



FILED IN DISTRICT COURT
OKLAHOMA COUNTY
IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

OCT 12 2017

ARNO HONSTETTER, an individual,

Plaintiff,

vs.

NATIONAL REINING HORSE
ASSOCIATION, an Oklahoma
Corporation.

Defendant.

RICK WARREN
COURT CLERK

36

CASE NO.

CJ-2017-5864

MOTION FOR TEMPORARY INJUNCTION AND BRIEF IN SUPPORT

COMES NOW the Plaintiff, Arno Honstetter ("Honstetter"), pursuant to 12 O.S. §§ 1382 and 1384.1 and applicable case law, moves the Court for entry of a Temporary Injunction against Defendant, National Horse Reining Association ("NRHA"). Honstetter respectfully requests an order nullifying the NRHA Findings and Order dated May 1, 2017, as affirmed by the NRHA Executive Committee, and to fully reinstate Honstetter's NRHA membership and privileges.

The factual predicate for the Temporary Injunction order is set forth in detail in Plaintiff's Petition, which is attached hereto as Exhibit 1. Plaintiff specifically adopts and incorporates by reference the factual allegations contained in his Petition. Immediate and irreparable injury, loss and damage will result to Plaintiff and a Temporary Injunction is necessary to preserve the status quo until a trial on the merits. In support hereof, Honstetter alleges and states as follows:

STATEMENT OF FACTS

1. The NRHA is an organization designed to promote the reining horse, and activities involving the reining horse. It also serves as the standard setting body for the sport of

reining worldwide. It operates according to the *2016 NRHA Handbook: Bylaws, Rules and Regulations; Judges' Guide* ("NRHA Handbook").

2. Plaintiff, Allen Honstetter, is a lifetime member of the NRHA since 2000.

3. On or about January 24, 2017, Honstetter received notice that Karen McCuiston filed a protest against Honstetter alleging Honstetter violated NRHA Handbook Rule/Article E, Section 3, "Abuse." *See Exhibit 2, May 1, 2017 Findings and Order.*

4. Pursuant to the NHRA Handbook, the Investigation Review Committee ("IRC") is charged with reviewing the protest filed by Ms. McCuiston and all documents submitted by the parties and witnesses. The IRC referred the matter to the NRHA Hearing Body for further proceedings.

5. Honstetter requested that the NRHA provide the material submitted to the IRC as well as any statements of the parties and witnesses in order to prepare for the hearing. However, NRHA counsel advised that the evidence would only be made available prior to the hearing, which deprived Honstetter a meaningful opportunity to prepare for the hearing. Despite this, the NHRA Hearing Body proceeded with the hearing to determine the merits of Ms. McCuiston's protest on May 1, 2017. To date, the NRHA has refused to provide Honstetter (or his counsel) with the evidence used against him. *See Exhibit 3, April 11, 2017 Letter from Terry Wiens.*

6. On May 1, 2017, the Hearing Body issued its Findings and Order. The Hearing Body determined that Honstetter violated NRHA rules. Specifically, the Hearing Body stated:

On motion duly made, seconded and passed, THE HEARING BODY FINDS that there was a violation of the NRHA Handbook concerning the abuse of a horse, as set forth in Section 3.

On motion duly made, seconded and passed, THE HEARING BODY FINDS AND ORDERS the following sanctions be assessed against Arno Honstetter:

1. Arno Honstetter be suspended from the NRHA and all NRHA privileges for a period of three (3) months from today's date.
2. Upon the successful completion of his suspension time, Arno Honstetter be put on probation for a period of one (1) year.
3. Arno Honstetter is fined \$1,000.00 to be paid prior to the end of his suspension period.

See Exhibit 2, May 1, 2017 Findings and Order.

7. Honstetter exercised his right to appeal on May 11, 2017. Pursuant to the NRHA Handbook, the Executive Committee is charged with reviewing the decisions of the Hearing Body. Upon review, the Executive Committee affirmed the Hearing Body's Findings and Order.

8. The NRHA Hearing Body and Executive Committee denied Honstetter due process, and the Findings and Order of the NRHA Hearing Body are arbitrary, capricious, unfair and not supported by the record for the following reasons:

- a. Honstetter was deprived a meaningful opportunity to prepare his defenses as the NRHA withheld the charges and evidence until minutes before the hearing on May 1, 2017;
- b. Honstetter was denied the opportunity to confront his accuser;
- c. the record lacks evidence or testimony that supports a finding that Honstetter abused any horse in any way;
- d. the record lacks evidence or testimony that the actions of Honstetter, if done, constituted abuse;
- e. the record lacks any evidence or testimony that Honstetter willfully committed the acts complained of by the NRHA;

f. evidence was distributed prior to the hearing by non-members of the Hearing Body to other NRHA members;

g. the NRHA failed to provide any notice whatsoever of the Appellate Review, and the NRHA did not allow Honstetter to present any arguments or information for consideration on appeal;

h. the charges against Honstetter were vague and deprived Honstetter a meaningful opportunity to defend himself;

i. the length of the suspension is unfair, unreasonable and not supported by the record; and

j. the imposition and timing of the suspension of Mr. Honstetter was done in bad faith.

