

NRCHA E-Cow Work

October 15, 2008

There has been much interest in and many questions about the proposed NRCHA By-Law Changes that were sent to the membership recently. This E-Cow Work will attempt to address some of the questions and controversy that seems to have been generated.

From NRCHA President Lyn Anderson –

Much of the controversy and concern over the proposed Bylaws has come from a group that calls themselves the "Cow Horse Council".

To put the newly formed cowhorsecouncil.com in perspective, I'd like to relate my experience serving on the board with three of the council members. In 2006 I was on the NRCHA ballot after being asked to run for the board after a 3-year hiatus. I have served on the board for 17 of the past 20 years. Back then if you weren't part of the "inner circle" your ideas were often ridiculed. Many of those years were lean ones for the NRCHA and there was mismanagement of Association funds. I do not want this to happen again.

Early in 2006 I began to get calls from two NRCHA Board members who are now cow horse council men telling me how they wanted to get rid of one board member. They spent hours telling me the same stories over and over. When I went to the first few board meetings of 2006, there was the same continual theme in every meeting, which got in the way of true board business. I saw no problems with the person in question, and in fact, this person has brought hundreds of thousands of dollars to the NRCHA. I contacted other board members for their opinions and overwhelmingly I was told the board member in question had acted in the best interests of the NRCHA.

I then concluded this was a personal issue with those two board members which unfortunately was interfering with Board business.

Many other board members have told me they received the same telephone campaign. That is not the way to behave as an unbiased board member. I always try to get two sides of every story, and I urge everyone out there to do the same.

As far as the current issue being campaigned, most of the bylaws in question have been in the rulebook for years, and I find it curious that, only now, there seems to be a problem with them.

It is interesting that the National Stock Horse Association, which is, admittedly by its own board members, "in competition with the NRCHA" is so completely represented on the "Cow Horse Council". Ted Robinson and Russell Dilday are organizers/owners of the company; Mark Borjon is a major sponsor and Jake Gorrell is its marketing director.

The NRCHA has had unprecedented growth and it makes no sense for us to be squabbling over tiny issues when we should be looking forward and trying to be even better. This organization has been good to all of the council members and why they would try to damage this organization by twisting the issues just makes no sense. No one is going to agree with everything the Board does but we were voted in to protect the NRCHA interests and that is what we are doing with these By-Law changes.

Below, we have listed each Bylaw change with an explanation of the reasoning and true intent behind it. Hopefully this will allow our members to have a clear understanding of the issues. If you have any questions, please feel free to contact me.

Sincerely,
Lyn Anderson

CORPORATION BYLAWS

ARTICLE I - NAME & PURPOSE

Section 2. The purpose of the NRCHA is to improve the quality of the western reined stock horse: to perpetuate the early Spanish traditions of highly trained and well reined working cow horses; to promote exhibits and cow horse events and contests in expositions and shows; to promote the training of reined cow horses and to promote interest in reined working cow horses among the younger horsemen of this nation and the world: to use and encourage the use of standard rules for holding and judging contests of the reined working cow horse. Reined cow horse is synonymous with working cow horse or stock horse.

We already have rule 3.1 which states that reined cow horse is synonymous with working cow horse or stock horse. This simply includes this rule as part of our bylaws. No where in this By-Law is trademarking even mentioned.

ARTICLE III - MEMBERSHIP MEETING

Section 3. Three percent (3%) of voting members of this Association, based on membership numbers at end of previous show year, shall constitute a quorum at any meeting.

As with any association, we try to keep current with our growing membership, and this is a reflection of that growth. Our membership is nearly three times as large as it was when the original bylaw was written. Having the quorum based on a percentage of our membership makes more sense and allows more people to have a part in the direction of the association.

ARTICLE V - BOARD OF DIRECTORS

Section 2. The Board of Directors of this Association shall consist of eleven (11) members in good standing elected by the general membership for a two-year term. The President of the NRCHF shall sit as a non-voting member of the Board of Directors and on the Executive Committee. The President may recommend and the Board shall approve the appointment of up to four (4) additional members to the Board of Directors, who will serve a one (1) year term and will sit as voting members of the Board of Directors. In addition to the 4 appointees, the President is required to appoint additional board members to insure that each region with over 250 members (as of the end of the preceding show year) is represented by a member on the NRCHA Board of Directors. This will occur providing that there was a representative from said region on the ballot and will be the person with the highest number of votes from that region. In case of a tie, the President shall make the decision. The appointments, if made, shall be a one-year term. The elected incoming and entire outgoing Board of Directors will meet annually prior to the annual general membership meeting at which time they will elect officers for the coming year and conduct other business deemed necessary for the continued functioning of the Association. Outgoing Board members will have no voting rights at this meeting. Following the election of the officers, the Board shall approve all appointments at this meeting and the appointees shall attend the following Board meeting and General meeting.

There seem to be two issues addressed here by those who would seek to stop this bylaw.

First, apparently some of the Cow Horse Council people are against the addition of appointees from the different larger NRCHA Regions. It is past time we give the larger Regions representation on the Board so that the board truly represents the entire membership, not just a concentrated area.

The next issue is the appointees on the Board. The opinion writers seem to be "against" a part of this bylaw that is NOT NEW – nor is it being changed. This bylaw was put into place approximately ten years ago when the NRCHA wanted more diversity on its board. Traditionally, only the well known trainers were elected to the board, and the appointments worked very well to add members with a wide variety of business experience. It is clear the appointments serve a one year term, which starts after the first meeting is over because there is no way to know who will be president until the first meeting is held.

