

February 24, 2010

Dear Payback Stallion Owners:

Since I last wrote you regarding my stepping down from the day-to-day activities, and as Treasurer of SHN PAYBACK INC., there have been some developments that you need to be notified of. I am well aware that Payback is a success only because of your support, therefore these changes affect you more than anyone.

I was attempting to be diplomatic when I stated the reason why I was stepping down. The integrity of this program that I had worked so hard to establish was very important to me and to its continued success. I had hoped that by me taking this action, things would go forward, but without the internal problems of late.

Unfortunately, my partner, Laura Wood, has taken another tact. She erroneously announced my resignation from the BOD, then subsequently informed me that I had been voted off the BOD - the first of which was not true, the other not even a legal possibility. She has since accused me of misconduct, unauthorized expenditures, and other acts of wrongdoing in private and in public.

As you may remember, the letter I sent announcing my stepping down as Treasurer also stated that an internal financial review would be conducted by a CPA and the results would be made publicly available. This is currently underway and will lay to rest any questions as to the finances under my tenure.

As this has played out on a public forum since Feb. 1st, and many supporters there had questions that weren't being answered by Laura, I did my best to address them there to quell any doubts, still hoping to salvage Payback. If you'd like to read this information, you can do so at:

<http://forums.arabianbreeders.net/topic/33878-shn-payback-has-a-new-website/>

At this point, Laura has started a completely new corporation of the same name in her home state of Florida. I assume she plans to conduct all Payback business under this new corporation with her own BOD and by-laws. (The legalities of this have not

yet been determined.) She has sole access to the main Payback bank account and website/email accounts.

I am very sad to see the choices Laura has made regarding this situation. None of this was necessary and it has only served to cast doubt on all of the positive aspects of Payback.

Thank you for your past trust and support. Please don't hesitate to contact me if you have any questions.

Sincerely yours,

Peggy Ingles

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