See Exhibit 2, May 1, 2017 Findings and Order; Exhibit 4, September 28, 2017 Letter to NRHA.

9. The above decisions by the NHRA Hearing Body and Executive Committee were willful, unreasonable, disregard the facts and circumstances, and are not supported by the record.

10. The decisions by the NRHA Hearing Body and Executive Committee are without good cause or sufficient evidence, and constitute breach of Honstetter's contract for membership with the NRHA.

11. Honstetter's suspension, revocation and involvement with the NRHA has negatively impacted his business and reputation.

ARGUMENT AND AUTHORITIES

In this case, the entry of a temporary injunction is necessary to preserve the status quo until the rights of the parties are determined in this litigation. Entry of a temporary injunction is necessary to prevent (1) breach of the contract that exists between the NRHA and its members;

(2) negative effect on Honstetter's livelihood and professional reputation; and (3) ongoing interference with Honstetter's current and prospective business relations. Without Court intervention, Honstetter will continue to suffer stress, embarrassment, monetary loss and damage to his professional reputation. Immediate action from this Court is therefore required.

A. Legal Standard to Issue a Temporary Injunction.

This Court, in its discretion, may issue a temporary injunction order pursuant to 12 O.S. §§ 1381 *et seq.* The principal purpose of a temporary injunction is to preserve the controverted matter in status quo pending the outcome of the case to allow a meaningful determination on the merits. *National Collegiate Athletic Ass'n v. Owens*, 1976 OK 136, ¶ 15, 555 P.2d 879, 881 ("The purpose and objects of a temporary injunction is to preserve the controverted matter in status quo. . ."); *see also Grupo Mexicano de Desarrollo S.A. v. Alliance Bond Fund, Inc.*, 527 U.S. 308, 324-25 (1999) ("[T]he preliminary injunction was a reasonable measure to preserve the status quo pending final determination of the questions raised by the bill . . .") (internal quotations omitted).

Four factors should be considered in determining whether a temporary injunction should be granted:

- (1) whether the plaintiff is likely to prevail upon the merits of the action;
- (2) whether the plaintiff will suffer irreparable harm or whether there is an adequate remedy at law in the absence of injunctive relief;
- (3) whether the irreparable harm which would be suffered by the plaintiff if injunctive relief is withheld, outweighs the irreparable harm which would be suffered by the defendant if injunctive relief is granted; and
- (4) the public interest.

See generally, 12 O.S. §§ 1382 and 1384.1; *Key Temporary Personnel, Inc. v. Cox*, 1994 OK CIV APP 123, 884 P.2d 1213. In the present case, the factors weigh in favor of granting Honstetter a temporary injunction.

I. HONSTETTER IS LIKELY TO PREVAIL UPON THE MERITS OF HIS CLAIM

A. Breach of Contract.

Based on the factual predicate, which cannot be reasonably disputed by the NRHA, Honstetter establishes that he is likely to prevail upon the merits of his breach of contract claim. In order to prove a breach of contract in Oklahoma, the party must prove: “(1) formation of a contract, (2) breach of the contract, and (3) damages as a direct result of the breach.” *Digital Design Group, Inc. v. Information Builders, Inc.*, 2001 OK 21, ¶33, 24 P.3d 834, 843. Here, the NRHA Handbook represents an enforceable contract between the NRHA and its members. The procedural deficiencies in the disciplinary actions as outlined above, denial of due process and suspension of Honstetter’s NRHA membership and privileges without good cause or sufficient evidence constitutes a breach of Honstetter’s membership contract with the NRHA. Consequently, Honstetter will suffer damages in excess of \$100,000 by his exclusion from NRHA and American Quarter Horse Association¹ sanctioned events. For these reasons, Honstetter will likely prevail on his Breach of Contract claim.

B. Declaratory Judgment Pursuant to 12 O.S. § 1651.

Title 12 O.S. § 1651 vests this Court with the power to determine the rights, status and other legal relations in cases of actual controversy. 12 O.S. § 1651. Here, an actual controversy exists as to the legal rights and obligations of the parties with respect to Honstetter’s NHRA

¹ The American Quarter Horse Associate affords reciprocity to decisions of the NRHA. See *Exhibit 5, October 5, 2017 Letter from American Quarter Horse Association*.

membership and privileges. A number of decisions made by the NHRA Hearing Body, as affirmed by the Executive Committee, are arbitrary, capricious, unfair and not supported by the record. Specifically, the NRHA Hearing Body (1) denied Honstetter a meaningful opportunity review any of the evidence presented against him until minutes before the start of the protest hearing; (2) denied Honstetter the right to confront his accuser as Ms. McCuiston was not present, and was not required to be present, at the hearing; (3) found that biting up or checking up a horse constituted abuse despite no rule in the NRHA Handbook that prohibits such training techniques; (4) found actual abuse despite the clear lack of evidence by a vet or other expert as to whether biting or checking up a horse is cruel, abusive, inhumane or detrimental to the horse's health as required by the NRHA Handbook; (5) failed to establish that biting or checking up the horse in question constituted willful abuse as required by the NRHA Handbook; (6) failed to provide adequate notice to Honstetter or his counsel of the appeal to the Executive Committee so that Honstetter may present information or arguments and rebut the evidence presented for the first time at the May 1, 2017 hearing; (7) assessed an unfair and unreasonable penalty, the severity of which was not supported by the record; and (8) delayed Honstetter's suspension until after the appeal was heard nearly 45 days after the Findings and Order issued causing Honstetter's exclusion from NRHA Futurity.

