

The Concerned Members group responded to news of the appeal with the following statement that was signed by Edward “Hoppy” Bennett, Tom Ferrebee, Carl Fischer, Jr., Dr. Simon Fredricks, Kris Knight, and Lynn Via:

The American Saddlebred Horse Association, Inc. (ASHA), a Kentucky non-profit corporation, issued a statement to its members on February 3, 2011 regarding litigation it filed against some of its members. That statement contained false information. We wish to correct the record.

As background, the ASHA initiated the litigation in 2009 in an effort to prevent its members from inspecting corporate records, including financial records. On January 6, 2011, the Court issued its final judgment confirming that Kentucky law provides members of non-profits the right to inspect the corporate records. Accordingly, the Court ruled that ASHA members are entitled to inspect the ASHA’s corporate records to provide appropriate oversight. The Court went on to say that the categories of records sought by the Concerned Members were appropriate for inspection under the law.

In its statement dated February 3, 2011, the ASHA advised its members that it intends to appeal the Court’s decision. In that same statement, the ASHA claimed that it “has already voluntarily provided all requested financial information.” That is simply not true. In fact, the ASHA tendered legal briefs and a sworn affidavit to the Court confirming that the ASHA refused to allow its members to inspect multiple categories of financial records. (Go to www.saddlebredcentral.com to see the ASHA's statements and Alan Balch's sworn affidavit which is Exhibit 8 to the Members' Motion.)

The ASHA acknowledged on page 7 of its memorandum in support of its motion for summary judgment that it withheld salary information. In addition, the ASHA acknowledged in a sworn affidavit from Executive Secretary Alan Balch that it withheld, at a minimum, the following categories of records: A. Compensation records, B. Contracts between ASHA and employees, C. Correspondence between the Executive Secretary and Board members, D. Emails between Alan Balch and former finance committee member Mr. Holden, E. Documents received by ASHA as referenced in minutes from the September 18, 2009 meeting, and F. Documents relating to potential violations of ASHA rules by ASHA directors and employees.

The documents sought by the Concerned Members are necessary to insure proper oversight of the non-profit organization. The ASHA’s own auditor identified “significant deficiencies” in ASHA’s accounting policies. Now, the ASHA has spent tens of thousands of dollars on a lawsuit to prevent its own members from inspecting the corporate records. The ASHA has also forced the Concerned Members to spend tens of thousands of dollars because the ASHA elected to name them in a lawsuit rather than simply allow them to inspect the corporate records. As a result, the ASHA made this dispute about much more than the specific corporate records at issue. This dispute is now about the right of all ASHA members to feel confident that the ASHA is operating appropriately.

The ASHA's misleading statements to its members make it appear as if all of the financial records have been disclosed – when they have not. Perhaps the Board realizes that it looks very bad for it to continue to hide its records indicating precisely how it spends an approximate \$2 million budget. If you wish to learn more about this dispute and read the Court's decision, please go to www.saddlebredcentral.com.