

NFHR BOARD OF DIRECTORS MEETING MINUTES
Tuesday, September 14, 2021, 6:00 PM (Mountain Time)
Zoom meeting, Jeanne will send an invitation
(Additional Agenda Items may be added at the beginning of the meeting)

CALL MEETING TO ORDER – Rory

ROLL CALL – Board Members: Jennifer, Rory, Curtis, Sarah, Karl, excused absence - Jessica and Jim. Staff: Nancy and Jeanne. Invited guests, nominees for the Board election: Wendy Luscombe, Cherrie Nolden, Joanne Wilgus, and Maria Meister who attended until 5:56 pm.

RATIFY MOTIONS APPROVED BY EMAIL (July 15-September 14) On August 23 Curt made a motion and Jessica seconded to approve the letter, verify membership of person receiving the list and notifying the members that the list was distributed in accordance with Vermont law. Motion passed. Sarah moved to ratify; Curtis seconded. Motion passed .

APPROVAL OF PREVIOUS MINUTES: Attached-July 13 and August 23 minutes- Motion to approve minutes by Curtis, seconded by Karl. Motion passed .

PRESIDENT’S REPORT: I have several matters to report:

1. The background and status of potential litigation.
2. More on crossbreeding.
3. The By Laws and a proposal for the Election Process.
4. A comment regarding the Breeder’s Committee.
5. A brief Treasurer’s Report.
6. A brief report regarding the Herald.
7. A comment regarding the F2F.
8. Our next scheduled Board meeting.

Potential Litigation

Let me begin with the background and status of potential litigation.

Eighteen NFHR members sent a letter on 28 May 2021 to the Board in which they asserted that the Board had acted improperly with regard to its determination regarding the appeal made by a member to the denial of registration of his imported Fjord Horse. The eighteen members also stated their concern regarding the lack of transparency by the Board. In the letter they demanded a membership list so they could contact the members to call a general membership meeting. They threatened legal action against the Board.

On 1 June 2021, the Board posted a letter on the NFHR website that outlined a number of questions regarding the crossbreeding rule and asked the membership for input on the topic. The Board intends to discuss this at the January 2022 Board meeting.

By letter of 4 June 2021, I responded to each of the eighteen members individually and invited them to a general membership meeting on 1 July 2021 at 6 pm (Denver time) to discuss the crossbreeding rule. Each of these members were invited to attend via Zoom. The meeting was streamed on Face Book Live. The general membership was notified in advance of the meeting. The letter noted that no Rules of Registration had been changed and that the board was concerned that privacy laws could be violated. This could risk loss of our liability insurance. Two of those signatories attended the Zoom meeting as well as over fifty members on Face Book Live. We did not hear any comments in opposition to the Board’s decision granting the appeal.

On 12 August 2021, the Board received a letter from Mr. Hans Huessy, a Vermont attorney, who stated that he represented several members of the Registry. He stated that the Vermont law mandates that a non-profit

corporation (the NFHR is a registered non-profit in Vermont) must maintain a list of members and make that list available to members upon reasonable request. That law is 11B VSA, paragraphs 16.01 and 16.02. He stated that his client's purpose was to circulate proposed amendments to the Rules of Registration insofar as they pertain to crossbreeding and to discuss and promote certain nominees for the Board. He stated they required a response by 27 August 2021. He further stated that, if the list was not sent, his clients would file a complaint asking a court to mandate the production of the list.

By letter of 23 August 2021, I responded on behalf of the Board that in order for us to verify that Mr. Huessy's clients are members of the Registry and to comply with the Vermont laws Mr. Huessy referenced, I asked that he provide us the names of his clients.

By letter of 9 September 2021, Mr. Huessy responded that his clients would prefer not to identify themselves publicly. He has proposed that his clients identify themselves through their attorney to the Registrar with the understanding that the Registrar will keep their identities confidential and not share them with the Board.

