act pursuant to the Bylaws to revoke an individual's membership. *See Lincoln Farm, L.L.C. v. Opplicher*, 2013 OK 85, ¶ 43, 315 P.3d 971, 987 (applying *expressio unius est exclusio alterius*).

*unius est exclusio alterius*<sup>2</sup> and Texas law to determine that where a term was in some contract parts but not others, it was intentionally excluded).

In the alternative, and second, even if the good cause standard governs pursuant to the Disciplinary Rules § D(1), it is modified by the following sentence which indicates that “[t]he Executive Committee may deny membership when it, in its sole discretion, establishes that a non-member is not a worthy candidate” and cites to article II of the NRHA Bylaws (the provision giving the NRHA Executive Committee full discretion over membership). Ex. 7, NRHA General Rules and Regulations § D(1). By incorporating article II of the Bylaws into the Disciplinary Rules § D(1), the Disciplinary Rules adopt the wide discretion given to the Executive Committee in the Bylaws and reinforced in the Disciplinary Rules. See UMF No. 1. And, of course, the NRHA validly acted pursuant to its own discretion as allowed by law. See *supra*.

To the extent any ambiguity exists between the Bylaws and the Disciplinary Rules, the Executive Committee is entitled to clarify the NRHA procedures. See UMF No. 9; *see also* Ex. 7, NRHA General Rules and Regulations § A(4) (“[T]he officers of the [NRHA] are empowered to make clarification as needed to the *NRHA Handbook* [which includes the Bylaws and the Disciplinary Rules] . . . in instances where the rules are not clearly written or defined.”). In determining that it had authority to revoke Plaintiff’s membership, the NRHA Executive Committee inherently determined that article II of the Bylaws controls over—or at least runs parallel to—the Disciplinary Rules. Absent some evidence that this determination was itself

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<sup>2</sup> See also *Pitco Prod. Co. v. Chaparral Energy, Inc.*, 2003 OK 5, 63 P.3d 541, 548 n.32 (“[T]he maxim ‘*expressio unius est exclusio alterius*’—the expression of one thing is the exclusion of another—is applicable . . . When particular persons or things are specified in a law, contract, or will, an intention to exclude all others may be inferred.” (citation omitted)).

arbitrary or capricious, the Court is bound to accept the NRHA Executive Committee's interpretation of the NRHA's governing documents.

Third, and in the alternative, even if the good cause standard governs and it is not modified by the discretion given to the Executive Committee in the Bylaws and the Disciplinary Rules, the NRHA Executive Committee met the good cause standard. Plaintiff's actions make clear that he has fallen below the level of "worthy candidate" for continued membership. Ex. 7, NRHA General Rules and Regulations § D(1); see UMF Nos. 4-8. Thus, even under this more strident standard, the NRHA Executive Committee's decision to terminate Plaintiff's membership is not arbitrary and capricious, and its decision should be upheld by the Court.

At bottom, if the Court determines that the Disciplinary Rules are relevant at all to its judicial review of the NRHA Executive Committee's actions, it should still interpret the Disciplinary Rules as consistent with the action taken by the NRHA in relation to Plaintiff's membership.

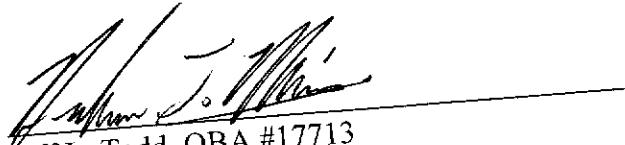
Moreover, while the Court should uphold the NRHA's action in all respects, if the Court determines that the NRHA was required to comply with the Disciplinary Rules in order to revoke Plaintiff's membership, the correct remedy for Plaintiff is the remand of this issue to the NRHA for proceedings in compliance with the Disciplinary Rules. The Court should not—in any instance—reinstate Plaintiff's NRHA membership as he requests without further consideration by the NRHA if the Disciplinary Rules are applicable.

### CONCLUSION

In order for the Court to uphold the determination of the NRHA to revoke Plaintiff's membership pursuant to the discretion of the Executive Committee, the Court need only find that

the NRHA did not act arbitrarily and capriciously. That standard is clearly not met here, and summary judgment for NRHA is proper.

Respectfully submitted,



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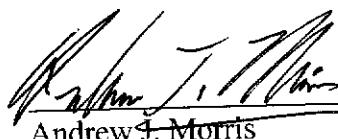
**ATTORNEYS FOR DEFENDANT  
NATIONAL REINING HORSE  
ASSOCIATION**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 1<sup>st</sup> day of December, 2016, a copy of the foregoing document was sent by mail, postage pre-paid, to the following:

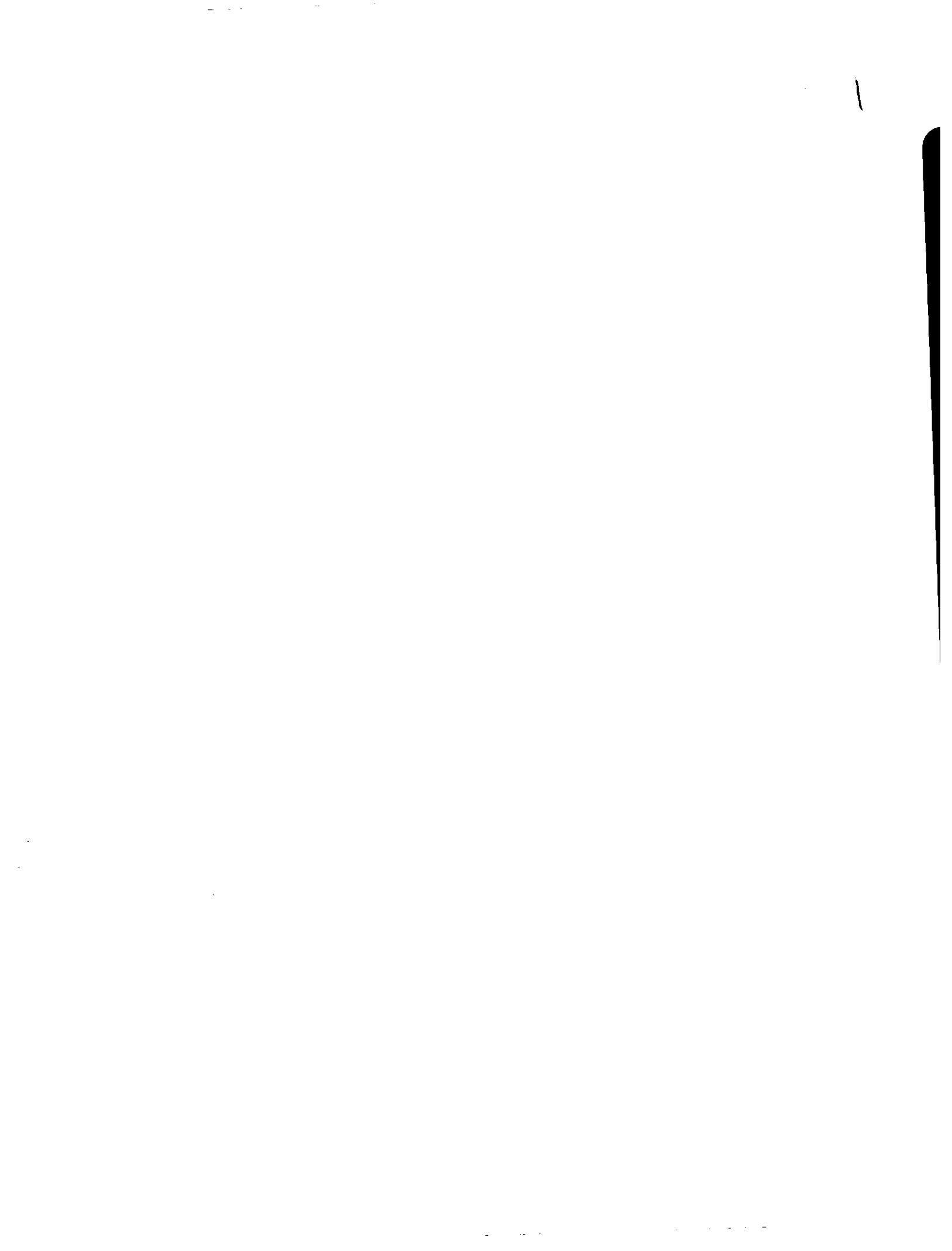
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Andrew J. Morris



## BYLAWS

### NATIONAL REINING HORSE ASSOCIATION

#### BYLAWS

##### ARTICLE I. TITLE, OBJECTIVES, LOCATION, DEFINITIONS

**Section 1.** Title. This organization is incorporated under the laws of the State of Oklahoma and shall be known as the National Reining Horse Association, and shall at all times be operated as a not for profit association in accordance with the laws of the State of Oklahoma and the United States of America.

**Section 2. Objectives.** To promote and encourage development of and public interest in agriculture and ranching through the promotion of public reining horse shows; the development of suitable and proper standards of performance and judging intended to govern all reining horse contests sponsored and approved by the National Reining Horse Association; to encourage the development and breeding of better Reining Horses; and to develop and disseminate informational material deemed desirable to provide contestants and spectators a better understanding of a proper performance of the reining horse in the show arena.

**Section 3. Place of Business.** The principal office of the Association shall be Oklahoma City, Oklahoma or as the Board of Directors shall designate.

**Section 4.** Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Association, dispose of all the assets of the Association exclusively for the purposes of the Association in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) or 501(c)(5) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law, as the Board of Trustees shall determine. Any of such assets not so disposed of shall be disposed of by the Court of Common Pleas of the County exclusively for such purpose or to such organization or organizations of said court determine, which are organized or operated exclusively for such purposes.

**Section 5.** The following definitions are applied to the use of any title or term herein listed when used throughout the NRHA Bylaws, any NRHA Rules and Regulations, and any Policy or Procedure adopted and published as official by NRHA.

(1) **NRHA** Abbreviation for the National Reining Horse As-

sociation.

(2) **Association** A general reference to NRHA.

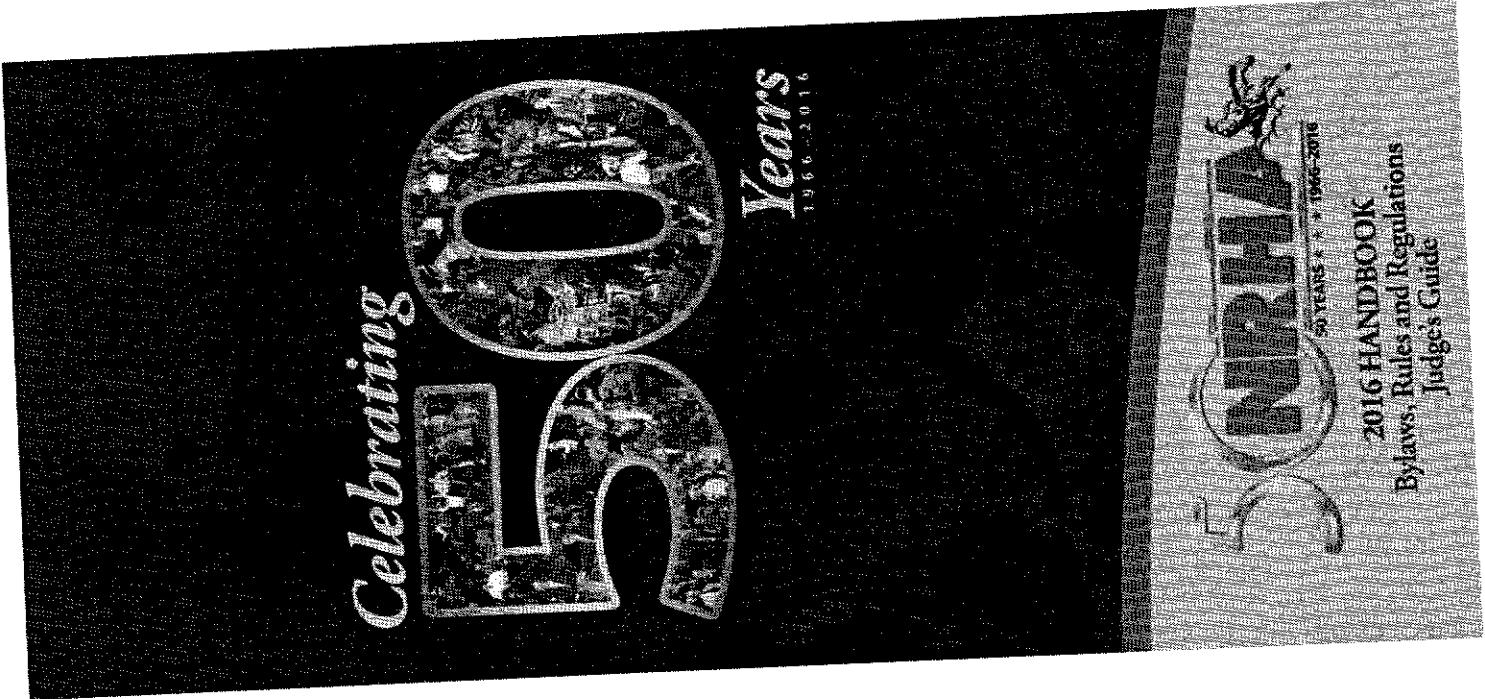
(3) **Board of Directors** That governing body comprised of all Officers and Directors. Also may be generally referred to as "the Board" or "Board."

(4) **Director/Regional Director/NAA Director** Those

EXHIBIT

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PENGARD 800-831-6969



members elected to a two-year term by their respective Affiliate Region or NHA country.

