

ATTORNEY CLIENT PRIVILEGED
ATTORNEY WORK PRODUCT
FINAL RULE REVISION

STANDING RULE 37.

Any member may be disciplined, fined, denied privileges of the Association, placed on probation and/or suspended from the Association by the Grievance Committee, Amateur Non-Pro Review Committee, Medication Review Committee or any other committee authorized by NCHA Rules to rule on potential NCHA Rule violations (collectively, “**Initial Hearing Committees**”), the Executive Committee or an Appeal Committee, whenever it shall have been established by the evidence that such member has violated any rule of the Association providing for such disciplinary actions. Non-members involved in NCHA rule violations may also be denied privileges of the Association for violation of or assisting in the violation of NCHA rules. When the NCHA rule in question contains specific provisions concerning disciplinary actions or burdens of proof, any disciplinary action taken by an Initial Hearing Committee, the Executive Committee or an Appeal Committee should be consistent with that provision.

a. Filing a Complaint

Any NCHA member may file a complaint regarding any alleged violation of NCHA rules by submitting the complaint in writing to the NCHA Executive Director. The complaint must be signed by the person filing the complaint or, if filed electronically, identify the name of the person filing the complaint, and sent to the NCHA Executive Director together with a check or credit card payment in the amount of \$50.00 made payable to the National Cutting Horse Association. There is no \$50.00 fee for filing a complaint reporting a violation of the Zero Tolerance Policy or for a complaint submitted by an NCHA Director, a class representative, show management or a judge. Anonymous complaints will not be accepted, investigated or acted on by the NCHA (except reports of alleged violations of the Zero Tolerance Policy that meet the requirements of Rule 35.6). A complaint must be filed (postmarked, faxed, emailed or hand delivered) within seven (7) days of the closing date of the show involved or within seven (7) days of the alleged rule violation, whichever is applicable. The timing for filing a complaint alleging a violation of the Zero Tolerance Policy is contained in Standing Rule

35.6. No complaint is required for the NCHA to take disciplinary action regarding a member's competitive status (i.e.-violation of non-professional and/or amateur rules) or for violation of the NCHA Medication and Drug Rules contained in Rule 35A.

b. Initial Hearing Committees

The Executive Director will promptly refer all complaints to one of the following Initial Hearing Committees in accordance with subsection (e) of this rule: (1) the Grievance Committee; (2) the Medication Review Committee; (3) the Non-Professional Amateur Review Committee; (4) any other hearing or review committee provided for under NCHA Rules. Unless otherwise provided in the NCHA rules, or in duly adopted NCHA policies, a quorum of an Initial Hearing Committee will consist of three (3) members with one (1) of these members being the elected Chairman.

c. Contested and Uncontested Matters

The NCHA shall notify the alleged violator in writing of the substance of the complaint filed or alleged action being investigated; each NCHA rule(s) potentially violated; the disciplinary actions applicable to the alleged rule violation; and a request that the alleged violator file a written election with the Executive Director either to contest or not contest the alleged violation. The written election to contest the violation must be received by the NCHA Executive Director within ten (10) business days of the receipt of notice of violation. If such written election to contest the violation is not received by the NCHA Executive Director in that timeframe, the violation will be deemed to be not contested, the discipline identified in the notice letter will be assessed and the Executive Director will notify the member in writing of any disciplinary actions taken.

d. Initial Hearing Procedures

For matters timely contested as provided in section c above, the Initial Hearing Committee shall schedule a hearing and provide the alleged violator(s) not less than fifteen (15) days' notice of the hearing date. In circumstances deemed to constitute an emergency by the Executive Director after consulting with the NCHA President, the notice of hearing may be shortened by the President in his/her sole discretion, but in no event shall be less than five (5) business days actual notice of the hearing date. The notice shall be accompanied by

the procedures to be followed at the hearing. The alleged violator and the NCHA shall exchange all proposed documentary evidence to be considered at the hearing no less than three (3) days prior to the hearing. The Initial Hearing Committee shall have the discretion to decide whether good cause exists for the committee to consider untimely filed evidentiary submissions. Legal counsel for the NCHA and alleged violator may appear and participate in the evidentiary portion of the hearing.

