

**DRAFT AGENDAAERC BOD Conference Call 2/12/18**

Call to order and roll call

Housekeeping: Acceptance of agenda

Excusals: None received as of 1/29/18

Approval of 1/8/18 board minutes – will be furnished before the meeting

Membership report February 2018 – Kathleen (to be furnished before the meeting)

Business before the Board:

Motion re establishment of a legal committee - %%% below

Motion re amendment to AERC Articles of Incorporation - @@@ below

Motion re new AERC Resolution re Region 7 & Ted Stevens Act - \*\*\* below, with explanation by Paul Sidio. I did not receive a rewrite of the motion.

Facebook discussion re Region 7

Strategic Plan - Paul Latiolais

**%%%MOTION PROPOSAL**

**Motion Name: Establishment of a Legal Committee**

Proposing Committee

Date of Motion (Date to be presented to BOD): 2/12/18

Classification of Motion Request (new, change, add, delete, by-law, rule, policy): New policy

Proposed Motion (use exact wording)

Pursuant to Article 11.01(e) of the AERC bylaws which authorizes the Board of Directors to form committees, the Board of Directors will establish a Legal Committee to be composed of no less than three individuals who meet the following criteria: 1) have held a bar membership; 2) have practiced law; and 3) are not current members of the Board of

Directors of AERC.

Background, analysis and benefit (describe the problem this motion is solving)

- To ensure AERC has procedures in place to enact and maintain good governance throughout the organization.
- To transparently and openly address the risks and liabilities surrounding actual conflicts of interest and the appearance of conflicts of interest.
- To ensure AERC's governance procedures and the related actions taken by members and management of AERC do not jeopardize AERC's D&O insurance.
- Lawyers having subject area expertise (contract, tort, transactional, etc) and diverse practice experiences will provide a depth of resources to timely and professionally allow the Board members to best serve the membership of AERC.
- To ensure the Board of Directors is serving the membership of AERC to the best of its abilities by ensuring professional, timely, and subject experts on issues of importance to the members.

Budget effect/impact (Attach spreadsheet if appropriate): None

Benefit and/or Impact to Membership and/or the AERC Organization: Benefits of the motion will be:

- 1) Fulfill our obligations as members of the Board of Directors to the AERC and its members;
- 2) Bring the Board of Directors in compliance with Rule 13.5.3 (rule refers to the "Legal Committee") and;
- 3) Ensure the AERC procedures and its Board of Directors actions comply with appropriate ethical and legal protocols of corporate governance and best practices. This is to safeguard, in both fact and appearance, the integrity, objectivity and independence of the Board of Directors with respect to the role of external or in-house legal advisors.

Impact on AERC Office (Work load, budget): None

Implementation plan (Schedule, resources, financial)

March 2018- Convention. With approval of the Board of Directors, the President shall appoint a non-Board of Directors member with a law degree to chair the Legal Committee. The Chair will choose no less than 2 additional committee non-Board of Directors members with law degrees.

Supporting materials: (List of any other documents and/or spreadsheets)

Supporting approvals (proposing committee, participating committees)'

Governance Strategic Plan Taskforce

Duane Barnett  
Michael Campbell  
Connie Caudill  
Monica Chapman  
Mary Howell  
Susan Kasemeyer  
Susan Keith  
Nick Kohut  
Bob Marshall  
Mike Maul  
Barbara Reinke  
Heather Reynolds  
Lisa Schneider  
Mollie Krumlaw Smith  
Jan Stevens  
Jody Wyatt

**@@@Motion Proposal**

**Placement of vote to amend AERC's Articles of Incorporation to expand AERC's Articles specific and primary purposes of the corporation beyond the United States of America**

Proposing Director – Jody Wyatt, West Region

Date of Motion (Date to be presented to BOD) February 12, 2018 conference call

Classification of Motion Request (new, change, add, delete, by-law, rule, policy) Policy Amendment to Articles of Incorporation

Proposed Motion (use exact wording)

For the AERC board to vote to amend the Articles of Incorporation to expand AERC's purposes of the corporation beyond the United States of America then place before membership of the conference a vote for approval to amend the articles of incorporation to expand AERC's purposes beyond the United States of America.

Background, analysis and benefit (describe the problem this motion is solving)

AERC's current Articles of Incorporation specifically restrict the corporation's purposes to the United States of America. AERC operates outside the scope of the articles stated purposes by sanctioning rides outside the United States of America and offering a Special Membership International. AERC is exposed to the risk of charges of misrepresentation and acting beyond its powers.

Budget effect/impact (Attach spreadsheet if appropriate)  
AERC will be subject to costs and expenses to obtain a vote from membership.

Benefit and/or Impact to Membership and/or the AERC Organization

AERC will be brought into corporate compliance and mitigate its risks.

Impact on AERC Office (Work load, budget): Time to obtain membership vote.