(5) **Executive Committee/Officer**: President, Vice President and six members elected to serve two-year terms are the Officers of the Association and shall comprise the Executive Committee.

(6) **President**: Elected initially to the office of Vice President by the membership to serve a two-year term, he/she then progresses to the office of President to serve an additional two-year term.

(7) **Vice President**: Elected by members for a two-year term after which he/she progresses to the position of President for a two-year term.

(8) **Committee Chairs**: Appointed by the President to serve as the presiding member of the respective committee.

(9) **Committee Members**: Selected by the Committee Chair to serve as a voting participant to the respective committee.

(10) **Ex-Officio Member**: An individual who, by virtue of his/her office or position, has been appointed to be a member of a committee or board.

(11) **Members**: A general reference to those individuals and legal entities that have paid a membership fee to the Association and are further defined in these bylaws, rules and regulations. Unless otherwise described, wherever "member(s)" is found in the bylaws, rules and regulations, it is understood to mean NRHA member or all NRHA members.

(12) **Elections Administrator**: Independent company and/or NRHA staff member selected by the Executive Committee to administer annual elections.

(13) **RHSE**: Abbreviation for the Reining Horse Sports Foundation.

## ARTICLE II. MEMBERSHIP

**Section 1.** Membership is open to any individual or good character and reputation that has an interest in reining horses and the promotion of the reining horse. However, membership is a privilege and not a vested right and is granted, rejected or revoked at the discretion of the Executive Committee.

**Section 2.** Members shall be admitted and retained in accordance with the rules and regulations of the National Reining Horse Association.

**Section 3.** Each member of the Association shall pay annual membership dues to the NRHA. Said dues are due and payable at the commencement of each calendar year. The calendar year of this Association shall be January 1, through December 31 of each year. A youth membership is also available. All membership dues and charges for the NRHA Reiner shall be set by the Board of Directors.

**Section 4.** All money paid to NRHA will be required to be in U.S. Funds.

**Section 5.** No exhibitor or owner may be required to be a member of any organization other than the National Reining Horse Association in order to compete in an NRHA approved reining event or class, with the exception that dual memberships may be required for NRHA/National Equestrian Federation or Federation Equestre International dual approved events and member association affiliates/alliances dual approved events and memberships in one's own local affiliate for participation in regional/country NRHA Affiliate championship circuit series. Affiliation with one's National Association is encouraged, membership in one's National Association though highly encouraged, Non-competitors association Affiliate shall be strictly voluntary. Non-competitors association membership in the NRHA may apply directly to the desiring membership in the NRHA may apply directly to the NRHA Office.

**Section 6.** A voting Member is a General Member who is nineteen (19) years of age or older as of January 1 of the calendar year, and who is a member in good standing prior to receiving notice of a general membership meeting at which association business will take place.

### Section 7. Voting by the Membership.

(a) The membership of this Association shall annually and/or biannually elect the officers and directors under the procedures called for within these Bylaws and the NRHA Handbook. A majority of the ballots cast shall determine the outcome of officer and director elections. In the case of a tie vote, the Board of Directors shall vote to break the tie.

(b) The members of this Association may vote on such additional issues as determined by the Board of Directors that appear on the election ballot as follows:

i. Bylaw amendments as determined by the Board of Directors that may be placed on the ballot for the vote of the general membership.

ii. Other Association issues as determined by the Board of Directors that may be placed on the ballot for the vote of the general membership.

(c) The casting of ballots by members shall be by electronic internet vote established with a commercial internet voting service selected by the Board of Directors. For members who do not have computer access or elect not to use the electronic internet voting alternative, the Association shall provide that internet voting.

(d) Procedures for the electronic internet voting in paper ballot shall be established by the Nominating Committee with approval by the Board of Directors.

(e) All voting by mail-in paper ballots shall be sent directly to an elections administrator appointed by the Executive Committee of the Association.

(f) The results of the internet voting shall be combined with the tally of the mail-in ballots and announced by the elections administrator within one (1) week after the cut-off date/time for voting.

(g) Voting by members in any NRHA election shall be limited to individual General memberships and the member must be 19 years of age or older on January 1 of the election year and be in good standing with the Association upon receiving voting credentials for the respective upcoming election. Memberships within the association recorded as Joint, Corporate, Syndicate, Associate, Affiliate, and AAA, etc., are not considered individual memberships and are not eligible to vote in any NRHA election. No individual shall vote more than one ballot in any election.

### **ARTICLE III. MEMBERSHIP MEETING**

**Section 1.** The Annual General Membership Meeting of the Association shall be held on a date and at a time and place designated by the Board of Directors. Notice of the annual meeting shall be published in the NRHA Reiner magazine and on the Association's website at least ninety (90) days prior to the date of the meeting. A detailed agenda shall be published in the NRHA Reiner magazine and on the Association's website at least sixty (60) days prior to the date of the meeting. Members desiring to place items on the agenda or resolutions to be considered at the meeting shall be submitted in writing prior to the agenda being published.

**Section 2.** Special meeting of the membership may be called by the Board of Directors to be held at a time and place designated by the Board of Directors. Notice for special meetings will be given on the NRHA website and through email at least thirty (30) days prior to the meeting. Business transacted at all special meetings shall be confined to the objects stated in the call and notice of the meeting and matters germane thereto.

**Section 3.** At any meeting of the Association, whether it is a general membership meeting or a special meeting, the number actually present shall constitute a quorum regardless of the members present.

### **ARTICLE IV. OFFICERS AND EXECUTIVE COMMITTEE**

**Section 1.** The officers of the Association shall be a President, a Vice President, and six (6) elected members. These officers shall comprise the Executive Committee of the Association. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors at the Board's sole discretion.

### **ARTICLE V. ELECTION OF OFFICERS**

**Section 1.** The election of officers generally referred to as the annual election shall be held each year during a 30 day period of time designated by the Board of Directors at their first meeting of the year. The term of all newly elected officers of the Association shall commence on January 1 following the elections.

(a) So as to have continuity in the officers of the Association, three Officers will be elected annually. Every other year a Vice President shall be elected and the existing Vice

President will advance to the President's chair.

(b) The President and Vice President shall serve two-year terms, respectively.

(c) The six elected Officers shall serve a two (2) year term and shall be eligible for nomination and re-election by the general membership at the end of that term.

**Section 2.** Nominations of candidates for the offices open for election shall be submitted by the Nominating Committee to the Board of Directors no less than ninety (90) days prior to the start of the annual election. All candidates for officer positions must have a minimum of one (1) year previous experience on the NRHA Board of Directors prior to taking office.

**Section 3.** At the written request of ten (10) members of the Association, a candidate other than those submitted by the above mentioned committee may be placed into nomination and it shall be immediately given to the membership, provided said written requests for nomination is placed in the hands of the NRHA office, not less than sixty (60) days before the annual election.

**Section 4.** Each member of the Association, in good standing at the time of the election shall be entitled to one (1) vote.

**Section 5.** All voting for officers shall be by mail-in paper ballots bearing the signature and password of the member in good standing will be accepted provided they are received by the Elections Administrator not less than five (5) days prior to the end of the election close date. There will be no proxy voting accepted by the Association.

**Section 6.** In the event of a tie in the election of officers, the Board of Directors will vote to break the tie.

### **ARTICLE VI. DUTIES OF OFFICERS AND EXECUTIVE COMMITTEE**

**Section 1. Executive Committee.**  
(a) The Executive Committee shall be charged with the daily operational responsibilities of the Association as delegated by the Board of Directors and these bylaws, specifically by the Board of Directors and these bylaws, specifically limited to those decisions necessary, on a daily basis or requiring immediate attention, for continuity as established by the Bylaws, Rules and Regulations, Active Resolutions adopted by the Board of Directors and Policies and Procedures approved by the Board of Directors. Any such decision or action taken by the Executive Committee as allowed herein requires a majority approval of the officers who comprise the Executive Committee.

(b) Any such actions taken under this Section shall be reported  
Executive Committee.  
**Section 2.** At the discretion of the Executive Committee, the Association may establish a nominating committee to nominate candidates for the Board of Directors.

in the Executive Committee minutes and in detail at the next regularly scheduled meeting of the Board of Directors.

- (c) The Board of Directors has the oversight responsibility for the Executive Committee of this association and, by a 2/3 majority, can countermand any actions or decisions the Board deems appropriate.

(d) The Officers of the Association shall not, without prior Board of Director's approval, bind the Association to any long term contractual obligations. For purposes of these Bylaws, long term contractual obligation is defined as any contractual agreement which requires expenditures of funds on behalf of the Association and shall be in effect for a period in excess of two (2) years. Furthermore, the officers shall not have the authority to bind the Association to any agreement, debt, obligation, or expenditure of Ten Thousand (\$10,000) Dollars or more, without the prior approval of the Board of Directors. No cumulative expenditures totaling Ten Thousand (\$10,000) Dollars or more is permitted to any one (1) person, partnership, corporation, or out of the same transaction during the current fiscal year without prior Board of Directors approval.

**Section 2. Duties of the President**

(a) The President shall be the Executive Officer of the Association. He/She shall preside at all meetings of the Board of Directors and membership meetings. Within any limitations imposed by the Articles of Incorporation, these Bylaws, or the Board of Directors, He/She shall have general power to conduct and manage the affairs and business of the Association and shall see that all orders and resolutions of the Board are carried into effect; subject, however, to the right of the Directors to delegate any specific powers, except such as may be by statute exclusively conferred upon the President, to any other officer or officers of the Association. He/She shall be ex-officio a member of all committees, with the exception of the Nominating Committee.

(b) The President does not set policy or obligate the organization or its resources independent of the Board of Directors.

(c) He shall execute bonds, mortgages, contracts and other documents approved by the Board of Directors requiring execution on behalf of the Association.

(d) The President shall oversee the activity of the Executive Committee, Standing Committees (with the exception of the Nominating Committee) and other Board created committees. Such oversight shall be strictly limited to assuring that they are functioning in accordance with the policies and vision set forth by the Board of Directors.

**Section 3.** It shall be the duty of the Vice-President to perform

all of the duties of the President, in the event of his/her absence or incapacity to serve. In the Event that both the President and the Vice President are absent or unable to serve, the Board of Directors shall appoint an Executive Committee member to serve in that capacity until either officer has returned to service.

**Section 4.** Whenever they deem necessary, the officers of the Association may, by a majority vote, call a meeting of the Executive Committee.

**Section 5. Removal.** Any Executive Committee Member may be removed by a majority vote of the Board of Directors whenever in its judgment, the best interests of the Association would be served thereby. However, such removal shall be without prejudice to the contract rights, if any, of the person so removed.

**Section 6. Vacancies.** If the office of any officer, or agent, one or more, becomes vacant for any reason, the Board of Directors may choose a successor or successors, who shall hold office for the unexpired time in respect of which such vacancy occurred.

**ARTICLE VII. BOARD OF DIRECTORS**

**Section 1.** The business of this Association shall be managed by its Board of Directors. The Board of Directors shall be comprised of the Executive Committee and a number of elected Directors including: Regional Directors as defined in Section 1(a), and National Association Affiliate Directors (NAA Directors) as defined in section 1(c).

**(a) Regional Directors.** The NRHA Board of Directors shall be empowered to create, delete or modify regions which shall encompass specified geographic areas on any continent with an NRHA membership, the boundaries of which may change from time to time as determined by the Board of Directors of the Association. NRHA members from each Affiliate Region which has achieved an NRHA membership of 500 shall elect at least one director to the NRHA Board of Directors. An additional director shall be elected from the Affiliate Region when total NRHA membership in the region reaches 1,000 members and another seat shall be elected for each additional 500 members. In order to maintain parity at the one (1) director for each 500 members ratio, total directors to be elected within each U.S. Region will be based on membership numbers as of December 31st of the prior year. Then a determination will be made of the additional directors to be elected based on the total U.S. NRHA membership. Regions with the greatest number of excess members over their 1/500 ratio will be allowed to elect one additional director until the 1/500 ratio is achieved in total for the U.S. Commencing with the 2012 Election year, regional director terms shall be staggered based on a formula determined by the Board of Directors and published within Section A. Election Procedures, and published within Section A. Election Procedures,