After all evidence is presented and received at the initial hearing, the evidence shall be closed and the Initial Hearing Committee shall deliberate in private. The Initial Hearing Committee shall render its decision in contested matters by majority vote, and shall so notify the Executive Committee of the decision in writing. The Initial Hearing Committee shall only be required to note in its report the NCHA rule(s) it found were violated and shall not be required to provide a detailed reasoned opinion for its decision.

All disciplinary actions taken by an Initial Hearing Committee on or after August 21, 2018 (including suspensions of membership or competitive status) shall go into effect **immediately** upon the committee's issuance of its report. Please see NCHA Rule 38 for a member's appeal options.

e. Disciplinary Guidelines for Rule Violations

If after review and investigation of the complaint, the Initial Hearing Committee, or an Appeal Committee, is of the opinion that a rule violation has occurred, the committee may take such disciplinary action consistent with the provisions of NCHA Rules as it deems appropriate. The Initial Hearing Committee and/or Appeal Committee shall use the guidelines outlined below in determining what disciplinary actions to take, if any. The Initial Hearing Committee and/or Appeal Committee appointed under NCHA rules are not bound by these guidelines, but shall use them in an effort to be fair and consistent in the application of the NCHA disciplinary rules.

1. The NCHA Medication Review Committee

The NCHA Medication Review Committee shall initially consider all potential violations of the NCHA Medication and Drug Rules and Guidelines (NCHA Rule 35A). The potential disciplinary actions for proceedings relating to alleged violations of the NCHA Medication and Drug Rules and Guidelines are

contained in Rule 35A.7. The alleged violator bears the burden of proof to establish that he/she has not administered any drug or medication in violation of the NCHA Medication and Drug Rules.

2. The NCHA Non-Professional Amateur Review Committee

The NCHA Non-professional/Amateur Review Committee shall initially consider all violations of the NCHA Non-professional and Amateur Rules (NCHA Rules 50.d.1 - 51.a.5). The potential disciplinary actions for proceedings relating to alleged violations of the NCHA non-professional and amateur rules are contained in Rules 50 and 51. The alleged violator bears the burden to establish entitlement to hold non-professional and/or amateur status.

3. The Grievance Committee

The Grievance Committee shall initially consider all violations of NCHA Rules relating to alleged violations of NCHA Zero Tolerance Policy (NCHA Rule 35.A); alleged improper conduct toward judges and monitors (NCHA Rule 35.B); alleged improper conduct by and between members (NCHA Rule 35.C); and alleged violations of any other NCHA rules that are not considered by the NCHA Medication Review Committee, the NCHA Non-professional Amateur Review Committee or the Executive Committee.

For matters considered by the Grievance Committee for which the rule allegedly violated contains suggested disciplinary actions, the Grievance Committee should consult those provisions in connection with discipline to be assessed for such rule violation. In cases where the rule allegedly violated does not contain suggested disciplinary action, the Grievance Committee should consult the following general guidelines:

(i) First Offense - (a) fine; (b) probation; or (c) both of the foregoing. A first offense will be removed from a member's record if that member has no further infraction of NCHA rules for a period of two (2) years after the first offense is committed, unless otherwise provided for in NCHA rules;

(ii) Second Offense within 2 years of First Offense - (a) increased fine; (b) increased probation; (c) suspension; or (d) all of the foregoing; and

(iii) Additional offenses within 2 years of a First Offense will be dealt with severely, including:

(a) heavy fines; (b) lengthy probation and (c) suspension will be increased as deemed appropriate by the committee considering the offense.

f. Effects of Membership Probation and Suspension

1. Membership Probation

Probation shall be for a length of time to be decided by the appropriate committee and shall also set a term of suspension that will be imposed in the event that the probation is violated. The term of suspension shall only become effective upon the probated member's violation of the terms of his probation. In the event suspension is imposed for subsequent rule violation(s), the balance of the probated suspension shall begin on the day after the suspension for the subsequent rule violation is completely served.