Biting or checking up a horse is a common and accepted horse training practice. The decisions by the NRHA Hearing Body and the Executive Committee are willful and/or malicious, unreasonable, disregard the facts and circumstances, and not supported by the record. The record is devoid of any proof of willful abuse on the part of Honstetter, and the NRHA Handbook does not prohibit, either explicitly or implicitly, biting or checking up a horse. For these reasons, Honstetter will likely prevail on his declaratory judgment claim.

II. ABSENT A TEMPORARY INJUNCTION, HONSTETTER WILL SUFFER IRREPARABLE HARM

“[I]njury or detriment is irreparable when it is incapable of being fully compensated for in damages or where the measure of damages is so speculative that it would be difficult if not impossible to correctly arrive at the amount of the damages.” *Hines v. Independent School Dist. No. 50, Grant County*, 1963 OK 85, ¶ 14, 380 P.2d 943, 945 (citing *Baker v. Lloyd*, 1947 OK 12, 179 P.2d 913).; *see also Inergy Propane, LLC v. Lundy*, 2009 OK CIV APP 8, ¶ 42, 219 P.3d 54.; *Equifax Servs., Inc. v. Hitz*, 905 F.2d 1355, 1361 (10th Cir.1990) (“Irreparable harm may be established “based upon evidence suggesting that it is impossible to precisely calculate the amount of damage plaintiff will suffer.”). Injunctive relief may be warranted where: (1) proving damages with certainty is difficult, (2) procuring substitute performance would be difficult, and (3) the ability to collect any judgment is questionable. *Id.* In this case, Honstetter will suffer and continue to suffer irreparable harm until a temporary injunction is entered.

As a result of the NRHA’s wrongful conduct toward Honstetter, he has suffered several measures of irreparable harm. Honstetter has suffered, and will continue to suffer embarrassment, damage to his professional reputation, and damage to his business prospects as a direct result of his suspension from NRHA events. Specifically, by strategically delaying Honstetter’s suspension, Honstetter will be forced to miss the following events:

NRHA - Burbank, CA (Oct. 25-29, 2017)

ApRHA- Ft Worth (Nov. 2, 2017)

AQHA - world show (Nov. 2-18, 2017)

NRHA - Futurity (Nov. 23-Dec. 2, 2017) **must designate rider before November 1**

The NRHA is fully aware of the financial impact of missing the NRHA Futurity for a trainer such as Honstetter. Further, as a direct result of the NRHA’s wrongful actions, Honstetter suffers, and will continue to suffer a negative stigmatization as a “horse abuser” within the

professional reining horse training community and marketplace, which has significant financial and emotional consequences for Honstetter. Therefore, the injunctive relief requested herein should be entered by this Court.

III. NO IRREPARABLE HARM WILL BE CAUSED TO THE NRHA THROUGH THE REQUESTED INJUNCTIVE RELIEF

The balance of the equities also favors entry of temporary injunctive relief. No irreparable harm will be caused to NRHA if the requested injunctive relief is granted. To the contrary, NRHA will benefit as its members are assured that the disciplinary actions against NRHA members are in accordance with their membership contract and the NRHA Handbook, and any sanction is based on evidence sufficiently supported by the record. Simply put, the NRHA will suffer no irreparable harm if the requested relief is granted. By contrast, as detailed above, if the requested injunctive relief is not granted, Honstetter will suffer irreparable harm. The balance of equities favors the entry of a temporary injunction until the rights of the parties may be determined.

IV. THE PUBLIC INTEREST

The public interest of Oklahoma will undoubtedly be served by ensuring that parties to a valid agreement to stand by their promises, and perform in according to their agreement's terms. Additionally, corporations organized and existing under the laws of the State of Oklahoma should not be permitted to arbitrarily cast aside their own Bylaws, Rules and Regulations in order to support a unilateral decision of the corporation's board of directors. This sort of action usurps the balance of corporate power between a corporation's Board and its members. The public interest is served by ensuring Oklahoma corporations operate according to their own rules. Finally, the NRHA is organized as an Oklahoma not for profit corporation. Due to the ability to

operate on a tax-free basis, the public interest of Oklahoma is served by ensuring that these types of corporations operate on a transparent basis and in accordance with the contracts, bylaws, rules, and regulations governing their existence. Therefore, the injunctive relief requested herein should be entered by this Court.