- General Rules and Regulations of the NRHA Handbook.
- i. Membership numbers as of December 31 of the prior year will be used to determine current term director seats available for the Affiliate Regions. All newly elected Regional Directors shall serve a term of two years which shall commence on January 1 following the elections. Should a country with an NAA, at any time upon direction by the NRHA Board, be incorporated into an Affiliate region, continuation of the NAA designation and participation in the NRHP shall be at the discretion of the NRHA Board.**
- (b) Elected Affiliate Regional Directors**
- i. Shall be a citizen or resident of a country or region from which they are elected.**
  - ii. Shall be a member in good standing of the NRHA.**
  - iii. Serve an initial term of two years and may be re-elected by NRHA members within their Region for additional two year terms.**
  - iv. The nomination of candidates and election procedures of Regional Directors shall be established by the Board of Directors and published within the General Rules and Regulations of the Association Handbook.**
  - v. The NRHA Board of Directors shall be empowered to fill vacancies occurring among the U.S. Regional Directors by a majority vote of the remaining U.S. Regional Directors and Officers. Vacancies occurring among Regional Directors from foreign Affiliate Regions shall be filled according to the procedures established in the General Rules, Section A of the NRHA Handbook. An individual elected to fill a vacancy shall, if possible, come from the same Affiliate Region in which the vacancy occurred, shall meet the same qualifying criteria and shall serve the unexpired term of their predecessor.**
  - (c) NAA Directors.** Each National Association Affiliate (NAA) with 200 members, that is not part of any region shall have the right to one seat (NAA Director) on the NRHA Board provided at least four (4) NRHA approved shows with a full slate of classes were held in that country during the previous calendar year. One additional director seat will be available when that NAA reaches 1,000 members and another seat for each additional 500 members. Membership numbers as of December 31 of the prior year will be used to determine current year director seats available to the NAA country. The term of all newly elected NAA directors shall be two years commencing January 1 following the elections. In the event there is a change in NAA status, the elected Directors will serve the remainder of the term for which they were elected.
- (d) Elected NAA Directors**
- i. The nomination and election of the NAA director(s) shall be administered by the respective NAA under the**
- procedures approved by the NRHA Board of Directors.
- ii. NRHA members in good standing, residing in each NAA country shall be allowed to participate in the nomination and election process of the NAA Director(s) from their respective country.**
- iii. Each year the NAA must advise NRHA of the elected NAA director(s).**
- iv. Shall be a citizen or resident of the NAA country or a region from which they are elected.**
- v. Shall be a member in good standing of the NAA.**
- vi. Shall be a member in good standing of the NAA.**
- vii. Each NAA's Board of Directors shall be empowered to fill vacancies occurring among that country's NAA Directors. An individual selected to fill a vacancy shall meet the same qualifying criteria and shall serve the unexpired term of their predecessor.**
- (g) Voting Members as defined in Article II, Section 7.**
- (h) Voting Members will be used to establish the number plus Youth members will be used to establish the number of Regional and NAA Directors.**
- (i) Voting for Regional Directors shall be accomplished by electronic internet voting where practical and applicable or by mail-in paper ballot and the results shall be counted and reported by an Elections Administrator appointed by the Executive Committee.**
- (j) At no time shall there be more than one (1) member of an immediate family (as defined within the General Rules and Regulations of this Association) serving on the Board of Directors of the Association.**
- (k) The President of the Reining Horse Sports Foundation (RHSF) shall be ex-officio a member of the NRHA Board of Directors.**
- (l) In the event of a tie vote, the Board of Directors will vote to break the tie.**
- Section 2. The Board of Directors shall have general charge of the affairs, finances and property of the Association.**
- (a) The Board of Directors shall make an annual report of the general state of the affairs and finances of the Association to the membership at the Annual General Membership Meeting. A copy of this report shall be published on the Members Only page of the Association's website.**
- (b) In addition to the responsibilities charged to the Board of Directors by these Bylaws and any applicable state statutes, the Board of Directors shall be responsible for:**
- i. Clarification of and commitment to the organization's vision and mission.**
  - ii. Interpretation of the mission to the general membership through public relationships,**
  - iii. Establishment of goals, long-range plans, and strategic guidance.**

regularly scheduled meeting at least two (2) times per calendar year. The Executive Committee shall meet at least four (4) times per calendar year.

(b) The meeting of the Board of Directors may be held at such place within the state of Oklahoma or elsewhere, as the majority of Directors from time to time may determine, or as may be designated in the notice calling the meeting.

Any meeting held outside the state of Oklahoma shall be considered solely for the convenience of the Board of Directors and shall not be considered as conducting business in the jurisdiction where the meeting takes place.

In the jurisdiction where the meeting may be held at any time

(c) Special meetings of the Board may be held at any time of the year on the call of the President, a 2/3 majority of the

Executive Committee or of a majority of the Board, in either case upon ten (10) days' notice by first-class prepaid mail, or five (5) days' notice delivered personally or by telephone or electronic mail. Such notice shall state the date, time and place of the meeting and shall be deemed given at the time when personally delivered, deposited in the

mail, sent by electronic mail or orally transmitted to recipient via telephone.

(d) Any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by participation, and the writing or acknowledgement of participation are filed with the minutes of proceedings of the Board or committee. Any Director or committee member may waive notice of any meeting. The attendance of a Director or committee member at a meeting shall constitute a waiver of notice of such meeting, except where a Director or committee member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted and the purpose of any regular or special meeting, or waiver of notice of such meeting, One or more directors may participate in a meeting of the Board, by means of teleconference or other similar audio/video communications equipment by means of which all persons participating in the meeting can hear and/or see each other.

(e) All Resolutions adopted by the Board of Directors shall be identified by both a numerical and subject index and shall be made a part of the Corporate Record Book. Resolutions may be amended or rescinded at a later date upon a two-thirds vote of the Board of Directors. Active resolutions shall be published on the Members Only section of the Association's website.

**iv. Setting policies and other major guidelines for operation of the organization.**

**v. Ensuring transparency and public accountability.**

**vi. Protecting the organization's financial stability and solvency.**

**vii. Establishing specific orders, resolutions, policies and procedures for the Executive Committee and staff to perform and/or apply to daily operations between the full Board of Directors.**

meetings of the full "Policy Manual" and/or "Procedure Manual" is maintained by the Association, it shall be subject to review and approved by the Board of Directors by January 31 of every even year or more frequently if the Board of Directors deems necessary. The entire contents of Policy and/or Procedure Manuals shall be accessible by all members and documented in a Policy and/or Procedure Manual. No staff of the Association through the Members Only section of the NRHA website. There shall be no official policy or procedure represented, recognized or enforced by the Association or any representative thereof, other than those documented in a Policy and/or Procedure Manual. No policy or procedure shall supersede the Bylaws or Rules and Regulations of the Association.

**Section 3.** In the event the Board of Directors retains a person or qualified firm to be Commissioner of the Association, this person shall not be a member of the Board of Directors. The Board of Directors may retain a Commissioner to perform the function for a contract term not to exceed sixty (60) months. The duties, function, and remuneration for the position of Commissioner will be dictated by the Board of Directors. The Commissioner shall be a position to work in conjunction with the President of the Association and not exclusive thereof.

(a) Under the direction of the President of the Association, the Commissioner shall be responsible for the safe keeping and maintenance of the policy and/or Procedure Manual, and the Corporate Record Book which shall contain the Articles of Incorporation, Bylaws, Active Board Resolutions, Standing Rules and Regulations, Special Rules of Order, Standing Rules and Regulations, Special Rules of Order, Standing Rules, official minutes of the Board of Directors and Rules, Executive Committee meetings, and quarterly and annual financial statements, all of which shall be available for reference at each Board of Director's Meeting and accessible by all members and staff of the Association through the Members Only section of the NRHA website.

**Section 4.** In addition to the powers and authorities these Bylaws expressly confer upon them, the Board of Directors may exercise all such powers of the Association and do all such lawful acts that are not prohibited by statute or by these Bylaws.

**Section 5. Board of Directors** of this Association shall have a

(a) The Board of Directors of this Association shall have a

So long as the Director uses such skill and diligence as a person of ordinary prudence would use under similar circumstances, he or she shall not be held personally responsible for any actions taken on behalf of the Association.

**Section 10. Removal** Any Officer, Director, or the president of the Reining Horse Sports Foundation may be removed from the Board of Directors by a majority vote of the Board of Directors whenever, in its judgment, the best interests of the association would be served thereby. However, such removal shall be without prejudice to the contract rights, if any, of the person so removed.

**Section 11. An officer, director, employee, or staff member other than the President, attending an NRHA sponsored or approved event or any other horse show shall not attend in any official capacity unless authorized by the Executive Committee or the full Board of Directors as the case may be except for any official meeting.**

**Section 12. Confidentiality** NRHA will protect its own confidential and proprietary information as well as the information entrusted by financial institutions, members and suppliers. Directors, officers, committee chairs/members, employees of NRHA and/or agents acting on behalf of the Association shall maintain in confidence among themselves all confidential and proprietary information and shall not disclose or distribute any confidential or proprietary information except when authorized by the officers of the Association or compelled by statute. All confidential and proprietary information shall be utilized by those entrusted with it or granted access to it, only for the purpose(s) permitted in connection with their service to NRHA. Confidential information shall be those matters involving the following:

- (a) Any matter concerning NRHA personnel not otherwise publicly reported;
- (b) Issues relating to discipline, grievance and/or granting of Association privileges;
- (c) Terms of ongoing contractual negotiations and agreements;
- (d) Membership lists and associated personal information;
- (e) Communications from legal counsel relating to pending or threatened litigation;
- (f) And any other matter that is determined by no less than two-thirds (2/3) majority vote of the Board of Directors to be of a confidential nature. All other matters shall be considered common knowledge among the NRHA membership and staff.

## ARTICLE VII. COMMITTEES

**Section 1. Standing Committees** The Association shall have the following Standing Committees which shall report directly to the Board of Directors. Any chairman or committee member

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**Section 6. Quorum** A quorum for the purposes of these Bylaws is defined as a majority of the members of the Board of Directors. Once it is established that a quorum exists, any question that may come before the meeting shall be decided upon by a simple majority of such quorum, with the exception however, that in extraordinary circumstances, if a majority of the directors to form the initial quorum is not achieved, then the presiding officer may determine if there is a minimum of 36% of the total Board members present, and, if so, continue the meeting and any question coming before the meeting would require a two-thirds majority to act as if the entire board were sitting.

**Section 7. Any Board of Director that misses more than two (2) unexcused meetings per year may be removed for cause.**

**Section 8. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as a Director. No such payment shall preclude any Director from serving the Association in any capacity and receiving compensation in addition to his fee of**

the director.

**Section 9.** A Director of the Association shall stand in a fiduciary relation to the Association and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interest of the Association, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely on good faith information, opinions, reports or statements, including financial statements and other financial data, in each case prepared by any of the following:

- (a) One or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters presented;
- (b) Counsel, public accountants or other persons as to matters which Director reasonably believes to be within a professional and expert competence of such person;
- (c) A Committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which a Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his reliance to be unwarranted.

In discharging the duties of their respective positions, the Director shall at all time use the skill and diligence a person of ordinary prudence would use in similar circumstances.

of a Standing Committee may be removed by majority vote of the Board of Directors and their replacement selected in the same manner as the original appointment. The new member shall serve out the balance of the term of the member removed. Standing Committees shall keep minutes of their meetings and other records appropriate to their purposes and provide a quarterly report of their activities to the Board of Directors. With the exception of the Nominating Committee and the Compensation Committee, summaries of standing committee meetings shall be published in the Members Only section of the NRHA website. Standing Committee appointments shall be for the same two-year term as the incoming President.

- (a) **Nominating Committee.** The Nominating Committee shall be comprised of no less than (3) three and no more than (5) five members of the Board of Directors of the Association. Members of this committee shall be appointed by a majority vote of the Board of Directors at the first board meeting of the year. The chairperson of this committee shall be selected from within the committee itself by the committee members. No member of the Executive Committee may serve on or ex officio as a member of this committee.
- i. The Nominating Committee shall develop explicit criteria and qualities for board membership and submit to the full Board for approval.
- ii. The Nominating Committee shall be responsible for submitting a list of qualified candidates for the annual election of officers by the general membership, having first determined the candidate meets the eligibility criteria and their willingness to serve as an officer of the association. At least two candidates shall be submitted for the position of Vice President.
- iii. The Nominating Committee shall organize and oversee the Regional Director elections. They shall also assist the NAA Director elections to the extent of a written request for assistance is made by an NAA.
- iv. The Nominating Committee shall develop recommended guidelines for the annual electronic internet vote and mail-in ballots and submit that proposal to the Board of Directors for approval.

- v. The Nominating Committee shall be guided by Roberts Rules of Order Newly Revised and the American Bar Association's Guidebook for Directors of Nonprofit Corporations in executing their duties under this article.
- vi. Additional duties and responsibilities of the Nominating Committee may be enumerated by Board Resolutions to be filed with the Active Resolutions in the Corporate Record Book.

(b) **Finance Committee.** The Finance Committee shall be

comprised of no less than three (3) and no more than six (6) members. Three members shall be Board of Director members and up to three (3) additional members, who possess financial or accounting background, may be appointed from within or outside the board, but shall be NRHA members in good standing. The chairperson and members of this committee shall be appointed by the President of the Association with approval by the balance of the Board of Directors.

- i. **Duties of the Finance Committee.** The Finance Committee shall have responsibility over the Association's auditing, accounting and control functions.
- ii. The Finance Committee duties shall include, but are not limited to, choosing services needed in financial management, reviewing financial performance and approving the individual value center budgets prior to submission of the Association's annual budget to the Board of Directors for their approval. The Finance Committee shall monitor cash flow and provide quarterly financial reports to the Board of Directors. The Finance Committee shall be responsible to publish in the Members Only section of the NRHA website a quarterly financial report within 15 days after review by the Board of Directors and the annual audited financial statement within 4 months after the end of the fiscal year. The Board of Directors may grant extensions to this time in 30 day increments on a case by case basis for reasonable cause when requested by the Finance Committee. The Committee shall ensure that the annual financial statement is presented to the general membership at the next Annual General Membership Meeting.
- iii. Additional duties and responsibilities of the Finance Committee may be enumerated by Board Resolution to be filed with the Active Resolutions in the Corporate Record Book.

- (c) **Compensation Committee.** The Compensation Committee shall be comprised of three (3) members of the Executive Committee of the Association. The chairperson and members of this committee shall be appointed by the President of the Association with approval by the Board of Directors.
- i. **Duties of the Compensation Committee.** The Compensation Committee shall have the responsibility to recommend salaries for the Commissioner, the Chief Financial Officer, and any other staff positions as determined by the Board of Directors.
- ii. The Compensation Committee's duties shall include completion of an annual performance evaluation on those positions determined in (i) above and make a

report including necessary recommendations to the Board of Directors.

iii. Additional duties of the Compensation Committee may be enumerated by Board Resolution to be filed with the Active Resolutions in the Corporate Record Book.