2. Membership Suspensions that went into effect on or before August 21, 2018.

Any person who has had his/her membership suspended (where such suspension commences on or before August 21, 2018) will not be allowed to participate in any way (as owner or agent of a horse, contestant, or as a helper mounted or on foot) in an NCHA-approved or sponsored cutting horse contest. A suspended person may only attend an NCHA approved or sponsored cutting horse contest as a spectator seated in the stands. Any horse that is owned or controlled, in whole or part, by a suspended person will not be allowed to enter or compete in an NCHA approved or sponsored cutting horse contest. In the event a suspended person violates this rule, an additional six (6) months will be added to his suspension. The rider of any horse which is ineligible to enter or compete in an NCHA approved or sponsored cutting horse contest under this rule will be subject to a six (6) month membership suspension.

3. Membership Suspensions that went into effect after August 21, 2018.

Any person who has had his/her membership suspended (where such suspension commences after August 21, 2018), will not be allowed on the premises of an NCHA approved or sponsored cutting horse contest. For purposes of this rule, the term "premises" shall be broadly defined and include all show arenas, practice pens, loping areas, sales barns, exhibit halls, trade shows and all other parts of the show grounds. Any

horse that is owned or controlled, in whole or part, by a suspended person or in which the suspended person holds any future rights of any kind will not be allowed to enter, compete or transfer existing entries in an NCHA approved or sponsored cutting horse contest. This includes horses owned by a corporation, partnership or any other entity in which the suspended member has any ownership interest. In the event a suspended person violates this rule, an additional six (6) months will be added to his suspension. The rider of any horse in any NCHA approved or sponsored cutting horse contest which is ineligible to enter or compete in such contest under this rule will be subject to a six (6) month membership suspension.

4. Failure to timely pay fine.

Where a member is assessed a fine in addition to a suspension and/or probation, as a result of a committee finding made after August 21, 2018, such fine must be paid in full within fifteen (15) days after the fine is assessed as required by NCHA Rule 40. In the event that the fine is not paid in full within that fifteen (15) day timeframe, the corresponding suspension and/or probation will be extended by a period equal to the amount of days over fifteen (15) days that it takes for the member to pay the fine in full (Example: If the member does not pay until 45 days after the fine is assessed, then 30 days will be added to the term of the corresponding suspension and/or probation.)

5. Transfer of Horses owned by Suspended Member.

This subsection applies to all membership suspensions that went into effect after August 21, 2018. A horse owned by a suspended member at the time of his/her suspension that is sold, gifted or for which ownership is otherwise transferred to an Immediate Family Member (as defined in NCHA Rule 51.a.4) or that is sold, gifted or for which ownership is otherwise transferred to any corporation, partnership or any other entity of any kind in which the suspended member has any present or future ownership interest will not be allowed to show in any NCHA approved or produced event during the term of that member's suspension. In the event that the NCHA questions the legitimacy of a transfer made by a suspended person during his/her suspension, the suspended person shall bear the burden of proof to establish the legitimacy of the transfer.

6. Effect of Suspensions by Other Associations.

a. Every person who is suspended by the American Quarter Horse Association or by the American Paint Horse Association for unsportsmanlike conduct at a show or contest or for inhumane treatment of horses, shall stand as suspended by the NCHA upon official notification to this Association from the American Quarter Horse Association or the American Paint Horse Association of any such disciplinary action which has become final and non-appealable.

b. The NCHA may honor the disciplinary actions of its affiliate organizations when supplied with satisfactory evidence that the person so disciplined has been given a full and impartial hearing by the affiliate organization involved; however, any action taken by an affiliate will not limit any authority or jurisdiction of the NCHA.

