

(Memo to Sam Houston from Joy Frannicola)

July 25, 2007

Good morning Sam, As promised, I've gone back and reviewed all of the gripes and complaints, and have compiled a listing of what matters most to the general membership, the "weekend warriors", the REAL grass-roots reiners. I have not included the names of the members who have submitted these issues, but will provide them after I have received permission to do so.

1. True, membership fees have remained pretty constant (last increase was 3-years ago), but all other transactional fees have gone up. (transfers, Competition licenses, Non Pro declarations, judge applicants' seminars). In addition, every time I set foot in the show pen, five (5%) per cent of the gross entry fees, less trophy costs, is returned to NRHA. I cannot see how, given the cost of our memberships, transfers, competition licenses, and show fee per class retainage that is paid to NRHA, the organization can say that it is losing money on its members, and needs to raise their fees.

2. Service has declined in the past few years, for example, we now pay to receive the Reiner; the office staff is apparently overworked in that the turnaround time for memberships and competition licenses has almost doubled; it takes almost 2 months for show results to appear on the website; and one of our members, who is a show manager, was given erroneous information from staff members regarding duplicate trophies; and show secretaries have been fined for allowing a member to compete in a class that it later turned out he was ineligible for. Apparently, the show secretaries do not have access to the NRHA's "latest" data.

3. The NRHA has changed its focus over the past few years from an organization that supported both the professionals AND MOST levels of non-pro competition, to a group of individuals whose main focus is on the professionals and international competition. Case in point, at the Futurity, ALL of the entry fees are the same, yet the non pro purses are so small that the chances of breaking even in terms of making back your entry fee and expenses are almost non-existent. The purses for the lower level open riders have been adjusted, why not the non pros? We're still contributing \$2,000 as an entry fee. Certain board members have been vocal about proposing a ridiculous \$5 fee on entries at NRHA sanctioned shows, to be used for the Open Futurity. Just a thought – if the LTD/INT Open and LTD/INT Non Pro riders did not have to pay the same entry fee as the Open or Non Pro competitor, and were permitted to enter only their level of competition, the barns would fill up with horses that would now have a reasonable chance to compete and be successful. The added stall fees would greatly aid in offsetting the facility costs.

4. Our repeated requests for financial information have been ignored. Yes, there is generic information on the website. And yes, the JUNE 2006 financials have finally been posted. Forgive me, but I cannot understand how an organization with \$800,000 in net assets at the end of the year can cry "poverty". Why has it taken a year to get the 2006 financials up? When can we expect to see updated 2007 figures?

5. At the convention, and at several Town Talks this year, questions have arisen as to where our membership dollars are spent. We keep hearing how the NRHA loses money every year at the Derby and Futurity, but frankly, it's hard to believe when you consider that at the Futurity, if 500 horses enter, that's \$1 million in entries for one class alone. Add all of the other ancillary classes, plus the affiliate championship classes. I know the NRHA retainage at the NRHA-sponsored events is more than 25%. Add the sponsorships. Add the stall fees (including the recently added fee for the privilege of being stalled in Barns 1, 2 and 6). Then do your deductions. There is no way this show doesn't make money. The 2006 audited financials have shown that the Futurity makes money. Question: Has the NRHA come up with any sort of 3-year or 5-year plan to turn the losses around (without expecting the members to pay for it?) To repeat myself, if the LTD/INT Open and LTD/INT Non Pro riders did not have to pay the same entry fee as the Open or Non Pro competitor, and were permitted to enter only their level of competition, the barns would fill up with horses that would now have a reasonable chance to compete and be successful. The added stall fees would greatly aid in offsetting the facility costs.

One of the members of the Dues Committee has remarked that we should "invest in NRHA membership". Why? Please show us how our membership fees do not cover the cost of NRHA's support to its members. What, besides record-keeping and membership cards, does the NRHA do for its members? We pay for everything we get, and then some, especially if you consider the fact that each and every run at each and every sanctioned show results in a retainage that goes into NRHA's accounts.

5. Communication is key. The Strategic Plan fiasco brought this to the surface. In order for the membership to understand the obstacles that the Board faces, the membership should be able to sit in (in person, via audio or video webcasts) on Board meetings. We understand that there are certain items on the agenda (disciplinary actions or other matters of a confidential nature) that are discussed in a closed session, but we should know what is going on with an organization that we are a very important part of. The proposed medications policy is another example of poor communication with the membership. Members who have been in attendance at Board meetings where the medications policy proposal has been discussed have reported that the NRHA wants the policy to be on the books by the end of 2007. Why? What's the rush? Wouldn't it be better to have a policy that genuinely gives useful information, then to rush something through just to have it "on the books", regardless of its benefits? And exactly WHO is pushing for this policy to be on the books? WEG? FEI? Without honest and open communication, the membership is left to assume, and as you know, most assumptions are usually not favorable to the NRHA.