(d) **Investment Committee.** The Investment Committee of the Association shall be comprised of the Executive Committee with the Reining Horse Sports Foundation President, and the Chief Financial Officer of the Association serving as advisors to this committee.

i. The duties of the Investment Committee shall be to evaluate the Association's short-term, mid-term and long-term financial needs relative to the investment of the Association's cash assets and to present an investment policy for approval to the Board of Directors. The Investment Committee shall consult with professional investment counsel in this endeavor. Following approval of the investment policy by the Board of Directors, the investment Committee shall proceed with the investment decisions made, monitor closely the performance of the investments and make necessary adjustments to achieve the overall investment goals of the Association. The Investment Committee shall keep minutes of their meetings and provide quarterly reports of their activities to the Board of Directors. Summaries of current investment Committee activity shall be published on the Members Only section of the NRHA website.

ii. Additional duties of the Investment Committee may be enumerated by Board Resolution to be filed with the Active Resolutions in the Corporate Record Book.

(e) **Bylaw Committee.** The President, at the beginning of his/her term of office shall appoint a Bylaw Committee, comprised of no less than three (3) and no more than six (6) members. These appointments shall be approved by the Board of Directors. Bylaw Committee duties and responsibilities shall be:

i. To review bylaws and make recommendations to the Executive Committee for maintenance as necessary.

ii. To receive and review all bylaw amendment proposals that may be submitted by any member, committee or board.

iii. To work with the author of any bylaw amendment proposal submitted to determine the desired intent of the proposed amendment and further refine the wording if necessary to achieve the desired result.

iv. To work with the author of any bylaw amendment proposal submitted to assure the language is in proper form as it relates to the governance, operations and functions of the Association.

v. To assure any bylaw amendment proposal being sub-

mitted complies with the Articles of Incorporation, Oklahoma State Statutes, Federal law, and does not conflict with Roberts Rules of Order Newly Revised or any Special Rules of Order of this Association.

vi. To recognize duplicate or similar bylaw amendment proposals submitted and work with their authors to consolidate, modify or otherwise reduce the number of proposals addressing the same or similar issue.

vii. To collect from the authors or proponents of the proposed bylaw amendment, a statement in support of the amendment that presents the benefit(s) of this amendment to the Association and, with the approval of its authors, edit this statement so that it is suitable for publication and presentation to the voting membership.

viii. To accept from opponents of the proposed bylaw amendment, a statement against the amendment that presents the negative impact this amendment would make upon the association and, with the approval of its authors, edit this statement so that it is suitable for publication and presentation to the voting membership.

ix. To compile proposed bylaw amendments and statements for and against each into a publication or presentation format that can be attached to an email, reproduced in the NRHA Reiner, posted on the NRHA website, and incorporated into electronic and paper ballots.

x. The Bylaw Committee shall work from an unbiased position toward any proposed bylaw amendment received. They shall not edit any proposed amendment or statement except with the permission of the author, nor shall they continue edits after the author has approved a final version of the proposed amendment or statement. The committee does not have the authority to approve or deny the submission of any proposed amendment unless its intent or the result of its application is contrary to the NRHA Articles of Incorporation, Oklahoma State Statutes, or Federal law.

xi. Additional duties of the Bylaw Committee may be enumerated by Board Resolution to be filed with the Active Resolutions in the Corporate Record Book.

**Section 2. Additional Committees.** The Board of Directors may authorize additional committees to be utilized for assistance in the operation and management of the Association. Such committees shall be formed by board resolution which shall define the committee name, the purpose of the committee and committee guidelines to be followed. This resolution shall become an Active Resolution to be filed in the Corporate Record Book and may be modified or rescinded by the Board of Directors.

(a) Upon direction of the Board of Directors, the President shall appoint a committee Chairperson of such committee. Regional or NAA Directors shall be given first consideration for Chairperson positions.

(b) The Chairperson shall appoint the members of their respective committee. The Committee shall consist of the Chairperson, a Vice-Chairperson and a minimum of three (3) additional members. All appointments shall be made for a two (2) year term which shall coincide with the term of the incoming President. Should a Chairperson vacancy occur for any reason, the President shall appoint a new Chairperson to fill the remainder of the term, giving first consideration to those current members of the respective committee. If a vacancy appears among committee members, the chairperson shall appoint a new member to fill the remainder of the term. All chairperson and committee member appointments are subject to the approval of the Executive Committee.

(c) The chair of an additional committee may be removed by a majority vote of the Executive Committee.

(d) Responsibilities, tasks, and projects may be assigned to a committee by the President, Executive Committee or Board of Directors. The committee Chairperson shall preside over the activities of the Committee.

(e) Committees shall each be assigned a member of the Association staff to serve the committee in a liaison capacity. The Staff Liaison shall be a non-voting support person functioning under the direction of the Committee Chairperson.

(f) No person shall be involved, as chairperson or member, with more than three (3) Additional Committees simultaneously during their term in office.

(g) Committees shall keep minutes of their meetings and provide quarterly reports of their activities to the Board of Directors. When Committees are engaged in matters that involve presenting a recommendation to a higher authority, they shall submit a Committee Recommendation Report on the issue at hand to the respective higher authority. This report shall become a part of and published with the permanent minutes of the meeting in which it is presented. Summaries of current individual committee activity shall be published on the NRHA website.

(h) Advance selection of committee chairs and committee members shall be accomplished during the last quarter of the preceding term year by the incoming Executive Committee in order to accomplish education and orientation for all newly elected chairpersons prior to the first official board meeting of the new calendar year.

(i) Officers may only be involved in committees ex-officio as

a member with the exception that no officer shall serve on or ex-officio as a member of the Nominating Committee.

**Section 3. Task Force.** The Board of Directors, President, or Executive Committee may commission a Task Force which shall be utilized for a specific purpose of limited scope and duration.

(a) The Task Force shall be active only until the assigned task is completed and a formal written report has been prepared at which time the Task Force shall be dissolved.

(b) A Task Force shall consist of at least five (5), but no more than nine (9) members and one (1) Chairperson, all appointed by the President. Should a chairperson vacancy appear for any reason, the President shall appoint a new Chairperson for the duration of the Task Force, giving first consideration to those current members of the Task Force. If a vacancy appears among members, the President may appoint a new member for the duration of the Task Force.

(c) All appointments shall be subject to the approval of the Board of Directors.

(d) The Task project, and responsibility of the Task Force shall be directed by the authority calling for the appointment of the Task Force.

(e) The Chairperson shall preside over the activities of the Task Force.

(f) A Task Force shall be assigned a member of the Association staff to serve in a liaison capacity. The Staff Liaison shall be a non-voting support person functioning under the direction of the Chairperson.

(g) The Task Force shall keep minutes of their meetings and provide a monthly report of their activities to the Board of Directors. Findings and recommendations of the Task Force shall be published in the "Members Only" section of the Association's website unless it has been determined by a two-thirds majority vote of the Board of Directors that the activities, findings and recommendations of subject Task Force are to be considered confidential.

## ARTICLE IX. NRHA AFFILIATES

**Section 1. NRHA recognizes the following types of affiliates:**

(a) **National Association Affiliates**

- i. Only one affiliate per country will be recognized as a "National Association Affiliate."
- ii. Must have twenty-five (25) members in good standing with the NRHA.

- iii. At least four (4) NRHA approved shows with full states of classes must be held within each respective country, during the previous calendar year.

- iv. Each National Association Affiliate must submit annually a summary report of its past and current year activities and future plans to promote training and NRHA

in their respective country. If the NAA participates in the International Affiliate Program as outlined in General Rules and Regulations, they must report financial information on the distribution of AP rebates.

**(b) Breed Association Affiliates**

i. Must have ten (10) members that are in good standing with the NRHA.

**(c) Regional Affiliates**

i. Must have twenty-five (25) members that are in good standing with the NRHA.

ii. No more than one (1) Regional Affiliate will be sanctioned within a 50-mile radius. Affiliates in good standing have first priority.

iii. If annual dues are not received by the NRHA office by March 1 of the current year and the affiliate did not hold an NRHA approved event the previous year, that geographical area will become available for the formation of a new affiliate.

**Section 2.** Each NRHA affiliate must have on file with the NRHA a properly executed NRHA Agreement of Affiliation as prepared by the Affiliate Committee and approved by the NRHA Board of Directors. Additionally, the affiliate must also send to the National Reining Horse Association annual dues to be set by the Board of Directors and otherwise comply with the NRHA Rules and Regulations.

**Section 3.** An affiliate in good standing has the right to recommend to the Board of Directors, one representative whose name will be published in the *NRHA Reiner* magazine.

**Section 4.** All NRHA Affiliate officers must be members in good standing with NRHA.

**Section 5.** Affiliation with the NRHA is a privilege, not a vested right, and is granted or rejected at NRHA's discretion on an annual basis according to its procedures and requirements.

**Section 6.** All affiliate associations are required to have Bylaws. If an affiliate does not have a specific set of Bylaws written on its behalf, it must adopt the Bylaws of the NRHA. All affiliates are required to have, either their Bylaws, together with any and all amendments, or a proper resolution adopting the NRHA Bylaws for itself on file with the NRHA. All affiliates are required to follow the rules as set forth in the *NRHA Handbook*. Prior to becoming an affiliate, the Bylaws of the new affiliate must be approved by the Executive Committee. Any subsequent changes in the Bylaws of the affiliate must also be approved by the Executive Committee.

**Section 7.** No affiliate association shall have, in any manner, the authority, express or implied, to act for, or bind, the NRHA in any manner.

**Section 8.** NRHA does not assume responsibility for the acts

or omissions of its affiliate associations, their officers, directors, employees, or any other of their representatives.

**Section 9.** Within one year, affiliates will be expected to develop and maintain a website for the purpose of communicating with their members and with NRHA. All affiliate websites will be linked to the NRHA website.

**ARTICLE X. PARLIAMENTARY AUTHORITY**

**Section 1.** The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Association may adopt. Any Special Rules of Order must be approved within a bylaw amendment pursuant to Article XV.

**ARTICLE XI. ANNUAL STATEMENTS**

**Section 1.** An annual audit of the NRHA financial statements shall be performed by an independent certified public accounting firm at the close of each fiscal year. Results of said audit will be reported at the next general meeting of the membership following the completion of said audit and published on the NRHA website within four months after the close of the fiscal year or within any extension that may be granted by the Board of Directors pursuant to ARTICLE VII, Section 1.B.ii. Such accounting firm shall be an independent as defined by the AICPA (American Institute of Certified Public Accountants) Independence guidelines.

**ARTICLE XII. INDEMNIFICATION**

**Section 1.** The Association shall indemnify each of its directors, officers, employees and committee members whether or not then in service as such, against all reasonable expenses actually and necessarily incurred by him or her in connection with the defense of any litigation to which the individual may have been a party because he or she was a director, officer or employee of the Association. The individual shall have no right to reimbursement, however, in relation to matters as to which he or she has been adjudged liable to the Association for negligence or misconduct in the performance of his or her duties, or was derelict in the performance in his or her duty as a director, officer or employee by reason of willful misconduct, bad faith, gross negligence, or reckless disregard of the duties of his or her office or employment. The right to indemnity for expense shall also apply to expense of suits which are comprised or settled if the court having jurisdiction of this matter shall approve such settlement.

The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights which such director, officer or employee may be entitled.

**ARTICLE XIII. CONTRACTS, LOANS, CHECKS AND DEPOSITS**

**Section 1. Contracts.** The Board of Directors may authorize

any officer or officers, agent or their designees, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. This authority in no way conflicts with the authority of the President to enter into agreements as set forth under the obligations and duties of an officer.

**Section 2. Loans.** No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

**Section 3. Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 4. Deposits.** All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

#### **ARTICLE XIV. MISCELLANEOUS PROVISIONS**

**Section 1.** All checks or demands for money and notes of the Association shall be signed by such officer or officers or their designees, as the Board of Directors may from time to

time designate.

**Section 2.** Whenever written notice is required to be given to any person, it shall be given in writing to and delivered by first-class, prepaid mail, telecopy, personal delivery, overnight courier, or electronic mail. Any notice given must be given to the last address, telecopy number or electronic mail address of the member shown on the Association's records. Notice shall be deemed given at the time of delivery through the means of delivery utilized; and, if for meetings, shall state the date, place and hour of the meeting and purpose or purposes for which the meeting is called.

**Section 3.** Whenever any written notice is required by statute, or by the Bylaws of this Association, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether if before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a person, at any meeting, shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the expressed purpose of objecting to a transaction of any business because the meeting was not lawfully called or convened.

**Section 4. Minutes and Financial Reports.** The minutes of all Board of Director meetings, Executive Committee meetings,

and committee meetings shall be published on the NRHA Members Only section of the NRHA website. Included in those minutes shall be the attendance, absence or excused absence of members of the respective board or committee. Voting results for rule changes shall be recorded and reported so that the general membership can see how their elected representatives are voting. Only the Board of Directors and Executive Committee meeting minutes shall be published and Executive Committee meeting minutes shall be published in the NRHA *Reiner* Issues relative to disciplinary proceedings in the individual members shall be handled pursuant to Section C-H of the General Rules and Regulations of the NRHA Handbook and the details of those proceedings shall not be published. Minutes of meetings called for within this section shall be published no more than 120 days after the respective meeting for which they pertain.

