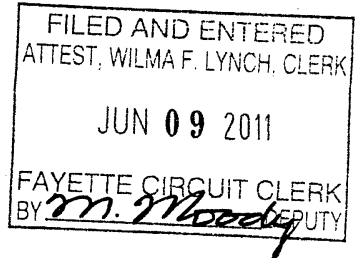


COMMONWEALTH OF KENTUCKY
FAYETTE CIRCUIT COURT
4 DIVISION
CIVIL ACTION NO. 11-CI- 2982



JENNIFER WASSERZUG

PLAINTIFF

V.

COMPLAINT

AMERICAN SADDLEBRED REGISTRY, INC.;
AMERICAN SADDLEBRED HORSE ASSOCIATION, INC.;
JUDY WERNER; and BARBARA MOLLAND

DEFENDANTS

* * * * *

Comes the Plaintiff, Jennifer Wasserzug, by counsel, and for her Complaint against the Defendants, American Saddlebred Registry, Inc., and American Saddlebred Horse Association, Inc., submits as follows:

PARTIES, VENUE AND JURISDICTION

1. Plaintiff, Jennifer Wasserzug, is a resident of Georgetown, Scott County, Kentucky.
2. Defendant, American Saddlebred Registry, Inc. (the "Registry"), is and at all times relevant hereto has been a Kentucky Corporation with its principal place of business located in Lexington, Fayette County, Kentucky.
3. Defendant, American Saddlebred Horse Association, Inc. ("ASHA"), is and at all times relevant hereto has been a Kentucky Corporation with its principal place of business located in Lexington, Fayette County, Kentucky.
4. Defendant, Judy Werner, is President of ASHA and member of the Board of Directors of both ASHA and the Registry.

5. Defendant, Barbara Molland, is President of the Registry and member of the Board of Directors of both ASHA and the Registry.
6. All of the events alleged herein occurred in Lexington, Fayette County, Kentucky.
7. Venue and jurisdiction over the parties and the subject matter of this dispute are proper in this Court.

FACTS COMMON TO ALL COUNTS

8. Plaintiff reiterates and incorporates the allegations as set forth in paragraphs 1 through 7 above.
9. The Registry and ASHA are affiliated organizations under common management, which, respectively, act as the official registrar for registered American Saddlebred horses and as a non-profit organization representing the American Saddlebred horse industry.
10. Plaintiff was employed by the Defendants from November 7, 2001, until June 11, 2010, when she was informed that she was being terminated, purportedly due to a reorganization of the Defendants' office staff.
11. During her tenure working for the Defendants, where she last worked as Senior Registry Associate for Transfers, Plaintiff was an exemplary employee, received favorable evaluations throughout the term of her employment and made substantial contributions to the Defendants' business activities.
12. Among Plaintiff's primary employment responsibilities was the oversight of the registration transfer of ownership process for registered American Saddlebred horses, which is among the core functions of the Registry.
13. Consistent with her job function, Plaintiff was diligent in ensuring proper procedures were followed at all times in connection with the transfer of registered American

Saddlebred horses to ensure the integrity of the transfer process and that the ASHA/Registry rules were followed.

14. On July 6, 2009, both the Registry and ASHA adopted substantially identical Employee Protection (“Whistleblower”) Policies (“Whistleblower Policies”) which, *inter alia*, purport to protect employees from retaliation in the event an employee reports misconduct on the part of the organization or any individual, and to ensure confidential treatment of any report made by an employee pursuant to the Whistleblower Policies.
15. Following the adoption of the Whistleblower Policies, and in reliance thereon, on or about November 17, 2009, Plaintiff duly reported an incident in which Alan Balch, then the Executive Secretary/Registrar of AHSA and the Registry, had ordered Plaintiff and others to violate Registry policy in order to facilitate the transfer of a registered American Saddlebred mare, “Mother Mary,” when the Registry lacked the necessary documentation to validly process such transfer (the “Mother Mary Incident”).
16. Plaintiff reasonably believed that the Mother Mary Incident constituted a material violation of Registry policies and, because the purported transfer was communicated to certain third parties whom she expected would rely on such representations, potentially constituted fraud, Plaintiff followed the procedures outlined in the Whistleblower Policies and reported the Mother Mary Incident.
17. Following her reporting of the Mother Mary Incident pursuant to the Whistleblower Policies, Plaintiff met with members of the ASHA Board of Directors on or about December 20, 2009, in support of their investigation of the incident, but was never informed of the results of the investigation.
18. Following Plaintiff’s report, on January 12, 2010, ASHA announced that Mr. Balch was

leaving his position.