CONCLUSION

For the reasons set forth herein, and in the Petition, Plaintiff, Arno Honstetter respectfully requests that the Court enter a Temporary Injunction against the National Reining Horse Association to render the action represented by its May 1, 2017 Findings and Order, as affirmed, concerning Honstetter null and void and to fully reinstate Honstetter's NRHA membership and privileges without restriction. Plaintiff further requests entry of an order for a hearing on Plaintiff's Motion for Temporary Injunction, and after the hearing, issuance of a temporary injunction until such time as the rights of the parties are determined in this litigation.

Respectfully submitted,

A handwritten signature in black ink, reading "Socorro Adams Dooley". The signature is fluid and cursive, with the first name "Socorro" being the most prominent.

Kevin R. Donelson, OBA No. 12647

Socorro Adams Dooley, OBA No. 32716

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100 N. Broadway, Suite 1700

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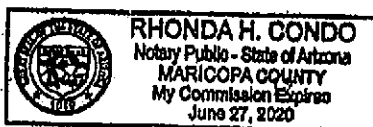
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Attorneys for Plaintiff

717710



IN THE DISTRICT COURT OF OKLAHOMA COUNTY

STATE OF OKLAHOMA

ARNO HONSTETTER, an individual,

Plaintiff,

vs.

NATIONAL REINING HORSE
ASSOCIATION, an Oklahoma
Corporation.

Defendant.

CASE NO.

CJ-2017-5864

JURY TRIAL DEMANDED

PETITION

COMES NOW the Plaintiff, Arno Honstetter ("Plaintiff" or "Honstetter"), and for his claims against Defendant, National Reining Horse Association, alleges and states as follows:

PARTIES AND JURISDICTION

1. Plaintiff, Arno Honstetter, is an individual residing in Maricopa County, Arizona.
2. Defendant, National Reining Horse Association (the "NRHA"), is a domestic not-for-profit corporation, organized and existing under the laws of the State of Oklahoma with its principal place of business in Oklahoma City, Oklahoma.
3. The actions that are the subject matter of this action took place in Oklahoma County, Oklahoma.

EXHIBIT

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4. This Court has jurisdiction of this action and venue is proper in Oklahoma County, Oklahoma.

5. The NRHA is an organization designed to promote the reining horse, and activities involving the reining horse. It also serves as the standard setting body for the sport of reining worldwide. It operates according to the *2016 NRHA Handbook: Bylaws, Rules and Regulations and Judges' Guide* ("NRHA Handbook").

6. Honstetter has been a lifetime member of NRHA since 2000.

7. On or about January 24, 2017, Honstetter received notice that Karen McCuiston filed a protest against Honstetter alleging Honstetter violated certain NRHA rules established by the 2016 NRHA Handbook, namely Rule/Article E, Section 3, Abuse.

8. Pursuant to the NRHA Handbook, the Investigation Review Committee ("IRC") is charged with reviewing the protest filed by Ms. McCuiston and all documents submitted by the parties and witnesses. The IRC referred the matter to the NRHA Hearing Body for further proceedings.

9. Honstetter requested that the NRHA provide the material submitted to the IRC as well as any statements of the parties and witnesses in order to prepare for the hearing. However, NRHA counsel advised that the evidence would only be made available prior to the hearing, which deprived Honstetter a meaningful opportunity to prepare for the hearing. Despite this, the NRHA Hearing Body proceeded with the hearing to determine the merits of Ms. McCuiston's protest on May 1, 2017. To date

the NRHA has refused to provide Honstetter (or his counsel) with the evidence used against him.

10. On May 1, 2017, the Hearing Body issued its Findings and Order. The Hearing Body determined that Honstetter violated the NRHA rules. Specifically, the Hearing Body stated:

On motion duly made, seconded and passed, THE HEARING BODY FINDS that there was a violation of the NRHA Handbook concerning the abuse of a horse, as set forth in Section 3.

On motion duly made, seconded and passed, THE HEARING BODY FINDS AND ORDERS the following sanctions be assessed against Arno Honstetter:

1. Arno Honstetter be suspended from the NRHA and all NRHA privileges for a period of three (3) months from today's date.

2. Upon the successful completion of his suspension time, Arno Honstetter be put on probation for a period of one (1) year.

3. Arno Honstetter is fined \$1,000.00 to be paid prior to the end of his suspension period.

11. Honstetter exercised his right to appeal on May 11, 2017. Pursuant to NRHA Handbook, the Executive Committee is charged with reviewing the decisions of the Hearing Body. Upon review, the Executive Committee affirmed the Hearing Body's Findings and Order.

12. The NRHA Hearing Body and Executive Committee denied Honstetter due process, and the Findings and Order of the NRHA Hearing Body are arbitrary, capricious, unfair and not supported by the record for the following reasons.