#### **ARTICLE XV. AMENDMENTS**

**Section 1.** Amendments to the Bylaws may be submitted by any member, committee or board and must be properly stated on the official Bylaw Amendment Form, signed by two members, and submitted to the NRHA office at least ninety (90) days prior to the date of the annual elections established by the Board of Directors. Written notice of the proposed amendments shall be listed in detail on the NRHA website and in the NRHA official publication or by a special mailing to the membership at least thirty (30) days prior to the annual elections. These amendments will be considered and voted on during the annual elections, and must be passed by two-thirds of the members voting.

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BEFORE THE BOARD OF DIRECTORS OF  
THE NATIONAL REINING HORSE ASSOCIATION

CONCERNING: KIT COSPER

The NRHA received information concerning Kit Cosper and others in conjunction with the NRHA workplace environment.

The matter was investigated in a fair and reasonable manner by an outside firm, independent from the NRHA.

Facts were gathered from numerous witnesses by the independent investigators. The facts gathered from the investigation were reported to the Board of Directors by the independent investigator. Kit Cosper was afforded opportunity to present information to the Board of Directors. The matter was then discussed.

The Bylaws of the 2012 NRHA Handbook, Article VII, Section 10; states:

Any Officer, Director, or the president of the Reining Horse Sports Foundation may be removed from the Board of Directors by a majority vote of the Board of Directors whenever, in its judgment, the best interests of the association would be served thereby. However, such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Pursuant to the above Bylaw, on motion duly made, seconded and passed by a majority vote of the Board of Directors of the National Reining Horse Association, Kit Cosper was removed as a member of the Board of Directors and Executive Committee.

Done this 21<sup>st</sup> day of January, 2012.

NRHA Board of Directors



By:

Terry T. Wiens  
NRHA General Counsel

EXHIBIT



PENGAD 800-851-8589

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11

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

JAMES KITCHEN COSPER,  
an individual,

Plaintiff,

v.  
NATIONAL REINING HORSE  
ASSOCIATION, an Oklahoma  
Corporation,

Defendant.

)  
Case No. CJ-2016-5297

)  
Judge Thomas E. Prince

DECLARATION OF RICK CLARK

I, Rick Clark, pursuant to 12 O.S. § 426, declare as follows based on personal knowledge:

1. I am president of the National Reining Horse Association ("NRHA"), the defendant in the above-captioned lawsuit. I have served as NRHA president since 1/1/15. Prior to serving as president, I served as vice president for two years. All told, I have been a member of the NRHA Executive Committee since 2011 and a member of the NRHA Board of Directors since 2008.
2. I am acquainted with James "Kit" Cosper, the plaintiff in the above-captioned lawsuit.
3. Mr. Cosper was previously a member of the NRHA, the NRHA Board of Directors, and the NRHA Executive Committee. In January 2012, Mr. Cosper was removed by the NRHA Board of Directors from his position on the Executive Committee and from his position on the Board of Directors for improper conduct pursuant to the NRHA Bylaws.

4. Mr. Cosper never complained to me or, to my knowledge, to any other members or staff of the NRHA about the process (pursuant to the NRHA Bylaws) involved in his removal from the NRHA Executive Committee and the NRHA Board of Directors.

5. After the last NRHA commissioner resigned from his position, it took the NRHA Executive Committee 16 months to locate another individual who was qualified and willing to serve as the NRHA commissioner. It is my belief that the length of this process—locating and hiring a new commissioner—and the related discord and controversy were created by Mr. Cosper and others.

6. After a lengthy search process, Gary Carpenter agreed to be the NRHA commissioner. The NRHA commissioner is the head of the NRHA staff and serves in a capacity similar to the position of an executive director in most nonprofit organizations like the NRHA.

7. Over the past two years, Mr. Cosper has undertaken numerous and continued actions against the NRHA as a whole, the NRHA Board of Directors, the NRHA Executive Committee, and—most troubling—the NRHA staff members.

8. Among other actions, Mr. Cosper has attacked the NRHA staff publicly, including through social media.

9. One of Plaintiff's social media attacks was against Todd Branson, a then-staff member at the NRHA, who Plaintiff labeled a "gutless coward."

10. In May 2016, the NRHA Executive Committee voted unanimously to revoke Plaintiff's NRHA membership. In doing so, the NRHA Executive Committee analyzed and

interpreted its Bylaws and its General Rules and Regulations and determined that the Executive Committee had the discretion to revoke Plaintiff's NRHA membership.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on the 2 day of December, 2016.

Signed:

  
Rick Clark

12/2/16 Oklahoma City, OK  
Date and Place of Execution

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**Kit Cosper**

July 9 at 4:24pm · Edited

Would appreciate the gutless coward at NRHA who reported the cover photo I had posted to Facebook for copyright infringement being man enough to admit to it. The photo was purchased from Waltenberry and was used under their guidelines. NRHA has no dog in the fight. Gary L Carpenter Rick Clark

Gutless coward has been identified - Todd Branson, marketing guy.

Like · Comment

4 Nelle Murphy and 16 others like this.



**Samantha Allen** What was the photo of?

July 9 at 4:29pm · Like



**Kit Cosper** It was a stop picture of one of our mares.

July 9 at 4:29pm · Like ·  1



**Kit Cosper** Perhaps they'll like the new one better.

July 9 at 4:30pm · Like ·  2



**Craig Sutter** Help me understand. You posted a picture on facebook that you had purchased from Waltenberry and someone at the NRHA reported a copyright infringement?

July 9 at 4:32pm · Like ·  1



**Samantha Allen** That's silly! Everyone posts those and as long as the photographer conditions are met I don't get the issue. What the hell....

July 9 at 4:32pm · Like ·  1



**Kit Cosper** Precisely. Obviously they're targeting me. Must have hit a nerve

July 9 at 4:32pm · Like ·  6



**Kit Cosper** Bullying, plain and simple.

July 9 at 4:34pm · Like ·  3



**Kit Cosper** Quite professional, don't you think?

July 9 at 4:34pm · Like ·  3

PENGAD 800-631-4889

EXHIBIT

4

5

NATIONAL REINING HORSE ASSOCIATION  
Executive Committee  
Executive Session Conference Call Minutes  
May 25, 2016

*Approved 8/15/16*

**Present:** President Rick Clark, Vice President Mike Deer, Casey Hinton, Brian Welman, Josh Visser, Kelli Brummett, Mike Hancock

**Absent:** Rosanne Sternberg

**Staff:** Commissioner Gary Carpenter, Chief Financial Officer John Foy, Chief Communications Officer and Assistant Commissioner Christa Morris-Stone, Senior Director of Events and Affiliates Shianne Megel, Executive Assistant Liz Kelsey, Senior Coordinator of Events and Affiliates Megan Lundquist

**Guests:** Terry Wiens

**Call to Order**

President Rick Clark called the meeting to order at 2:05 p.m.

**Executive Session**

A motion and a second were made to revoke the membership of Kit Cosper per the NRHA Handbook and the recommendation of NRHA Legal Counsel.

A motion and a second were made to amend the original motion to include a note of confidentiality and the normal response time of ten days in the notification letter sent from NRHA Legal Counsel.

Amendment passed. Original motion passed.

**Update on Europe**

Shianne Megel presented the update on the Memorandum of Understanding (MOU).

**North West Reining Association**

Megan Lundquist presented an update on the North West Reining Association as today marked their 90 day deadline to come into compliance. As of today, their application will be officially rejected and their \$100 fee will be returned.

*Meeting adjourned at 2:49 p.m.*



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**TERRY T. WIENS**  
ATTORNEY AT LAW  
Voice: (405) 848-8812 – Fax: (405) 843-7935

4301 Southwest 3<sup>rd</sup> Street  
Oklahoma City, OK 73108  
email: twiensatty@aol.com

May 25, 2016

Mr. Kit Cosper  
2425 Blue Banks Loop Road NE  
Leland, North Carolina 28451

Re: National Reining Horse Association Membership

Mr. Cosper,

Pursuant to Article 2, Section 1 of the National Reining Horse Association (NRHA) bylaws, which states that "Membership is open to any individual of good character and reputation that has an interest in reining horses and the promotion of the reining horse. However, membership is a privilege and not a vested right and is granted, rejected or revoked at the discretion of the Executive Committee." The Executive Committee of the NRHA has had a motion presented to revoke your membership. This motion was duly seconded and passed. Your membership in the NRHA has been revoked and you are no longer a member. If you desire to discuss this matter in person before the Executive Committee, please let me know within ten (10) days of the date of this letter and you will be notified of the scheduled date, time and place. If I do not hear from you, this matter will be considered closed.

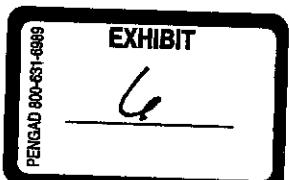
The NRHA considers this to be a confidential matter and expects all those involved in this decision, including yourself, to respect the confidentiality of this matter. This confidentiality is of a continuous nature.

Respectfully,



Terry T. Wiens  
NRHA General Counsel

TTW/ch  
cc: NRHA Executive Committee



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## GENERAL RULES AND REGULATIONS

### GENERAL RULES AND REGULATIONS

#### A. RULE CHANGE PROCEDURES

**Section 1.** Rule change submissions that may add, alter, or amend any rule in the NRHA *Handbook* may be submitted by any NRHA member in good standing, NRHA Committee, NRHA Staff, NRHA Board of Directors (*Board*), NRHA Executive Committee or NRHA Task Force.

**Section 2.** Only the *Board* can vote on and pass a rule change. Submission deadlines for rule change proposals will be published in the *NRHA Reiner* magazine (*Reiner*) and on the NRHA website. The *Board* must review all proposed rule changes during at least two meetings prior to taking a *Board* vote. All proposed rule changes must be published in the *Reiner* and posted on the NRHA website for membership review prior to a *Board* vote. The author may withdraw a rule change proposal at any time prior to the *Board*'s first review. The *Board* may make recommendations to modify a proposal or send the proposed rule change to the appropriate committees for review. On the day of the official *Board* vote, the rule change will either be passed or defeated as written, passed or defeated as amended, or no action will be taken.

**Section 3.** Each committee may review any proposed rule change and provide a recommendation to approve or disapprove the rule change.

**Section 4.** In the best interest of the NRHA and its members, the officers of the Association are empowered to make clarifications as needed to the *NRHA Handbook*, during day-to-day management. In instances where the rules are not clearly written or defined, Any changes under this provision will then be corrected in the manner outlined in the *NRHA Handbook*.

#### B. AFFILIATE COMPLIANCE

Renewing NRHA Affiliates shall submit *Affiliate dues and a complete and correct annual renewal application listing officers who must be NRHA members in good standing for the current year by January 31. NRHA Affiliates failing to meet application requirements by the due date will be held in suspended business status—including show approvals—until the required application has been received or until March 1. If the application is still outstanding, all Affiliate officers are not current members in good standing by March 1, Affiliate status will be annulled. Annulment status will be published in the *Reiner*. After March 1, an annulled Affiliate may apply for renewal by paying a \$50 re-instatement fee and submitting a completed affiliate renewal application and representing officers who are current NRHA members in good standing.*

#### C. INTERNATIONAL AFFILIATE PROGRAM

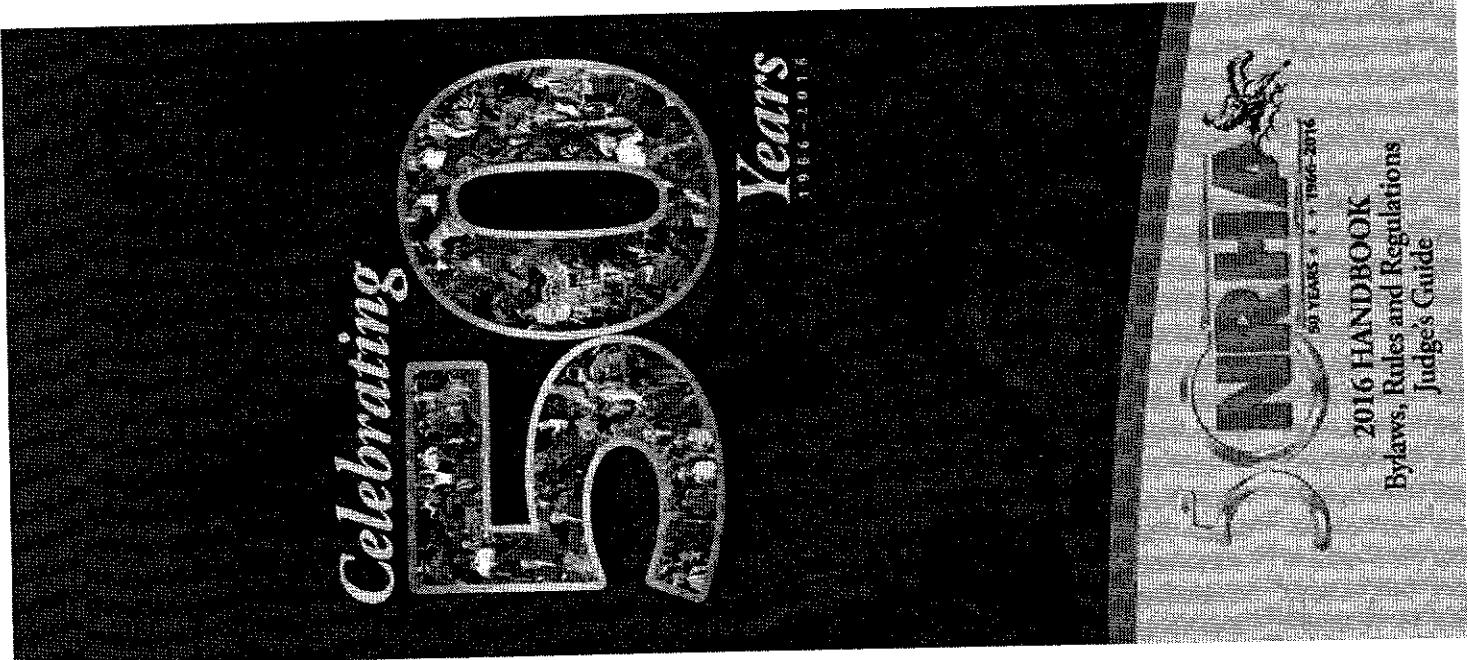
Designation as an NRHA National Association Affiliate (*NAA*)

EXHIBIT

7

PENGARD 800-631-6969

2016 HANDBOOK  
Bylaws, Rules and Regulations  
Judges Guide



is a privilege, not a right, bestowed by the Board, according to procedures formulated by the Executive Committee.