6. Unfortunately, the biggest problem area is with the NRHA's promotion of the sport. A lot of us feel (myself included) that NRHA is too busy trying to promote itself as an international organization, or as an elite horse sport. I can't believe that the NRHA has wasted advertising space as well as money in taking out a full-page color ad in the Reiner, urging folks to "join the NRHA". There could have been another paying advertiser in that space.

7. What is being done about obtaining additional sponsors? I see that this committee has not met over the past two Board Meetings because there wasn't a quota present? Sad.

There are thousands of people out there who can't afford a \$15,000 or better horse to experiment and see if they'd like to continue with reining. These "newbies" need to feel comfortable within the organization, they need to feel that they have a place to compete and enjoy their horses, especially in light of the dues and fees they have to pay. Right now, the NRHA is not offering them that comfort zone. They see "big money" facilities, "big money" trainers, and extremely inflated prices on sale horses. Most get discouraged. Shouldn't the NRHA be basing its membership dues on similar organizations, like AQHA, RCA, etc., instead of comparing them to "professional dues", like accountants or attorneys (per Mike Boyle?) AQHA costs \$45.00/year (includes the America's Horse publication), and RCA is \$60.00/year.

"Inside Reining" is, indeed, an entertaining show. Unfortunately, you (the collective "you", not "Sam") focus on those trainers/facilities that pay to be profiled. These are the upper echelon of our sport, and they are advertising their services and facilities to the general public. Yes, this will show the world the glamorous side of reining, the high purses, the high stallion fees, the high sales prices on some of these animals. These are the NRHA members who will benefit from the international exposure (the "international rock star" mentality, if you will).

Unfortunately, what is presented on Inside Reining is NOT real "grass roots" reining, Sam. Real "grass roots" reining is the weekend warrior who either has one or two horses in training or does it himself and hauls to a trainer for lessons. "Grass roots" reining is the person who faithfully goes to each and every affiliate show, whether they're competitive or not, just to have fun on a local/regional level and show their horse. "Grass roots" reining is the small, back-yard breeder who is extremely proud of the bab(ies) their show horses produced. When they sell some, it's a truly rewarding experience. It's where the NRHA started all those years ago. Maybe instead of wasting money on full page color ads, the NRHA should sponsor a show that features real "grass roots" reiners. I'm sure you can come up with a large list of people who operate on a small-scale and have been extremely successful doing it, while still maintaining their everyday lives.

Tell you what, Sam. Allow me to extend a personal invitation, with no conditions attached. I understand that Bryant Pace is going to be featured on an upcoming, September edition of Inside Reining. I would assume that the taping will be in a few weeks. If you really want to see grass roots reiners, once your taping has been completed, or if you come in a day or so early, take a walk (or call me). My place is next door to Bryant's, we're about 100 yards away. Please believe me – we want nothing to do with Bryant's show. It wouldn't be fair to him. I just want you to meet the people who are out there day after day, working to support their hobbies. I guarantee that after you speak with some of them, and see where their goals lie, you'll better understand the disappointment felt by a lot of members in the current direction of the NRHA.

I apologize for the length of this missive, but this is just the tip of the iceberg. There are a lot of disgruntled people out there who don't trust the NRHA or its Board of Directors. I am truly afraid that unless there is a major improvement in communications, and an appearance of getting back to some focusing on member-driven issues, the NRHA will stand to lose a lot of its members.

I look forward to your comments. Again, I really appreciate your concern, and your desire to discuss the problems facing the organization. I only hope that things can be changed to the satisfaction of all of the interest groups in the NRHA.

PS: I have also received comments from NRHA members located in Canada, pertaining to issues dealing with Reining Canada. I will summarize them, but will suggest that those members contact you directly with specifics, since I am a US Citizen and do not have first-hand knowledge of the problems.

1. NRHA stopped Canadians from purchasing memberships directly through NRHA. Now, they must purchase them through Reining Canada and pay a \$90.00 levy. With the new membership dues proposal, this will add another layer of fees. The fear is that the Canadians will soon be priced out of the sport, no longer able to afford to be members. Canadians are now (without the new proposed increase) paying \$150.00, which enables them to go to a show. IF they want to compete for North American affiliate awards or affiliate year-end awards, they are charged an additional \$40.00.

2. If Canadian members wish to check standings, statistics, etc., it is proving to be extremely difficult since results are entered twice (by Reining Canada AND by NRHA), and are usually not accurate.

3. According to the NRHA's membership surveys, the majority of members are located in the US and Canada (14,800 in North America, as opposed to 2,800 worldwide). Why is NRHA focusing on international issues, rather than taking care of their members here at home?

4. We were informed that Debbie Drinko, Dan Wall and some of the Board members will be attending the European and Australian futurities. Who's paying for these trips? How much of the expense is coming from the membership? There are only a handful of horses entered in the Australian Futurity – how is the attendance of these individuals at such an event promoting reining to the rank and file membership?