- a. Honstetter was deprived a meaningful opportunity to prepare his defenses as the NRHA withheld the charges and evidence until minutes before the hearing on May 1, 2017;
- b. Honstetter was denied the opportunity to confront his accuser;
- c. the record lacks evidence or testimony that supports a finding that Honstetter abused any horse in any way;
- d. the record lacks evidence or testimony that the actions of Honstetter, if done, constituted abuse;
- e. the record lacks any evidence or testimony that Honstetter willfully committed the acts complained of by the NRHA;
- f. evidence was distributed prior to the hearing by non-members of the Hearing Body to other NRHA members;
- g. the NRHA failed to provide any notice whatsoever of the Appellate Review, and the NRHA did not allow Mr. Honstetter to present any arguments or information to be considered on appeal;
- h. the charges against Honstetter were vague and deprived Honstetter a meaningful opportunity to defend himself;
- i. the length of the suspension is unfair, unreasonable and not supported by the record; and
- j. the imposition and timing of the suspension of Mr. Honstetter was done in bad faith.

13. The above decisions by the NRHA Hearing Body and Executive Committee were willful, unreasonable, disregard of the facts and circumstances, and are not supported by the records.

14. The decisions by the NRHA Hearing Body and Executive Committee are without good cause or sufficient evidence, and constitute a breach of Honstetter's contract of membership with the NRHA.

15. Honstetter's suspension, revocation and his involvement with the NRHA has had a negative and harmful impact on Honstetter's reputation and business.

FIRST CLAIM FOR RELIEF
(Breach of Contract)

Honstetter adopts and incorporates by reference all allegations of each and every paragraph above as if set forth verbatim herein.

16. NRHA is a voluntary association governed by both NRHA Handbook and Bylaws, duly adopted by the NRHA. The NRHA Handbook and Bylaws creates an enforceable contract between the NRHA and its members.

17. Honstetter has been a lifetime member of the NRHA since 2000.

18. The NRHA Hearing Body and Executive Committee denied Honstetter due process, and the Findings and Order of the NRHA Hearing Body are arbitrary, capricious, unfair and not supported by the record.

19. The foregoing acts of the NRHA constitute a breach of Honstetter's contract of membership with the NRHA.

20. As a result of these breaches, Honstetter has suffered damages in excess of \$100,000.00.

SECOND CLAIM FOR RELIEF
(Declaratory Judgment)

Honstetter adopts and incorporates by reference all allegations of each and every paragraph above as if set forth verbatim herein.

21. Pursuant to 12 O.S. § 1651, District Courts may determine the rights, status and other legal relations of cases of actual controversies.

22. A controversy exists as to the legal right and obligations of the parties in regard to the Honstetter's suspension of his NRHA membership.

23. Therefore, Honstetter petitions this Court to enter a declaratory judgment addressing the NRHA's Findings and Order, and to determine and declare:

a. that the decision of the NRHA Hearing Body and affirmation by the Executive Committee was arbitrary, capricious, unfair and not supported by the sufficient evidence;

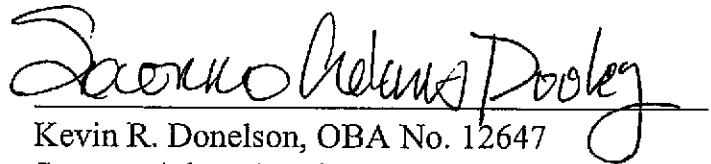
b. that Honstetter was denied due process;

c. that Honstetter's membership with the NRHA was suspended by the Executive Committee without good cause and constitutes a breach of Honstetter's contract of membership with the NRHA; and

d. that the Honstetter's suspension of his membership with the NRHA is nullified, and Honstetter's membership reinstated in full.

WHEREFORE, Plaintiff, Arno Honstetter, prays this Court declare and determine the scope and extent of the legal rights and obligations of the parties as to the suspension and revocation of Honstetter's membership with the NRHA, judgment against the NRHA in an amount in excess of \$100,000.00 for breach of contract, and for such other and further relief as may be just and proper under the facts as developed in this case, including injunction and other such extraordinary relief.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kevin R. Donelson", is written over a horizontal line.

Kevin R. Donelson, OBA No. 12647
Socorro Adams Dooley, OBA No. 32716
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sdooley@fellerssnider.com

Attorneys for Plaintiff

NATIONAL REINING HORSE ASSOCIATION

IN THE MATTER OF
ARNO HONSTETTER

)
)
Case No. 121916

NRHA HEARING BODY FINDINGS AND ORDER

May 1, 2017

1:00 o'clock PM

Meeting held at office of General Counsel
4301 SW 3rd Street, Oklahoma City, OK 73108

This matter comes on for review this 1st day of May, 2017, before the duly appointed Hearing Body of the National Reining Horse Association ("NRHA"). The hearing was originally scheduled to be conducted at the NRHA office, however, because of an electrical power outage caused by recent storms, the hearing was held at the office of NRHA General Counsel, Terry T. Wiens, with notice to and without objection from all interested parties. All references in this Order shall be according to the 2016 NRHA Handbook. By NRHA Rule D, Section 6 (12) found on page 41 of the 2016 NRHA Handbook, the makeup of the Hearing Body is confidential. This matter was forwarded to this Hearing Body by the NRHA Investigation Review Committee which found the matter to be of sufficient gravity warranting review by this Hearing Body.