#### **Section 1. National Association Affiliate Rights and Responsibilities:**

(a) Reining organizations outside of the US must first be granted Regional Affiliate status. Once the group has been a Regional Affiliate in good standing for at least a year, has twenty-five (25) NRHA members in good standing and meets specified show requirements, that Affiliate will have the right to apply for the NAA program. October 31 is the deadline to apply for NAA participation for the next calendar year.

(b) Once NAA status has been granted and the NAA has reached one-hundred (100) NRHA members, the NAA will have the right to apply for the NRHA International Affiliate Program (IAA). Each NAA will inform the NRHA by October 31 of the year prior whether it wishes to adopt the program for the next calendar year.

#### **Section 2. NRHA International Affiliate Program Rights and Responsibilities:**

(a) The National Association may elect to establish a joint membership between the National Association Affiliate and the NRHA.

(b) All Reining events will be NRHA approved.

(c) All records will be maintained in the official NRHA database.

#### **Section 3. In support of the International Affiliate Program, NRHA will agree to the following:**

(a) Recognize the NAA as the organization to govern and lead the sport of Reining on a national level within that country.

(b) Rebate to the NAA \$20 for each member in that country who is also an NRHA member (General, Non Pro or Professionals) in good standing.

(c) Rebate to the National Affiliate fifty percent (50%) of NRHA's show fees for every show that is NRHA approved and held either inside that country's geographic borders, or run under the auspices of that NAA.

(d) Authorize that protests originating within a respective country be adjudicated by the NAA for that country. The appeals process will be to the Executive Committee.

(e) Authorize the NAA to make recommendations on all show approvals within that country.

(f) Maintain historical and database records for participating International Affiliate Program NAAs and to provide that information upon request.

#### **D. DISCIPLINARY PROCEDURES**

**Section 1. NRHA membership carries responsibilities as well as certain rights. Any member may be disciplined, fined, or have his/her membership revoked or suspended for good cause. The Executive Committee may deny membership when it in its sole discretion establishes that a non-member is not a worthy candidate. See Bylaws Article II, Membership.**

**Section 2. Anyone who becomes an NRHA member is subject to all portions of the Bylaws, Rules and Regulations, and accepts and agrees to be bound by all the Bylaws, Rules and Regulations, Terms and Conditions of this NRHA Handbook.**

**Section 3. Anyone who becomes an NRHA member or is subject to any portion of the Bylaws, Rules and Regulations, Terms and Conditions of this NRHA Handbook renounces any recourse which he or she may have against the Association in connection with the enforcement of those rules. This would include any associated or related corporation, trust, or other business entity.**

**Section 4. Protest and Complaint Filing Procedures.**

**(1) Violations, including false declarations, of the NRHA Handbook**

**discovered by NRHA during the course of business shall be referred to the NRHA President, Commissioner, and Legal Counsel to determine the need to refer the matter to a hearing body.**

**(2) Protest and Complaint Filing:** When a member in good standing believes that the conduct of another member or non-member warrants disciplinary action, or a violation of NRHA Rules and Regulations has occurred at an NRHA approved event, he or she must file a valid written signed protest or complaint with the NRHA office within fifteen (15) days of the actual incident, and/or within fifteen (15) days of having gained knowledge of the incident. NRHA may act on infractions outside of fifteen (15) days to protect the integrity of the Association, welfare of the horse, or safety of NRHA members.

**(3) Protest and Complaint submissions are not considered valid without the appropriate information. Requirements to properly submit a protest or complaint include:**

**(a) Name of accused**

**(b) Event name, date and location**

**(c) Accused allegation and section of the NRHA Handbook violated**

**(d) Witness list with contact information**

**(e) Detailed description and/or evidence of the allegation or complaint.**

**(f) \$250 filing fee**

**(4) Protest and Complaint Filings for which \$250 filing fee is waived:**

**(a) Standing or Additional Committee, as a committee and/or committee chair, if the alleged rule violation falls within that committee's domain.**

**(b) Show Stewards>Show Representatives involved as officials at an event who are not directly involved as an exhibitor or have higher membership**

a particular class in question.

(c) Judges' Grievances that forth conduct warranting disciplinary action. See "Judges Guidelines".

(d) Show Managers or Show Secretaries who are involved as officials at an event.

(5) One-half of the filing fee (\$125) will be refunded in the event sanctions issued by the Hearing Body.

(6) Past history may be considered for all disciplinary matters.

(7) The Executive Committee may, by giving written notification, temporarily suspend a member for any action considered egregious; the effect shall be to deny further NRHA privileges until the Investigative Review Committee (IRC) and/or Hearing Body can hear the matter and take appropriate disciplinary action if deemed necessary.

#### **Section 5. Investigation Review Committee.**

(1) Each properly filed protest or complaint will be assigned to an IRC.

(2) The NRHA President will appoint three (3) members from the Board of Directors to serve on an IRC.

(3) One (1) member/director will be appointed as the IRC manager; he/she will be responsible for presenting facts to the Hearing Body if deemed necessary.

(4) The IRC is responsible for a preliminary review of the assigned protest or complaint.

(5) Upon review, the IRC may reject or advance the case to the full Hearing Body for final resolution.

(6) If the IRC finds the protest or complaint is sufficient to warrant a hearing, all parties will be advised accordingly. However, the IRC may issue a letter of concern or reprimand to any party or parties relative to the matter.

(7) If the IRC advances the case to the Hearing Body, the accused shall be given not less than a 30-day notice as to the time and place of the hearing. Such time period requirement may be waived by the accused.

(8) The IRC manager will present the facts of the case at the hearing and will not be a voting member of the Hearing Body.

(9) Members of the IRC, all evidence, statements and documents relating to a case will be confidential.

(10) The Board may remove any member of the IRC at any time, for any reason, by a majority vote. The empty seat will be filled through the appointment process.

(11) The IRC may request an NRHA Committee recommendation prior to determining whether to advance or reject of any case.

(12) The IRC may submit a sealed, confidential recommendation for discipline, to be opened only if there is a hearing and the Hearing Body has determined that disciplinary action is warranted.

(13) If the IRC decides to forward a case to the Hearing Body, the NRHA President, Commissioner and Legal Counsel may offer the

accused the IRC's recommended sanctions. Should the accused verbally accept the sanctions, a written finding and acceptance letter will be forwarded to the accused. When the letter is signed and returned, the sanctions will become effective immediately as if the Hearing Body had heard the matter, and the protest shall be considered final.

#### **Section 6. Hearing Body.**

(1) The Hearing Body shall consist of five (5) members composed of two (2) members of the Board, and three (3) nominated external NRHA members in good standing.

(2) The Executive Committee is responsible for nominating prospective members of the Hearing Body. The Board will give final approval to the nominees. Once the nomination and approval process is complete, the Hearing Body shall function independent of the Executive Committee and Board.

(3) The term of office for a member of the Hearing Body shall be two (2) years.

(4) No term limitations apply and a current member of the Hearing Body may be re-nominated.

(5) For the first year of nominations one (1) member of the Board of Directors and two (2) NRHA members will be elected for a one (1) year term, the remaining one (1) Board member and one (1) NRHA member shall be nominated for a two (2) year term.

(6) If a member of the Hearing Body cannot finish a term, an individual will be nominated and approved to fulfill the remainder of that term.

(7) The Board may remove any member of the Hearing Body at any time, for any reason, by a majority vote. The empty seat will be filled through the nomination and approval process.

(8) In the event a protest or complaint is received by the Hearing Body, the Hearing Body shall be responsible for the conduct of all disciplinary activity involving members of NRHA.

(9) The decision and action of the Hearing Body shall be final and binding upon all parties. However, any aggrieved party to any protest may appeal its decision upon the notification and payment of a \$500 fee to the NRHA within ten (10) days (post-mark) of the Hearing Body's announcement.

(10) The Executive Committee will review the appeal file and will either support or overturn the Hearing Body's decision. If a member of the Executive Committee is elected to serve on the IRC or Hearing Body, he/she will not be allowed to participate in the appeals process.

(11) If Executive Committee members are involved in the investigation, the Board shall have the right to appoint members to fill their vacancies during the appeals process.

(12) The makeup of the Hearing Body will be confidential. All evidence pertaining to a case, all testimony in the hearing, and

(13) If the IRC decides to forward a case to the Hearing Body, the NRHA President, Commissioner and Legal Counsel may offer the

all Hearing Body member deliberations will be confidential.

#### **Section 7. Hearing Procedures.**

(1) All disciplinary hearings shall be held at the NRHA principal office, or any other location as determined by the Hearing Body.

(2) A telephonic conference call may be used to achieve a quorum of the Hearing Body.  
(3) If a quorum cannot be achieved, the accused may elect to continue with the disciplinary hearing with less than a quorum, or the presiding judge may delay the hearing until a quorum can be achieved.

(4) When the accused requires a quorum and it cannot be achieved because of disqualifications or refusal by Hearing Body members, the NRHA President shall appoint additional members from the Board to hear the disciplinary matter.

(5) All parties shall have the opportunity to appear in person at the hearing, with or without counsel, to present evidence and testimony on his or her own behalf, and to hear and refute any evidence offered against him/her or entity. Should the accused choose to appear at the hearing, he/she does so at his/her own expense. Additionally, any costs associated with counsel shall be borne by the accused, regardless of the hearing's outcome. The parties will receive a decision from the Hearing Body as soon as possible after deliberation.

(6) Proceedings before the Hearing Body shall be informal, and rules of evidence, both at common law or provided by Oklahoma rules of civil or criminal evidence, need not be strictly observed. The standard by which admissibility is determined is whether the evidence is such that an ordinary prudent person is willing to rely upon it. As an NRHA member, or a person appearing before the Hearing Body, the accused or person agrees that all witnesses and participants in such hearing shall be immune from any civil liability whatsoever, including, but not limited to, libel, slander, invasion of privacy, defamation or product of disparagement, for testimony given at—or in preparation for—the hearing.

**Section 8. Hearing Results.** Except as provided elsewhere in the *NRHA Handbook* in regard to any violation of NRHA Rules and Regulations by an individual, member, non-member, or entity, the Hearing Body shall impose at a minimum the following sanctions:

- (1) First Offense, not less than thirty (30) days probation.
- (2) Second Offense, not less than thirty (30) days suspension.
- (3) Third Offense, not less than a one-year suspension.
  - (a) If the Hearing Body does not feel there has been a violation of the *NRHA Handbook*, but feels the matter should be addressed, the Hearing Body is authorized to issue a letter of concern or reprimand to any party or parties.
  - (b) In addition to the minimum sanctions set forth above,

the Hearing Body has jurisdiction to invoke additional sanctions, including but not limited to: revocation and/or denial of membership privileges, revocation of participation privileges in ~~any~~ of all NRHA approved events, denial of privilege of access or presence on the show grounds of an NRHA approved event; denial of privilege to advertise in NRHA's official publications, and/or assessment of a fine.

(c) In the case of a violation by a show committee, Affiliate, similar organization, or by the NRHA itself, the Hearing Body may take such action as necessary to remedy the violation and, where appropriate, discipline accordingly.

(d) Sanctions shall continue beyond the original sanction period ordered by the Hearing Body so long as there is any unfulfilled or uncompleted requirement, such as the return of prize money, prizes, trophies, payment of fines, etc. In the event a sanction or requirement is unfulfilled or unsatisfied after sixty (60) days, that person's membership shall be automatically revoked. After fulfilling all obligations, that person may reapply for membership and other previously held privileges such as judging, Steward, Show Secretary, Professionals and Non Pro privileges subject to review and approval by the Executive Committee.

(e) When a member is disciplined, the Hearing Body<sup>\*\*</sup> findings of guilt will be presented to the Board. The NRHA has the right to publish the name of any member, or non-member in the appropriate disciplinary list.

**Section 9. Legal Actions.** Every member, former member, and non-member, including any corporation, LLC, partnership, trust, estate, or other legal entity that may be subject to these rules at any time, agrees that he, she, or such entity will not commence any action, whether in law or equity, against the NRHA in any courts other than those federal and state courts located in Oklahoma County, Oklahoma. If unsuccessful in any attempt to overturn any NRHA decisions, actions, rules or regulations, said person or entity agrees to reimburse NRHA for its reasonable attorney fees, court costs and other expenses in connection with the defense of such suit.

#### **E. CAUSES FOR DISCIPLINARY ACTIONS**

##### **Section 1. Non Pro Violations.**

(1) A Non Pro member shall follow the Non Pro Conditions set forth in the *NRHA Handbook*.