19. During the course of the investigation of the Mother Mary Incident, Defendants divulged Plaintiff's identity and the nature of her report to certain persons who were not part of the investigation, notwithstanding the confidentiality provisions of the Whistleblower Policies.
20. The Mother Mary Incident later became a subject of contention in connection with litigation between ASHA and certain of its members; Plaintiff was deposed in connection with that matter on April 8, 2010, and testified that Mr. Balch had instructed her to violate the Registry's rules and procedures in connection with the Mother Mary Incident.
21. Two months after giving her deposition testimony, Plaintiff was informed that Defendants Werner and Molland, on behalf of ASHA and the Registry, had directed that Plaintiff's employment be terminated, purportedly due to a reorganization of the Defendants' office staff.
22. Plaintiff was given no explanation as to why she was the sole employee being terminated as part of the purported reorganization, despite the fact that several less junior employees were being retained, Plaintiff's performance had been exemplary and Plaintiff's functions were still critical to the effective operation of the Registry.
23. On information and belief, the Registry subsequently hired a new employee to fill substantially the same function performed by Plaintiff.
24. On information and belief, Defendants' decision to terminate Plaintiff was based on Plaintiff's reporting of the Mother Mary Incident consistent with the Whistleblower Policies and her truthful testimony in her deposition, and the reorganization was a pretext created to conceal the Defendants' true motives.

CAUSES OF ACTION

COUNT I: WRONGFUL DISCHARGE

25. Plaintiff reiterates and incorporates the allegations as set forth in paragraphs 1 through 24 above.
26. The conduct of Defendants in discharging Plaintiff violated clearly established public policy in favor of honesty, fair dealing and prevention of corporate misconduct, in that the Defendants acted in retaliation for Plaintiff's good faith reporting of and deposition testimony regarding the Mother Mary Incident.
27. As a direct and proximate result of the Defendants' wrongful termination of her employment, Plaintiff has suffered damages in excess of the jurisdictional limits of this Court.

COUNT II: BREACH OF CONTRACT

28. Plaintiff reiterates and incorporates the allegations as set forth in paragraphs 1 through 27 above.
29. The Whistleblower Policies constituted a contractual undertaking by the Defendants to refrain from terminating Plaintiff's employment in retaliation for reporting misconduct and to protect Plaintiff's confidentiality in connection with such report.
30. Plaintiff reasonably relied on the Whistleblower Policies' prohibition on retaliation when she reported the Mother Mary Incident, and when she provided deposition testimony in connection therewith.
31. Defendants breached their contractual obligations to Plaintiff by divulging Plaintiff's identity and the nature of her report to certain persons who were not part of the

investigation, and by terminating her in retaliation for Plaintiff's good faith reporting of and deposition testimony regarding the Mother Mary Incident.

32. As a direct and proximate result of the Defendants' breach of contract, Plaintiff has suffered damages in excess of the jurisdictional limits of this Court.

COUNT III: INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS

33. Plaintiff reiterates and incorporates the allegations as set forth in paragraphs 1 through 32 above.

34. The Defendants' conduct described herein was intentional and outrageous, in that they knowingly terminated Plaintiff's employment based on her good faith reporting of misconduct in reliance on the Whistleblower Policies and flagrantly disregarded the confidentiality and non-retaliation protections afforded to the Plaintiff thereunder.

35. Defendants' conduct proximately caused Plaintiff to suffer severe emotional distress.

36. As a direct and proximate result of the Defendants' intentional infliction of emotional distress, Plaintiff has suffered damages in excess of the jurisdictional limits of this Court.

RELIEF

WHEREFORE, Plaintiff Jennifer Wasserzug, respectfully demands as follows:

1. Judgment against the Defendants for general and compensatory damages, with interest thereon;
2. An award of punitive damages;
3. An award of her costs and reasonable attorneys' fees herein;
4. Trial by jury; and

5. Any and all other relief to which Plaintiff may appear to be entitled.

Respectfully submitted,

By:



LLOYD C. CHATFIELD II
201 West Short Street, Suite 601
Lexington, KY 40509
(859) 288-0080
(224) 688-9942
ATTORNEY FOR PLAINTIFF