Notice was properly given to the parties of today's hearing pursuant to the Handbook; a quorum of the NRHA Hearing Body was present along with Terry T. Wiens, NRHA General Counsel. No party is required to attend a meeting of the NRHA Hearing Body. Arno Honstetter appeared in person. No other party or witnesses were in attendance.

Mr. Honstetter concurred that notice of today's hearing was proper. No objections were posed by Mr. Honstetter as to the time allowed for review of hearing materials before the hearing began, and no continuance was requested.

Identical 3-ring binders were presented to and made available to all parties and the members of the Hearing Body for review at 9:00 a.m. this morning. Prior to today's hearing and distribution of the 3-ring binders containing the information concerning this protest, no member of the Hearing Body had knowledge or was aware of whom the parties to this protest, and as far as is known, the parties were not aware of the makeup of the Hearing Body.

The parties were allowed as much time as desired to review the materials prior to discussion before the Hearing Body. These binders were returned at the close of the hearing. All parties and members of the Hearing Body signed the CONFIDENTIALITY NOTICE concerning the video, documents and material that were to be reviewed at today's hearing.

This protest was brought as a result of an incident that occurred at the 2016 NRHA Futurity in Oklahoma City, Oklahoma. The incident involved a protest of abuse as found in Section 3 (1) as found at the top of page 44 of the 2016 NRHA Handbook.

Exhibit A
Page 2 of 2

EXHIBIT

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The allegations involved a horse that was "bitted up" or "checked up" with its reins tied to the saddle and left in a stall, unattended, with purple cooler blankets over the stall front. Mr. Honstetter admitted that he was responsible for the horse, however that he had told his employees to only tie the horse in the stall and did not tell them to "check up" the horse and that those individuals did not work for him any longer. Mr. Honstetter also stated that he was sorry and that it would not happen again. The Hearing Body allowed Mr. Honstetter to present any additional evidence, although none was presented and the Hearing Body listened to all statements made by Mr. Honstetter and took them into consideration.

The duly appointed NRHA Hearing Body has carefully reviewed all material, testimony and statements submitted by the parties. No evidence was excluded. The parties were given broad latitude to present all evidence they so desired.

On motion duly made, seconded and passed, THE HEARING BODY FINDS that there was a violation of the NRHA Handbook concerning the abuse of a horse, as set forth in Section 3.

On motion duly made, seconded and passed, THE HEARING BODY FINDS AND ORDERS the following sanctions be assessed against Arno Honstetter:

1. Arno Honstetter be suspended from the NRHA and all NRHA privileges for a period of three (3) months from today's date.
2. Upon the successful completion of his suspension time, Arno Honstetter be put on probation for a period of one (1) year.
3. Arno Honstetter is fined \$1,000.00 to be paid prior to the end of his suspension period.

ALL OF THE ABOVE IS SO ORDERED.

NRHA HEARING BODY

By:


Terry T. Wiens, NRHA General Counsel

TERRY T. WIENS

ATTORNEY AT LAW

Fax: (405) 843-7935

Voice: (405) 848-8812

4301 Southwest 3rd Street
Oklahoma City, OK 73108

twiensatty@aol.com

April 11, 2017

Mr. Arno Honstetter
28150 N. Alma School Parkway #103-279
Scottsdale, Arizona 85262
Honestetterperformance@gmail.com

Re: NRHA protest: Arno Honstetter; Case No.: 121
Evidence review

Dear Mr. Honstetter:

Pursuant to NRHA General Rules and Regulations D (Disciplinary Procedures), Section 7 (Hearing Procedures) (5): **"All parties shall be given 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 against him/her or entity..."**

Pursuant to inquiry, this is to notify all parties that the information that will be presented for review by the NRHA Hearing Body on Monday, May 1, 2017, will be made available at 8:00 o'clock AM on that day. All parties are being notified of the availability.

The NRHA Hearing Body will convene their docket on that morning to review the information concerning any protest that is to come before it that day. The NRHA Hearing Body will determine the order for hearing the protests that come before it. After the NRHA Hearing Body has had an opportunity to review the material, the parties will be invited to appear individually and present any additional direct evidence concerning the protest. The NRHA Handbook does not require any party to attend.

Very truly yours,

Terry T. Wiens
NRHA General Counsel

TTW/ch



COMITZ | BEETHE

Michael F. Beethe
Direct: 480.219.5470
mbeethe@cobelaw.com

September 28, 2017

VIA EMAIL
and U.S. MAIL

Terry Wiens
General Counsel
National Reining Horse Association
4301 SW 3rd Street
Oklahoma City, OK 73108
wienslaw@coxinet.net
twiensatty@aol.com

Mike Deer, President
National Reining Horse Association
mikedeer@sopris.net

Gary Carpenter, Commissioner
National Reining Horse Association
gcarpenter@nrha.com

Dear Mr. Wiens, Mr. Deer and Mr. Carpenter:

As Mr. Wiens is aware, I represent Arno Honstetter in relation to the suspension and fine issued to Mr. Honstetter on May 1, 2017, as well as the Appellate Review of Findings and Order, issued on August 17, 2017. I am writing regarding those findings, and request further review of the same.