(2) Non Pro violation protests must be submitted through the *NRHA Protest and Complaint Filing Procedures* within two years of the actual incident. See Disciplinary Procedures.

##### **Section 2. Judge Violations.**

(1) The IRC may choose to request an Investigative Judges Review (IJR), prior to determining the advancement or rejection of any case.

**Section 3. Abuse.**  
(1) No one shall abuse or mistreat any horse in any manner whatsoever on the show grounds. Abuse is defined as an action, or failure to act, which a reasonably prudent person, informed and experienced in the customs, accepted training techniques, and exhibition procedures, would determine to be cruel, abusive, inhumane, or detrimental to the horse's health.  
(2) Individuals will be subject to the disciplinary procedures if it is determined that there was a willful abuse of the horse.

**Section 4. Unsportsmanlike Conduct.**

- (1) Unsportsmanlike conduct will not be tolerated. Unsportsmanlike conduct shall be defined as any action of disrespect, misrepresentation, falsehood, deceit or fraud directed to judges, show management, show representatives, stewards, the NRHA staff members, or other exhibitors.  
(2) Unsportsmanlike conduct shall also include failure to respond to any reasonable request by the NRHA, including failure to respond to disciplinary investigation inquiries.

**F. CAUSES FOR DISCIPLINARY ACTION (PROTEST OR COMPLAINT NOT REQUIRED)**

**Section 1. Forfeitures.** Any rider participating in a class or division in which he/she (or the horse he/she is riding) is not eligible. See Show Conditions.

**Section 2. Failure to Pay.**

- (1) Any member, non-member, approved event, or Affiliate may be suspended and denied NRHA privileges for failure to pay when due any obligation owed to:  
(a) National Reining Horse Association;  
(b) Reining Horse Sports Foundation;  
(c) NRHA Reiner magazine  
(d) An NRHA approved event; or  
(e) An NRHA recognized Affiliate.  
(2) Obligations owed under these provisions to NRHA approved events and Affiliates, include but are not limited to: entry fees, stall fees, office charges, all costs and fees associated with a returned check, and any other fees or charges connected with the exhibition of reining horses. This rule shall apply to the rider, owner, or agent for any unpaid debts related to the entry, exhibition, showing, stalling, or any related fee at an NRHA approved event. Agent is defined as anyone who acts and/or signs on the behalf of an owner or rider.  
(3) Fifteen (15) days prior to suspension or denial of privileges pursuant to this section, NRHA will provide written notification of the amount due and the intention to suspend or deny privileges. See Reinstatement Guidelines for reinstatement procedures.

**Section 3. Court of Law Convictions.** When knowledge is gained of a conviction of an individual of a felony, animal abuse

or moral turpitude under municipal, county, state or federal law, whether or not the NRHA is involved, the NRHA Executive Committee may subject the convicted person to discipline. Any discipline imposed will be stayed pending completion of any statutory appeals. Proof of any appeal in progress must be submitted to NRHA within thirty (30) days of notice of suspension. Acceptance of a conviction by NRHA will be given after notice to the sanctioned individual or entity, may request a hearing before the Executive Committee to present lack of due process by the conviciting court of law to merit. NRHA's refusal to impose discipline. A request for hearing must be submitted within ten (10) days of notice.

**Section 4. Disciplinary Actions by Other Equine Organizations.**

The Executive Committee may accept disciplinary rulings pertaining to cruel or inhumane treatment and medication violations of horses from other recognized equine related associations, states, provinces, or countries. The effect of such acceptance is to suspend the individual from NRHA membership privilege, or for non-members, to deny membership privileges, for a length of time equal to the suspension for which reciprocity is given. Acceptance of such rulings by NRHA will be given after notice to the sanctioned individual or entity, who may request a hearing before the Executive Committee to present lack of due process by the reporting association to merit NRHA's refusal to give reciprocity. A request for hearing must be submitted within ten (10) days of notice.

**Section 5. Failure to Comply with Suspension.** In the event a suspended member enters a horse as an owner, rider, agent or entity at any NRHA approved event during the suspension period, the NRHA will automatically impose an additional six (6) months of suspension, and all show prizes and awards will be forfeited to the NRHA as per the NRHA Handbook.

**Section 6. Other.**

- (1) If the Hearing Body deems the submission of a protest to be malicious and/or frivolous, appropriate disciplinary action may be taken.  
(2) Any member interfering with, or attempting to influence the outcome of, a protest investigation or hearing may be subject to NRHA disciplinary action. This would include contact with any NRHA member that may have decision making capability or any potential decision making capability including but not limited to the Board of Directors or Executive Committee.

**Section 7. Revoked Membership.**

- (1) Any member who has been suspended for any reason for more than three (3) consecutive calendar years will automatically have their membership revoked.  
(2) If a member or entity has suspended and revoked for failure to pay, that person may re-apply for membership by

**Fulfilling all outstanding obligations, paying the \$100 re-instatement fee and be subject to approval by the NRHA Executive Committee.**

#### **Section 8. Reinstatement Guidelines.**

- (1) A member must pay all obligations as a result of failure to pay or any other fines assessed by the NRHA.
- (2) A suspended member must pay the \$100 fee ~~in addition~~ to regular membership application fees to reinstate membership.

(3) A member receiving disciplinary action and/or suspension will lose all privileges (such as, Professionals, Non Pro, Judges, etc.) for the duration of the disciplinary period.

(4) A disciplined and/or suspended members must make a written request to the Executive Committee to regain privileges (Professionals, Non Pro, Judges, Show Secretaries, Stewards, etc.) once the disciplinary period is concluded. The Executive Committee ~~may~~ request a recommendation from an NRHA Committee prior to making a decision.

(5) Once re-instated, the member shall be eligible for the same divisions as ~~prior~~ to the suspension, ~~provided~~ the eligibility criteria did not change during the disciplinary/suspension period.

#### **G. Animal Welfare and Medications Provisions Applicable to all NRHA Events.**

It is not NRHA's intention to conflict with rules and regulations of states, provinces or countries in regards to medications. In cases, where NRHA shows are held in states, provinces or countries with medications rules and regulations, the rules and regulations of the state, province or country take precedence.

##### **Section 1. Testing**

(a) All horses entered in an NRHA approved class that meet the criteria of the NRHA Animal Welfare and Medications Policies are subject to examination by a licensed veterinarian who must be approved by NRHA. Said approved veterinarian may appoint a technician to perform certain duties under this rule. The examination may include physical, urine, blood tests and/or any other test or procedure at the discretion of said veterinarian necessary to effectuate the purposes of this rule.

(b) Persons responsible for a horse being tested who are not able to accompany NRHA drug testing personnel and the horse to the location where sample collection is to take place, to act as witness to the collection and sealing of blood and urine samples, and to sign the drug collection documents in the appropriate places as witness, must appoint an agent to do so. The absence of such a witness shall constitute a waiver of any objection to the identification of the horse tested and the manner of collection and sealing of the samples.

(c) Upon the collection of a sufficient number of tubes of blood from the horse, the tubes shall be divided into two groups. One group shall be labeled and identified as Blood Sample A, and the other as Blood Sample B, and they shall be sealed accordingly. Upon the collection of a sufficient volume of urine from the horse, a portion of the sample shall be poured into a second urine sample container. One container shall be labeled and identified as Urine Sample A, and the other as Urine Sample B, and they shall be sealed accordingly. These procedures shall be performed whether or not the person responsible or his/her appointed witness is present as provided for in section 1(b) above.

(d) In the event reasonable attempts at sample collections from the horse do not provide a sufficient number of tubes of blood or a sufficient volume of urine to be divided, labeled, and identified as Samples A and B, as determined by the testing veterinarian and/or technician, the sample(s) obtained (if obtained) shall be labeled and identified as Sample(s) A only, and it shall be recorded in the records of the Animal Welfare and Medications Program that the corresponding Sample(s) B does (do) not exist, in which event the obtained Sample(s) shall be subject to testing.

#### **Section 2. Cooperation**

(a) Cooperation with the veterinarian and/or his agent(s) includes:

- i. Taking the horse and the veterinarian and/or his agent(s) immediately to the location selected by said veterinarian and/or agent(s) for testing the horse and presenting it for testing.
- ii. Assisting the veterinarian and/or his agent(s) in procuring the sample promptly, including but not limited to removing equipment from the horse, leaving it quietly in the stall and avoiding any distractions to it. Schooling, lengthy cooling out, bandaging and other delays of this type shall be construed as noncooperation.

#### **Section 3. Responsibility and Accountability of Person(s)**

##### **Responsible**

(a) A person responsible is defined as any adult or adults who has or shares the responsibility for the care, training, custody, condition, or performance of a horse whether said person be a trainer, owner, rider, agent and/or coach.

Where a minor exhibitor has no person responsible, then a parent, guardian or agent or representative thereof assumes responsibility.

(b) The person(s) responsible in the absence of substantial evidence to the contrary are responsible and accountable under the penalty provisions of these rules:

- i. for the condition of a horse at an NRHA approved event and
- ii. to know all of the provisions of General Rules and Regulations G (including any advisories or interpretations published in the *NRHA Rider*) and all other rules and regulations of the NRHA and the penalty

provisions of said rules. For purposes of this rule, substantial evidence means affirmative evidence of such a clear and definite nature as to establish that said person responsible, or any employee or agent of the person responsible, was, in fact, not responsible or accountable for the condition of the horse. If any person responsible is prevented from performing his or her duties, including responsibility for the condition of the horses in his or her care, by illness or other cause, or is absent from any NRHA approved event where horses under his or her care are entered and stabled, he or she must immediately notify the event secretary and, at the same time, a substitute must be appointed by the person responsible and such substitute must place his or her name on the entry blank forthwith. Such substitution does not relieve the regular person responsible of his/her responsibility and accountability under this rule; however, the substitute person responsible is equally responsible and accountable for the condition of such horses.

(c) The person responsible represents the owner regarding horses being trained or managed, entities, scratches for complying with Section 8 of the Animal Welfare and Medications Provisions, is subject to the penalties provided in the Animal Welfare and Medications Policies.

(d) In the case of a horse competing under the Therapeutic Substance Provisions, any person responsible or other person subject to these rules who actually administers, attempts to administer, instructs, aids, conspires with another to administer or employs anyone who administers or attempts to administer a forbidden substance to a horse which might affect the performance of said horse at an event approved by the NRHA without complying with Section 8 of the Animal Welfare and Medications Provisions, is subject to the penalties provided in the Animal Welfare and Medications Policies.

(e) Any person(s) responsible or person subject to these rules who administers, attempts to administer, instructs, aids, conspires with another to administer or employs anyone who administers or attempts to administer any substance to a horse by injection or by any other route of administration, whether the substance is forbidden or permitted, at an event licensed by the NRHA, whether it be during a scheduled class in the competition ring, practice arenas, alleys leading into the arenas or any other public areas of the show grounds, is subject to the penalties provided in Section 5.

(f) Unless administered in a life-saving situation which should be done based on consultation with a veterinarian.

#### **Section 4. Results, Confirmatory Analysis, and Retest**

(a) Blood and urine samples labeled and identified as Samples A shall be subjected to chemical analysis by a laboratory with which NRHA has contracted for its serv-

ices. Blood and urine samples labeled and identified as Samples B shall be stored securely, unopened, at the contracted laboratory, to be used in the event that a confirmatory analysis shall be required.

(b) In the event the chemical analysis of Blood or Urine Sample A is negative, i.e., no forbidden substance or any metabolite or analogue thereof is found to be present in the sample, the corresponding Blood or Urine Sample in the sample, the corresponding Blood or Urine B shall be destroyed by the laboratory.

(c) In the event the chemical analysis of Blood or Urine Sample A is positive, i.e., a forbidden substance or any metabolite or analogue thereof is found to be present in the sample, this shall be prima facie evidence that the forbidden substance was administered in some manner to said horse, whether intentionally or unintentionally, or otherwise was caused to be present in the tissues, body fluids or excreta of the horse at the event, whether intentionally or unintentionally, such that the person(s) responsible deemed responsible and accountable for its condition is (are) liable under the provisions of Section 3.

(d) In the event the chemical analysis of Blood or Urine Sample A is positive, and upon the issuance of Notices of Charge to persons deemed responsible and accountable under the rules, a person charged who requests a confirmation analysis of the corresponding Blood or Urine Sample B must make the request in writing to NRHA Counsel, and it must be received within 15 days of the date of the Notice of Charge.

(e) The confirmatory analysis of the corresponding Blood or Urine Sample B shall be performed by a drug testing laboratory that must be mutually agreed upon by the person charged who requests the confirmatory analysis and NRHA Counsel, which laboratory must have demonstrated proficiency in performing the necessary confirmatory analysis, provided the corresponding Blood or Urine Sample B exists and is of sufficient volume to permit a confirmatory analysis. In the event the drug testing laboratory that analyzed Sample A is the only laboratory that has demonstrated proficiency in performing the necessary confirmatory analysis, as determined by NRHA Counsel, this laboratory shall be the only laboratory to which NRHA Counsel shall agree to perform the confirmatory analysis of the corresponding Sample B. Upon the completion of the confirmatory analysis, the laboratory performing the confirmatory analysis shall forward its findings and supporting data to all parties.