Committees consulted and/or affected: None

Implementation plan (Schedule, resources, financial): Immediate

Supporting materials: (List of any other documents and/or spreadsheets): None

Supporting approvals (proposing committee, participating committees): Unknown

**\*\*\* MOTION PROPOSAL**

**This Motion Proposal form is to be used in the development, presentation and approval process of submitting motions to the Board.**

**Motion Name: AERC Resolution**

Proposed by Paul Sidio, Director at Large

Date of Motion (Date to be presented to BOD): 2/12/18

Classification of Motion Request: Policy

Proposed Motion (use exact wording)

Whereas: In the past 3 years FEI has suspended the entire UAE Federation, and two years in a row, removed FEI sanctioning from the premier event on the Dubai Endurance calendar.

Whereas: Despite continued efforts at education and training, rules violations continue mostly unchecked in Region 7. Violations such as vehicles on course, excessive crew numbers in vet checks, horses disappearing mid-ride and exiting the grounds without vet examination, and attempts to alter ride results. These infractions continue at all Region 7 venues excepting Boudheib Endurance International Village.

Whereas: Horses in Region 7 continue to be raced at unsustainable speeds resulting in an unacceptable rate of catastrophic fracture deaths, except at the Boudheib venue. Three known fatalities in the first 10 days of the UAE ride season.

Whereas: both AERC and USEF mission statements call for high standards of ethical behavior and equine welfare.

Whereas: USEF is bound by the Ted Stevens Act, including Section 220525 “Prompt review and decision - for the sport that it governs a national governing body promptly shall review a request by an amateur sports organization or person for a sanction to hold an international amateur athletic competition in the United States or to sponsor United States amateur athletes to compete in international amateur athletic competition outside the United States and grant the sanction if – the national governing body does not decide by clear and convincing evidence that holding or sponsoring an international amateur athletic competition would be detrimental to the best interest of the sport”.

Whereas: For the past decade, for the reasons listed above, endurance riding in Region 7 of FEI has been detrimental to the sport of endurance riding with the sole exception being the endurance events staged at the Boudheib endurance International Village.

Therefore, it is mutually agreed that under the law known as the Ted Stevens Act, when events are deemed detrimental to the sport, sanctioning of athletes to attend said events is to be denied. USEF and AERC mutually agree that neither organization shall sanction athletes to compete in endurance competition in Region 7, with the exception of endurance competitions conducted at the Boudheib venue, for a period of two years. After that time a joint committee from USEF and AERC shall review progress in Region 7 equine welfare, and rules observation to determine if those events are now not detrimental to the best interests of the sport of endurance.

Background, analysis and benefit (describe the problem this motion is solving)

Budget effect/impact (Attach spreadsheet if appropriate)

Benefit and/or Impact to Membership and/or the AERC Organization

Shows AERC commitment to obeying Federal Law. Also shows commitment to AERC mission statement regarding equine welfare

Impact on AERC Office (Work load, budget): Zero

Committees consulted and/or affected

Implementation plan (Schedule, resources, financial)

Supporting materials (List of any other documents and/or spreadsheets)

Supporting approvals (proposing committee, participating committees)

After discussions and messages from several BOD Members, I am revising my Motion to simplify it. But I thought I would address some questions and possible objections up front so we can think about it before our phone conference. 1) "But AERC is not covered by the Ted Stevens Act" Maybe yes, maybe no. I would hope not. BUT USEF definitely is covered by the Ted Stevens Act. 2) "But Endurance is not an Olympic Sport, so Ted Stevens Act does not apply to Endurance" In Section 220503, of the Act, it lays out the jurisdiction of the USIOC. It includes, besides the Olympics, The Pan American Games. Endurance is a Pan American Event, so Ted Stevens does apply to Endurance. 3) "USEF tells us the Case Law prevents them from not granting Sanctions for riders to attend foreign competitions" I am going to call BS on this one. USIOC cases are available online. I looked at every case that I could find even closely related. There were ZERO cases involving a NGO denying an athlete a sanction based on 220525, detrimental to the best interests of the sport. There were ZERO cases involving any denying of a sanction for any reason. The cases were about an athlete who felt they should have been selected for an Olympic Team, or World Championship Team, but somebody else was selected instead. 4) "Some AERC Members will think that we are being too authoritarian and banning riders" ...We are NOT banning Riders We are demanding that USEF obey and enforce the Law. The nice thing is that USEF will take the heat from its Members, not us. Demanding that USEF obey and enforce a Federal Law should not even be a question for us. 5) "Why two years? That seems a long time" By the time anything gets done, the Region 7 Endurance season will be over for this year. FEI has new rules that take effect in 2019. We will not know if those new rules have a positive effect on Region 7 until after the 2019 season. So, two years takes us to the end of that 2019 season, when we can evaluate any progress. 6) "We can't demand anything from USEF or they will cancel our affiliate agreement" We can, and must demand things from USEF when cheating and equine welfare are involved. We are elected as Directors to represent AERC and our Mission Statement, not to blindly agree with any USEF actions or non- actions. They will not cancel our affiliate agreement for us insisting on obeying a Federal Law. I hope this explains and clarifies the Motion. Paul N. Sidio