The actions by the NRHA are egregious in this case, and Mr. Honstetter is not willing to sit by idly while it occurs. There were so many errors and intentional bad acts by the NRHA in this matter, and Mr. Honstetter simply was not treated fairly. The errors and bad acts of the NRHA include:

1. No Evidence Provided. Mr. Honstetter was not permitted to review any of the evidence that was to be presented against him at the Hearing. Mr. Honstetter was allowed only a few minutes to review the evidence presented against him, just minutes before he was to sit for his hearing. Further, even when requested by his counsel after the hearing (in order to review the matter and make an appeal), the evidence still has

not been provided.

2. Accuser Did Not Testify. No testimony was presented to establish the claim against him, and Mr. Honstetter was deprived of the right to confront his accuser. Ms. Karen McCuiston ("Accuser") filed the protest against Mr. Honstetter, but she was not at the hearing. This prohibited Mr. Honstetter or his representative from questioning Accuser. Such questions could have included whether Mr. Honstetter was even involved with the conduct that has been deemed abusive in this case.
3. Action Not Abusive. The claim in this case is that Mr. Honstetter's action of biting up or checking up a horse constituted abuse. But absolutely no evidence was presented that such action (bitting up or checking up a horse) is abusive in any way. Bitting up or checking up horses is a commonly used training technique in Quarter Horse, NRHA and other breeds/associations. More importantly, there is no rule within the NRHA that prohibits such training techniques.
4. Failure to Prove Abuse. Even if biting up or checking up a horse could fall within the "Abuse" definition, both the Accuser and NRHA completely failed to meet their burden of proving that such actions were cruel, abusive, inhumane or detrimental to the horse's health. In fact, absolutely no evidence was presented on this topic, making it impossible for the NRHA to issue its ruling. There was no evidence presented that showed the horse suffered from any physical or mental harm, and no vet or other expert was even asked to examine the horse (because the horse was clearly not harmed in any way).
5. Failure to Prove Willful Conduct. Even if biting up or checking up a horse could be deemed "Abuse", the Accuser and NRHA also failed to establish (or even attempt to establish or present any evidence whatsoever) that Mr. Honstetter willfully abused the horse in question. This is an absolute requirement of the NRHA's own rules. See Handbook, Rule E, Section 3(2) ("Individuals will be subject to the disciplinary procedures *if it is determined that there was a willful abuse of the horse*"). Here, the only evidence presented on this issue was that Mr. Honstetter was not even aware of the fact that the horse in question was bitten or checked up, as noted in the NRHA Hearing Body Findings and Order ("Mr. Honstetter admitted that he was responsible for the horse, however that he had told his employees to only tie the horse in the stall and did not tell them to 'check up' the horse and that those individuals did not work for him any longer."). No evidence to the contrary was presented, which means there is no rational means to find that Mr. Honstetter willfully abused the horse, to the extent that biting up or checking up a horse could even be considered abusive.

6. Failure to Provide Adequate Notice and Opportunity to be Heard. Despite multiple requests by Mr. Honstetter's counsel to Mr. Wiens, the NRHA failed and refused to inform Mr. Honstetter when the Appellate Review would be heard. The NRHA deprived Mr. Honstetter's ability to present information and/or arguments to be considered for the Appellate Review. Essentially, the NRHA prohibited Mr. Honstetter from defending himself in any meaningful way.
7. Unfair Penalty. The penalty assessed to Mr. Honstetter is unfair, unreasonable and not supported by the record. A 3-month suspension is a severe penalty issued by the NRHA. Here, Mr. Honstetter is being penalized for an action taken where no horse was harmed in any way whatsoever, and for an action that is not even prohibited.
8. Extreme Bad Faith on Appellate Review. The NRHA's decision on Appellate Review to begin his 3-month suspension on October 1, 2017 shows extreme bad faith, with an eye towards severely damaging Mr. Honstetter's reputation and business. The standard practice of the NRHA is to begin suspensions immediately upon issuance of a ruling or order. This is what the NRHA did with Mr. Honstetter's original Findings and Order ("Arno Honstetter be suspended from the NRHA and all NRHA privileges for a period of three (3) months from today's date."). The NRHA did the same with others who received suspensions. In its Executive Committee's Appellate Review of Findings and Order, however, the NRHA makes a decision to begin Mr. Honstetter's suspension approximately 45 days after the decision, on October 1, 2017, and such calculated decision gravely impacts Mr. Honstetter's livelihood. If Mr. Honstetter's suspension began on the date the Executive Committee ruled, the suspension would have run from August 17 to November 16, 2017, and Mr. Honstetter would have been permitted to exhibit horses at the NRHA Futurity, which runs from November 23 to December 2, 2017. By strategically delaying the beginning of Mr. Honstetter's suspension to October 1, 2017, his suspension now runs during the NRHA Futurity. The NRHA is fully aware of the impact of missing the NRHA Futurity for a trainer such as Mr. Honstetter, and such decision to delay the beginning of Mr. Honstetter's suspension was malicious. Noteworthy, Mr. Wiens actually threatened such an action to me when I was discussing the appeal with you, before the appeal was filed. I have a clear memory and took detailed notes of the thinly-veiled threat made by Mr. Wiens that, if Mr. Honstetter did elect to appeal the decision, there was a good chance that his suspension would occur during a major event. Mr. Honstetter exercised his rights under the NRHA Handbook, and is now receiving a retaliatory punishment for exercising such rights.

