

March 6, 2010

This past week has been very enlightening. This whole Florida vs. Maryland corporation issue actually took on a life of its own.

The Maryland Secretary of State has launched an investigation into what appears to them to be misrepresentation on the FL corporation's part. The Florida Attorney General and Dept. of Agriculture & Consumer Affairs are investigating as well. The IRS has also been made aware of the situation.

In light of these developments, Laura has now recanted her earlier claims as emailed to you all and as still posted on the front page of shnpayback.org. According to Laura, she has hired an attorney here in Maryland to act as Resident Agent and now to attempt to force me out of the corporation. More as that develops - it may take a while.

In the meantime, I am afraid there may be no getting this back on track. Truly heartbreaking. So, I would like to ask you for your input regarding a new award program for our Arabian-bred Sport Horses. There have been some very important lessons learned here, and we can make the most of that knowledge to avoid the pitfalls of the past.

No matter what format a new program takes, all past donations to the Payback program will be honored. You will not lose out on your investments. For 2010, I think staying with the original format, while developing future plans, would be prudent. We are in the midst of breeding and showing season, so we should act fairly quickly. Any funds raised will be paid out at the 2010 SHN show, in classes to be determined by our participants and taking Payback classes into account. (The \$30K raised by Payback so far this year is required by law to be paid as outlined in the corporate charter.)

To avoid any conflict of interest concerns, the Board of Directors will be comprised of knowledgeable persons without horses involved the program. It will also have a committee of participants to assist in choosing classes and payout structures. Your suggestions of candidates are most welcome at any time.

Thank you for your valued input and support. We are all eager to move forward in a positive and longterm fashion.

Sincerely yours,

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