f. Publication of Findings

When disciplinary action is taken that results in probation or suspension of membership privileges or competitive status, the person's name, the rule violated, and the disciplinary action taken will be published in *Cutting Horse Chatter*.

g. Notice

Every notice required by this rule may be served by delivering a copy of the notice to the person to be served, or his attorney, either in person or by mail, postage prepaid, to his last known address as it appears on the Association's records. Such notice shall be deemed received by such person when it is delivered in person or when it is deposited in the United States mail.

h. Decision Final and Binding

The decision of the Initial Hearing Committee shall be final and binding unless subsequently overturned by an appeal committee under the provisions of NCHA Standing Rule 38.

Section VI—Contestant Appeal Guidelines

STANDING RULE 38.

1. Appeal Prerequisites

a. When anyone has been found to have violated any NCHA rule by an Initial Hearing Committee, that person shall be entitled to appeal that ruling under this rule so long as: (1) written notice of such request for appeal by each person appealing the ruling is received by the NCHA Executive Director within twenty-one (21) days of the date of the letter notifying the person of such action taken by the Initial Hearings Committee as required by NCHA Rule 37.c; and (2) an appeal fee as required by section b below is also received by the NCHA Executive Director within that twenty-one (21) day period.

b. The appeal fee for each person appealing the decision of an Initial Hearing Committee is \$6,000.00 per person appealing that decision. For cases in which the Initial Hearing Committee has assessed a suspension of membership or competitive status, the appealing party shall have the right to request an expedited appeal as described in section c below. The appeal fee for an expedited appeal is \$10,000.00 for each person filing an expedited appeal of the decision of an Initial Hearing Committee. Appeal fees will not be refunded unless all findings of the Initial Hearing Committee are completely overturned by an Appeal Committee.

c. In cases of a non-expedited appeal, the appealing member(s) shall be given not less than fifteen (15) days' notice of a time and place for an appeal hearing to be heard by the Executive Committee or by an Appeal Committee duly appointed by the NCHA President. In cases of an expedited appeal, the appealing member(s) shall be entitled to an appeal hearing no more than five (5) business days after the expedited appeal is perfected.

2. Appeal Proceedings

a. An appeal is a “de novo” proceeding and could result in a new finding concerning whether or not there was a violation of an NCHA rule(s) and either an affirmance, enhancement or decrease in the disciplinary action taken by the Initial Hearing Committee.

b. Eight (8) members of the Executive Committee shall constitute a quorum for purposes of considering disciplinary appeal hearings.

c. The NCHA President may appoint a special Appeal Hearing Committee (the “**Appeal Committee**”) to conduct any appeal hearing of disciplinary actions. This Appeal Committee shall have a minimum of five (5) members and a maximum of nine (9) members. Each member of the Appeal Committee must be a member in good standing of the NCHA. Five members of the Appeal Committee members shall constitute a quorum for purposes of hearing an appeal.

d. No continuance of an appeal hearing shall be granted unless a written request for continuance is received by the NCHA Executive Director at least seven (7) days prior to the hearing and good cause is shown as determined at the sole discretion of the NCHA President or the Chairman of the Appeal Committee.

e. At the appeal hearing, the appealing member shall have the opportunity to be heard, to be represented by legal counsel, to present evidence in his/her own behalf and to hear and refute any evidence offered against them.

f. The committee hearing the appeal will follow the same procedures for the appeal hearing as are used for the initial hearing.

g. The decision of the Executive Committee or Appeal Committee in an appeal proceeding under this rule shall be final and binding on all parties. The committee hearing an appeal shall only be required to note in its report the NCHA rule(s) it found were violated and shall not be required to provide a detailed reasoned opinion for its decision.

h. When disciplinary action is taken that results in probation or suspension of membership privileges or competitive status, the person’s name, the rule violated, and the disciplinary action taken will be published in *Cutting Horse Chatter*.