I have polled the Board. They accept Mr. Huessy's proposal, and the Registrar is willing to act in confidence and not share the names of the members. Once she has verified that the persons are members, she will release the membership list. On behalf of the Board, I will send a letter to Mr. Huessy stating that his proposal is acceptable. Curt moved to approve that the letter that Rory has drafted be sent to the attorney, Sarah seconded, motion approved.

Crossbreeding

There have been three more situations regarding the crossbreeding rule.

1. An appeal on a removal of registration.
2. A question regarding the past purchase of semen from a foreign registered Fjord who may have been used for crossbreeding in that foreign country.
3. A statement from a member regarding an accidental cross breeding.

1. In August 2021, the Registrar received information regarding a non-member using an NFHR Fjord for cross breeding. The Registrar contacted the person for further information and notified the non-member that the horse would be removed from the Registry. The Registrar followed up with a letter, and the non-member has appealed the removal. In the appeal, the owner claims that this was an accidental crossbreeding. This case is similar to the case in 2012 in which the Board upheld the Registrar's decision. Jeanne said that the referenced woman spoke to her on the phone with the details and that the intention was to breed to her non-Fjord stallion. Evidence of these breedings is on Facebook. It was not framed as an accident on the phone with Jeanne. An appeal has been submitted in which it was claimed to be an accidental breeding. Sarah made a motion to deny the appeal of the removal of the mare from the registry, Curtis seconded. Motion passed.

2. Here is the second case. In 2019, a member purchased semen from a foreign registered Fjord and was granted a Semen Transfer Permit. Neither the Registrar nor the member were aware that the stallion had been used for crossbreeding in his country of registration. That country is silent on crossbreeding. In 2021 the member became aware of the crossbreeding event and has asked the Board for a determination should the member use the semen. The semen has not been used. If the semen is used will the owner lose membership, and will the foal be denied registration? Jeanne declined to offer any input. The board has elected to discuss this later at our F2F meeting.

3. In the third situation the member came forth voluntarily to admit to an accidental breeding. Briefly the member sent the mare to a trainer who accidentally turned her out with a Haflinger stallion. The trainer was unaware that the breeding had occurred. It became apparent when the foal was born, and the member is asking that the board not revoke the member's membership nor the registration of the mare. This issue was not brought

before Jeanne. The board elects to not revoke registration or membership at this time due to the owner being forthcoming. Jeanne will contact the owner.

Upcoming Election

Over the course of the last month two board members have resigned. One term expires at the end of this year and that position is open for election. The other board position has a little over two more years to go.

Regarding a vacancy, the By Laws state in Article V, paragraph E that:

A vacancy of the Board of Directors in any office because of death, resignation, removal, disqualification, or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

Therefore, I suggest that the Board fill the one unexpired term of a little over two years by appointment. Furthermore, I suggest that the Vice President, who is chair of the election committee, begin a search for an appointee.

For the unexpired term of about three months, I suggest that the Board forego making an appointment and simply let the election occur. There is no time limit to appoint so waiting the three months to fill this position is not a problem according to our By Laws. The Board agreed to appoint a person to fill the position that has a little more than two years left in its term.

Comment Regarding the Breeder's Committee

Curt Pierce has agreed to chair the Breeders Committee. Karen Hanson has volunteered to serve on the committee. Kelly White will remain on the Breeders Committee.

Financial Report

Jessica has asked me to make a brief financial report. I note that the expenses have been routine and have been paid.

As of 31 August 2021, we have cash in the amounts of:

US Bank Checking	\$2,644.22
US Bank Money Market	\$22,583.21
US Bank Savings	\$2,401.54
Total Bank Accounts	<u>\$27,628.97</u>

The NFHR operates on a cash basis. We receive the majority of our income from memberships that come in around the beginning of each year. Typically, we have about \$40,000 at our peak and work through the rest of the year from that single influx of cash. Our major expenses are salaries and staff that run about \$3,500 per month and the quarterly *Herald* that runs between \$5,000 and \$6,000 per issue. Our current cash position is normal for this time of the year.