Board minutes from February 16, 2002 state clearly "In accordance with the By-Laws, new Board Members are eligible to vote and the outgoing Board Members do not have voting rights, for election of officers. The 2001 appointees will vote for officers for 2002. The new appointees will take office at the next Board Meeting."

Not allowing an appointee to vote as has been suggested could mean the Non Pro Representative would never get to vote on officers, as this is often an appointed position.

Having the old appointees vote at the first meeting of the year has not changed in many years. Were all the past and present great appointees who served this association so well unable to think for themselves?

Often the appointees make the better board members and officers because they are impartial and not a part of the good ole boy network.

Section 7. A Director's term of service will be terminated immediately if the Director serves as an officer or director of an organization which either has affiliates or is affiliated with an organization using in its name the words Reined Cow Horse, Stock Horse or Working Cow Horse and which is not affiliated with the National Reined Cow Horse Association.

This addition was made to avoid having people serving on both the board of the NRCHA and of a competing organization – in essence to protect them and the organizations. It became necessary with the creation of the National Stock Horse Association, a for-profit corporation, which is admittedly in direct competition with the NRCHA.

It is time we start to think of the NRCHA as a business and protect the assets we have worked so hard to accumulate. In other words, it would be a conflict for someone to serve on the board of both Ford and General Motors, not because they aren't both good companies, but because they are in competition for the same market. Board members are privy to proprietary information and in the interest of both organizations, the distinction should be made.

As per this by-law change, directors already serving on the NRCHA Board with such a conflict will be allowed to finish their terms of office. Although there seems to be some misunderstanding or misrepresentation here, the truth is that the current NRCHA Board members who might have a conflict have been notified that they would indeed, be allowed to serve out their current terms, as they were elected under a different set of bylaws and their term of office would pre-date the adoption of this bylaw.

For 2009, this bylaw will be used for reviewing the list of nominees and going forward.

And as a point of information, no one on the NRCHA board receives a salary or even travel expenses for serving on the board. It can cost thousands to be a volunteer NRCHA Board member every year. There is no public knowledge of where the profits from the NSHA go, as it is a private, for-profit entity. It would be irresponsible for any NRCHA board member to see this inherent conflict of interest and not do anything about it.

ARTICLE VII - RULES AND REGULATIONS

Section 2. Any rules adopted by the Board of Directors in any given calendar year go into effect the following November 16th and will remain in effect through the next annual general meeting at which point they will be ratified by a majority of the general membership in attendance.

Section 3. Any change in the rules or regulations proposed from the floor of any annual meeting must be considered and voted upon by the newly elected Board of Directors within fifteen (15) days after said annual meeting and, if adopted by the Board, will be effective the following November 16th.

This change reflects the dates of the new point year for the NRCHA, which was moved because of the earlier dates of the NRCHA World Championship show.

ARTICLE VIII - COMMITTEES

Section 1.

j. Youth Advisory Committee: The Youth Advisory Committee Chairman shall be appointed by the President and consist of up to five (5) additional members, including the NRCHA Staff Liaison.

This addition is to allow the NRCHYA to be represented by a committee to carry its interests and issues to the Board of Directors. Like all the other NRCHA Committees, with the exception of the Executive Committee, members will be appointed by the president, so this is in keeping with the structure of other NRCHA committees.

Section 2.

c. Hall of Fame Committee: The Hall of Fame Committee Chairman shall be appointed by the President and the committee shall be responsible for recommending to the Board of Directors the inductees for the Hall of Fame and the Hall of Merit each year.

Although the NRCHA has been served by a very capable Hall of Fame Committee Chair, Ronnie Richards, for the past three years, the position has been unofficial and not listed in the NRCHA By-laws. This recognizes the Hall of Fame Committee as being an essential part of the NRCHA Committee structure.

ARTICLE IX - ELECTIONS

Section 2. No less than ninety (90) days prior to the annual meeting each year, the general membership shall be given official notice that:

a. Any member in good standing in the Association may request and receive a Director Nomination Form. The Director Nomination Form shall contain an explanation of the eligibility requirements and commitments for service on the Board of Directors which shall include, but not limited to, the following:

- (i). membership in the Association in good standing for a minimum of three (3) years;
- (ii). attainment of at least twenty-one years of age;
- (iii). agreement to attend Directors' meetings as set forth herein;
- (iv). full disclosure of any felony convictions on record;
- (v). signing of NCHA Code of Conduct and Confidentiality Agreement.

Additionally, a person submitting false information on the nomination form, if discovered, will be immediately suspended from the ballot or later from the board.

These conditions for nomination to the NRCHA Board of Directors are all reasonable for a Non Profit organization that is legally responsible for directing the business and finances of the association in a straightforward and unbiased manner.

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ARTICLE X - AMENDMENTS

Section 2. The Bylaws may also be changed or amended by giving notice to the members of the Association by mail of the proposed changes which the Board of Directors has passed and which changes shall go into effect beginning with the following show year, unless within fifteen (15) days after they have been published, the NRCHA Management has received objections in writing signed by at least one hundred (100) members in good standing of this Association as to all or any portion of said changes. Said objections shall be in the form provided in the notice.

This addition reflects the growth of the association. At the time the original rules were written, 50 members represented a much larger percentage of the membership, as the membership has nearly tripled in size since that time.