Mr. Honstetter will not sit idly by while the NRHA either tries to make an example out of him or tries to put him out of business. Mr. Honstetter is aware of at least two other pending

National Reining Horse Association
Terry Wiens
September 28, 2017
Page 4 of 4

lawsuits against the NRHA, all related to the way in which the NRHA holds its hearings and treats its members, showing that the NRHA's actions against him are not an isolated incident. As such, I have been authorized to bring suit against the NRHA with respect to the items raised in this letter. A copy of the draft Petition that we have prepared on behalf of Mr. Honstetter is attached, subject to review and approval by local counsel.

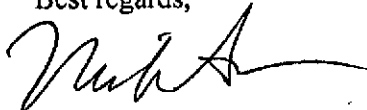
Before such action is taken, however, Mr. Honstetter asked that I reach out to the NRHA to attempt to resolve this, short of litigation. Mr. Honstetter is willing to resolve this issue if his suspension is either: (a) reduced to one (1) month, effective immediately on the date of acceptance of this offer, or (b) remains three (3) months but begins immediately after the NRHA Futurity.

If the NRHA will agree to the terms above, Mr. Honstetter will agree to waive any claims he has against the NRHA, and he will release any and all claims he has against the NRHA for the damage already done to his reputation.

This offer will remain open until Monday, October 2, 2017, at which time it will be automatically revoked.

Should you have any questions, please do not hesitate to contact me.

Best regards,



Michael F. Beethe

MFB/rc

Enclosure

cc: Arno Honstetter

October 5, 2017

Arno Hornstetter
28150 N. Alma School Pkwy #103-279
Scottsdale, AZ 85262

Via FedEx

Re: National Reining Horse Association: Arno Hornstetter
Notice of AQHA Reciprocity

AMERICAN
QUARTER
HORSE
ASSOCIATION

Dear Mr. Hornstetter:

AQHA is in receipt of the enclosed notice of the September 1, 2017 action by the National Reining Horse Association ("NRHA") verifying that NRHA has placed you on suspension for three (3) months effective October 1, 2017, followed by one (1) year probation. NRHA has informed AQHA that such matter involved violation of NRHA's inhumane treatment rules and regulations.

Rule VIO658 of the 2017 AQHA Official Handbook provides:

Every person who is suspended or otherwise disciplined by one of the below specified associations shall be suspended or disciplined by AQHA, upon official notice to AQHA by the disciplining association, for the following offenses:

- Unsportsmanlike conduct at a show or contest;
- Inhumane treatment of horses; or
- Prohibited surgical procedure or injection or administration of foreign substances or drugs which could affect a horse's personal performance or alter its natural conformation or appearance.

NRHA is one of the associations to whom AQHA affords reciprocity pursuant to Rule VIO700.

The purpose of this letter is to notify you that AQHA has placed you on three (3) months suspension effective October 1, 2017 followed by one (1) year probation. Violation of AQHA rules and regulations during the period of your suspension or probation may result in further disciplinary action against you.

Sincerely,


Chad P. Lee
Chief General Counsel

Enclosure

cc: Pat Eyle, AQHA Chief Show Officer
Wend Smith, AQHA Director of Professionalism, Training & Education
Gary H. Campbell, AQHA Commissioner

Notice of other individuals disciplined by AQHA: A list of names and dates of discipline is attached to this letter. A copy of this letter is being provided to the individuals named in the list. A copy of this letter is also being provided to the individuals named in the list. A copy of this letter is also being provided to the individuals named in the list.

EXHIBIT

5



September 1, 2017

Ward Stutz
American Quarter Horse Association
1600 Quarter Horse Drive
Amarillo, Texas 79104

RE: NRHA Disciplinary Action

Dear Ward,

This letter is to inform the American Quarter Horse Association of recent disciplinary action taken by the National Reining Horse Association. Please find below the names and outcomes.

Arno Honstetter of Scottsdale, Arizona: Suspended three (3) months beginning October 1, 2017, followed by one (1) year probation and \$1,000 fine.

If you have any further questions, do not hesitate to give me a call.

Sincerely,

Gary Carpenter
NRHA Commissioner