(f) In the event no agreement is reached as to a laboratory as required in Section 4(e) above, and the person charged who requests the confirmatory analysis does not revoke his/her request, the confirmatory analysis of the corresponding Blood or Urine Sample B shall be performed by the contracted laboratory as determined by NRHA Counsel, which laboratory shall forward its findings and supporting data to all parties. Both the results

of the analysis of Sample A (and supporting data) and the results of the confirmatory analysis of the corresponding Sample B, if any (and supporting data, if any), shall be admissible as evidence in any hearing or proceeding pertaining to this matter.

(g) In the event the corresponding Blood or Urine Sample B does not exist, or is of insufficient volume to permit a confirmatory analysis, as determined by NRHA Counsel, and there exists a remaining aliquot of Blood or Urine Sample A which is of sufficient volume to permit a retest, as determined by NRHA Counsel, a person charged who requests the retest of Blood or Urine Sample A must make the request in writing to NRHA Counsel, and it must be received within 7 days of the determination that the corresponding Blood or Urine Sample B does not exist or is of insufficient volume to permit a confirmatory analysis.

(h) Any requested re-test of the remaining aliquot of Blood or Urine Sample A, provided it is of sufficient volume to permit a retest, shall be performed by the contracted laboratory as determined by NRHA Counsel.

(i) The retest of the remaining aliquot of Blood or Urine Sample A may be witnessed by a Witnessing Analyst appointed by the person charged who requests such analysis at the same time as the retest is requested. The Witnessing Analyst must be a qualified analytical chemist employed by an equine drug testing laboratory. If no Witnessing Analyst is appointed by the person requesting the retest, or if the Witnessing Analyst is unavailable within a reasonable time, the requested retest of the remaining aliquot of Blood or Urine Sample A shall proceed without the Witnessing Analyst.

(j) In the event the Witnessing Analyst appointed by the person requesting the retest of the remaining aliquot of Blood or Urine Sample A is satisfied that the positive result is correct, NRHA Counsel must be informed immediately by fax with confirmation by letter.

(k) In the event the Witnessing Analyst is not satisfied that the result of the retest of the remaining aliquot of Blood or Urine Sample A is correct, NRHA Counsel must be informed immediately by fax followed by a written report setting forth the basis for the Witnessing Analyst's opinion. Copies of the original and subsequent results and supporting analytical data must be submitted to the NRHA as part of the hearing record in the case, for resolution by it of any and all issues regarding the original analysis of Blood or Urine Sample A and the retest of the remaining aliquot of Blood or Urine Sample A.

(l) By requesting the confirmatory analysis of the corresponding Blood or Urine Sample B, or the retest of the remaining aliquot of Blood or Urine Sample A, or by requesting that the retest be witnessed by a Witnessing Analyst, the person charged who makes such request(s) agrees to and must pay any and all fees, costs and ex-

penses relating to the confirmatory analysis or the retest, whether it is performed by a mutually agreed upon laboratory, by the contracted laboratory upon the presentation of an invoice by NRHA Counsel, and any and all fees, costs, and expenses relating to the Witnessing Analyst.

(m) If the chemical analysis of the sample taken from such horse indicates the presence of a forbidden substance or any metabolite or analogue thereof and all the requirements of Section 8 have been fully complied with, the information contained in said Medications Report Form and any other relevant evidence will be considered by NRHA in determining whether a rule violation was committed by any person(s) responsible or accountable for the condition of the horse under the provisions of this rule.

(n) When a positive report is received from the chemist identifying a forbidden substance, or any metabolite, or analogue thereof, a hearing will be held in accordance with General Rules and Regulations (D) and the Animal Welfare and Medications Policies with the Medications Hearing Panel serving as the Hearing Body and the Equine Committee serving as the Appeal Body. No person responsible or accountable for the condition of said horse, will be suspended, or a horse barred from competition, until after an administrative penalty has been assessed or after the conclusion of a hearing and a written ruling thereon has been made.

(o) The owner or owners of a horse found to contain a forbidden substance or any metabolite or analogue thereof may be required to forfeit all prize money, sweepstakes, added money and any trophies, ribbons and "points" won at said event by said horse and the same will be redistributed accordingly. If, prior to or at a hearing, NRHA as the charging party, determines that one or more persons, not previously charged as a person responsible should also be charged by NRHA, the Medications Hearing Panel may, in its discretion, continue or adjourn the hearing, in whole or in part, to permit a new or amended charge to be issued (unless the person(s) to be charged waive notice).

(p) A person responsible of a horse found to contain such forbidden substance or any metabolite or analogue thereof is subject to whatever penalty is assessed by the Medications Hearing Panel, as provided by the Animal Welfare and Medications Policies. Said person responsible may be fined and may be suspended from all participation in NRHA approved events as outlined in the Animal Welfare and Medications Policies. In determining an appropriate penalty under these rules, the Medications Hearing Panel may take into account such factors and circumstances as it may deem relevant, including but not limited to:

- i. the pharmacology of the forbidden substance,

- ii. the credibility and good faith of the person charged or of other witnesses,
- iii. penalties determined in similar cases, and
- iv. past violations of any NRHA rules (or the lack thereof).
- v. reliance upon the professional ability or advice of a veterinarian who is a licensed graduate of an accredited veterinary school and who is in good standing in the state, province or country in which he/she primarily practices.

#### **Section 5. Management Procedures**

(a) Testing fees will be applied as described in the NRHA Animal Welfare & Medications Policy and NRHA European Region Animal Welfare & Medications Policy.

(b) Show management must forward to NRHA a sum representing the above fee times the number of horses entered in the noncompulsory classes of the event, plus the number of horses scratched where the fee is not refunded. Shows failing to postmark the sum by ten business days following the completion of an NRHA event will be assessed a penalty of \$100. An additional penalty of \$500 will be assessed if postmarked after twenty business days.

(c) Event management must cooperate with the veterinarian and/or his agents.

#### **Section 6. Interpretations of the NRHA Animal Welfare and Medications Rule and its Application to Particular Substances.**

Trainers, persons responsible and/or owners who seek advice concerning the interpretation and application of this rule should not rely solely upon interpretations or advice by private or event veterinarians, event officials, event personnel, or other persons, but should also obtain verification of any such interpretations or advice from the NRHA Animal Welfare and Medications Program office. Any trainer, person responsible or owner who is uncertain about whether this rule applies in any given situation would be well advised to withdraw the affected horse from competition until such time as the NRHA Animal Welfare and Medications Program office has been consulted.

#### **Section 7. Equine Medications, The Therapeutic Substance Provisions**

(a) No horse competing in an event approved by NRHA is to be shown in any class (see also Section 1 [a], last sentence) if it has been administered in any manner or otherwise contains in its tissues, body fluids or excreta a forbidden substance except as provided in Section 8. For purposes of this rule, a forbidden substance is:

- i. Any stimulant, depressant, tranquilizer, oral anesthetic, psychotropic mood and/or behavior altering substance, or drug which might affect the performance of a horse (stimulants and/or depressants are defined as substances which stimulate or depress the cardiovascular, respiratory or central nervous systems), or any metabolite and/or analogue of any such substance or

- drug, except as expressly permitted by this rule.
  - ii. Any corticosteroid present in the plasma of the horse other than dexamethasone (see Section e)(ii)).
  - iii. Any nonsteroidal anti-inflammatory drug in excess of two present in the plasma or urine of the horse (Section 8 does not apply); exception: salicylic acid and topical use of diclofenac (Surpass) is permitted in addition to two additional nonsteroidal anti-inflammatory drugs.
  - iv. Any substance (or metabolite and/or analogue thereof) permitted by this rule in excess of the maximum limit or other restrictions prescribed herein.
  - v. Any substance (or metabolite and/or analogue thereof), regardless of how harmless or innocuous it might be, which might interfere with the detection of any of the substances defined in i), ii), iii) or iv) or quantification of substances permitted by this rule.
  - vi. Any anabolic steroid.
- (b) EXHIBITORS, OWNERS, TRAINERS, PERSONS RESPONSIBLE AND VETERINARIANS ARE CAUTIONED AGAINST THE USE OF MEDICINAL PREPARATIONS, TONICS, PASTES, AND PRODUCTS OF ANY KIND, THE INGREDIENTS AND QUANTITATIVE ANALYSIS OF WHICH ARE NOT SPECIFICALLY KNOWN, AS MANY OF THEM MAY CONTAIN A FORBIDDEN SUBSTANCE.
- (c) The full use of modern therapeutic measures for the improvement and protection of the health of the horse is permitted unless:
- i. The substance administered is a stimulant, depressant, tranquilizer, local anesthetic, drug or drug metabolite which might affect the performance of a horse or might interfere with the detection of forbidden substances or quantification of permitted substances; or
  - ii. More than two nonsteroidal anti-inflammatory drugs are present in the plasma or urine of the horse (Section 8 does not apply); exception: salicylic acid and topical use of diclofenac (Surpass) is permitted in addition to two additional nonsteroidal anti-inflammatory drugs; or
  - iii. The presence of such substance in the blood or urine sample exceeds the maximum limit or other restrictions prescribed herein below.
- (d) Restrictions concerning the nonsteroidal anti-inflammatory drugs are as follows:
- i. The maximum permitted plasma concentration of diclofenac is 0.005 micrograms per milliliter.
  - ii. The maximum permitted plasma concentration of phenylbutazone is 15.0 micrograms per milliliter.
  - iii. The maximum permitted plasma concentration of flunixin is 1.0 micrograms per milliliter.
  - iv. The maximum permitted plasma concentration of ketoprofen is 0.250 micrograms per milliliter.
  - v. The maximum permitted plasma concentration of meclofenamic acid is 2.5 micrograms per milliliter.

- nian is unavailable, only by the trainer/person responsible pursuant to the advice and direction of a veterinarian.
- iv.** Administration of a forbidden substance for non-therapeutic or optional purposes (such as, by way of example only, shipping, clipping, training, turning out, routine floating, uncasing, mane pulling or non-emergency shoeing) is not considered to be therapeutic. Medications are permissible if administered prior to 24 hours prior to competition and is declared on a timely-submitted official Medications Report Form. (See Animal Welfare and Medications Policies for details on permissible therapeutic medications).
- vii.** Upon the approval of etenac by the FDA, the maximum permitted plasma concentration of etenac is 0.1 micrograms per milliliter.
- vi.** The maximum permitted plasma concentration of naproxen is 40.0 micrograms per milliliter.
- viii.** The maximum permitted plasma concentration of firocoxib is 0.240 micrograms per milliliter.
- ix.** Upon the approval of etenac by the FDA, the maximum permitted plasma concentration of etenac is 0.1 micrograms per milliliter.
- x.** A maximum of two substances listed in (i) through (vii) above are permitted to be present in the same plasma or urine sample. (Section 8 does not apply); exception topical use of diclofenac (Surpass) is permitted in addition to two additional nonsteroidal anti-inflammatory drugs.
- x.** Phenylbutazone and flunixin are not permitted to be present in the same plasma or urine sample (Section 8-xxi does not apply).
- xi.** Any nonsteroidal anti-inflammatory drug not listed in (i) through (vii) above is forbidden to be present in the plasma or urine sample (Section 8 does not apply); exception, salicylic acid.
- xii.** Any nonsteroidal anti-inflammatory drug that becomes approved for use in horses can be added to the list of those permitted, after the completion, review and approval of the needed research.
- (e)** Restrictions concerning other therapeutic substances are as follows:
- The maximum permissible plasma concentration of methocarbamol is 4.0 micrograms per milliliter.
  - The maximum permissible plasma concentration of dexamethasone is 0.003 micrograms per milliliter.
- (f)** Thresholds for substances of possible dietary origin are as follows:
- The maximum permissible urine concentration of theophylline is 2.0 micrograms per milliliter.
- Section 8. Conditions for Therapeutic Substances**
- Administrations at an NRHA Approved event pursuant to the Therapeutic Substance Provisions that result in a horse being ineligible for competition unless all of the following requirements have been met and the facts are furnished in writing on a timely-submitted official Medications Report Form:**
- The medication must be therapeutic and necessary for the diagnosis or treatment of an existing illness or injury. Any person responsible who is uncertain about whether a particular purpose is considered to be therapeutic would be well advised to consult his/her veterinarian or testing laboratory.
  - The horse must be withdrawn from competition for a period of not less than 24 hours after the medication is administered.
  - The medication must be administered by a licensed veterinarian in good standing, or, if a veteri-
- ix.** Statement signed by person administering medication.
- x.** Medications Report Form filed with the Show Steward or Show Representative within one hour after administration or one hour after the Show Steward or Show Representative returns to duty after competition resumes if administration is at a time other than during competition hours.
- xi.** The Show Steward or Show Representative must sign and record the time of receipt on the Medications Report Form.
- xii.** Lidocaine/Mepivacaine: Is a conditionally permitted medication that may only be used within 24 hours of competition (or designated representative) and/or the official event veterinarian, either of which must sign the medication report form, to aid in the surgical repair of minor skin lacerations which, due to their very nature, would not prevent the horse from competing following surgery. Treatments include, but are not limited to, repair of heel bulb. A Medication Report Form must be filed with the event management as required in this rule.

(b) Where all the requirements of Section 8 have been fully complied with, the information contained in said Medications Report Form and any other relevant evidence will be considered by the NRHA in determining whether a rule violation was committed by any person(s) responsible or accountable for the condition of the horse under the provisions of this rule.

**NOTE:** The official Medications Report Form is available from the officiating Show Steward, Show Representative and/or Show Secretary. All required information must be included when filing a report. Failure to satisfy and follow all the requirements of this Rule and to supply all of the information required by such Medications Report Form is a violation of the rules. The Show Steward/Show Representative must report any known violations of this Rule to the NRHA for such further action as may be deemed appropriate.