The Herald

The Fall issue is in layout and will be going to the printer as scheduled.

Face-to-Face Meeting

Because of the current Covid restrictions it is somewhat questionable whether we will be able to hold an in-person meeting in 2022. We are taking a wait-and-see approach. Just a note: board members do pay their own expenses for the meeting.

Next Regular Board Meeting

The next regular board meeting is scheduled for 9 November 2021.

EXECUTIVE DIRECTOR'S REPORT: Nancy reports that at the direction of the Board of Directors the NFHR office will release our membership list including members' contact information to a group of unknown individuals who threatened litigation if the list was not released. The request for the list was made through the group's attorney. We previously denied a request for the list to a group of 18 members in order to adhere to our privacy policy and the request of some of our membership to keep their personal contact information private for various reasons. Although the list should only be used in certain circumstances under our privacy policy, we are required by Vermont statutes (where we are incorporated) to provide our membership list to any member who requests it for the purpose of "a member's interest as a member." In years past we have provided the membership list publicly. That policy was changed due to the change in privacy laws across the country and members requesting their information not be given out.

In order to verify that the anonymous group is indeed comprised of members in good standing their attorney has suggested that the Registrar verify that information and keep it confidential from anyone else including the Board of Directors. The Registrar has agreed to this as well as the Board.

The request from the anonymous group states through their attorney that they wish to address the proposed changes to the Rules of Registration and be informed of the nominees to the Board for the current election so they may promote certain candidates. This qualifies as "a member's interest as a member" according to the Vermont statutes.

Please note that there are no proposed changes to the Rules of Registration and that nominations had not closed at the time of the request. Nominations have now closed as of September 1st and nominees have been posted on the NFHR website.

We regret the inconvenience and consequences if anyone has requested that their personal information remain private.

Nancy is preparing the renewal letter and ballot if there is an election. Jeanne has secured a local bank (not the NFHR bank) to count the ballots. They have requested that the ballots be sent to the NFHR office and then delivered to the bank unopened. They will count them and return the ballots to us after they have reported the results. We are following the practice of selecting an entity not affiliated with the NFHR to count the ballots.

Nancy is working with Jeanne to train her on incorporating Quick Books into the new database.

Nancy and Jeanne are planning for the Face2Face and Annual Meeting in January.

REGISTRAR'S REPORT:

Jeanne is doing dual entries into the new and old database to discover any glitches of registrations and transfers. There are exciting new features of the new database and online studbook (pedigree site.)

She reported we are at 694 members for 2021. She reported 77 foals have been presented for registration for 2021; 54 have been verified by DNA so far. There have been 237 transfers of ownership to date.

TREASURERS REPORT: See above.

OLD BUSINESS:

- Nominees and bios, Karl has taken care of this.

NEW BUSINESS:

- August 23 resignation of Laura Fay, mentioned above.
- September 3 resignation of Kelly White, mentioned above.
- Vacant board positions, mentioned above.
- Threatened litigation, mentioned above.
- Release of membership list, mentioned above.
- Crossbreeding and changes to Rules of Registration rumors, mentioned above.

- Face2Face meeting and Annual Meeting in person or virtual? To be determined.
- Next Board meeting date November 9, 2021.
- Evaluation. Curt reported that the California evaluation has been postponed to 2022-2023 at this time due to lack of entries.

COMMITTEE REPORTS:

Nancy reported that the Herald Committee is seeking to help financially support the Herald by soliciting ads other than those advertising something for sale. These would be ads such as support or congratulations. This has been well supported by the membership in the past.

FINAL COMMENTS:

Rory asked for comments from the visitors attending the meeting. Cherrie, Wendy, and Jo all stated that they are observing and have no other comments. Rory thanked them for attending.

Karl and Nancy mentioned that the ballots will go out with the renewal letter on October 1st. The ballots are due back on or before November 15th and the results will be announced on December 1st.

The next meeting is November 9, 2021, 6:00 mountain time.

Meeting adjourned 7:00 mountain time.