(6)

BYLAW OR RULE CHANGE PROPOSAL FORM

PALOMINO HORSE BREEDERS OF AMERICA

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USE TO SUBMIT A BYLAW OR RULE CHANGE PROPOSAL (MUST BE POSTMARKED 120 DAYS PRIOR TO CONVENTION FORMS CAN BE MAILED TO THE PHBA OFFICE, EMAILED TO shirley@palominohba.com, OR FAXED TO (918)438-1232

A rule or regulation is not subject to amendment by change, addition or repeal until it has been in force for at least two calendar years. Such limitation may be waived by the PHBA Executive Board upon finding extraordinary circumstances: A. Concerns the safety, health or well being of a horse and/or rider; B. Materially benefits PHBA's programs or it's financial stability; or C. Involves other compelling circumstances.

The PHBA President will assign proposed bylaw or rule changes to specific committees for their recommendations. Some committees may be asked to review a proposed rule change and report their recommendations to another committee that ultimately reports to the Board of Directors. Committee Chairs will need to coordinate that input. Committees are free to discuss other proposed rule changes but the assigned committee's recommendation is that which will be used during voting at the Board of Directors' meeting.

Instructions for writing a proposed rule change:

- Define the problem and develop as many positive solutions as possible.
- Determine if any other rules would be affected if your proposal were to be adopted and specify the rule numbers.
- Submit proper wording for a proposed rule change by typing or neatly printing the exact wording being proposed. If you propose changes to existing language, ~~strike through~~ the words you propose to delete. Type in bold and italics the words you wish to add
- Determine the financial impact (both income and expense) your proposal could have on PHBA.
- You must get signature of three (3) PHBA members who support this proposal.

1. **PROPOSED CHANGE (select one):**
   - X **ADD NEW RULE**
   - _____ **DELETE EXISTING RULE. Reference rule as it appears in the _____official Handbook.**
   - _____ **CHANGE EXISTING RULE. Reference rule as it appears in the _____official Handbook.**

   Rule Number _____ Page Number _____

2. **PROPOSED EFFECTIVE DATE:** _____ **January 1, 2028** X **Other** Immediately

3. **Is this proposal changing a rule that was implemented within the last two years?** _____ **YES** X **NO**
   (Refer to PHBA Rule 33, page 13 of 2026/2027 Handbook)

4. **If adding a new rule or changing an existing rule, write rule as it should appear in the Handbook: (use attachment if needed)**

PSA

NOV 10 2026

(6)

5. **Justification for change and impact if not passed: (use attachment if needed)**

PSA

6. **How will this rule change affect PHBA financially if adopted:**

PSA

7. **Estimated expense to PHBA if rule change is adopted:**

PSA

8. **Contact information of person submitting proposed change:**

Name Laura Simmons PHBA ID# 107120

Address: 539 Panola Rd City Lapine

State AL Zip 36046 Phone Number 334-508-2700

Email avalonacres11c@yahoo.com

Signature Laura Simmons Date 11/8/26

REFERENCES:

1. PRINTED NAME Vanessa Simmons PHBA ID# 106478
   SIGNATURE Vanessa Simmons

2. PRINTED NAME Pat Brown PHBA ID# 93376
   SIGNATURE /s/ Pat Brown

3. PRINTED NAME Britanie Whitmer PHBA ID# 109964
   SIGNATURE Britanie Whitmer /s/

THIS FORM MUST BE FILLED OUT COMPLETELY. INCOMPLETE SUBMISSIONS WILL NOT BE ACCEPTED; THEY WILL BE RETURNED TO SUBMITTER, NOTING WHAT IS INCOMPLETE. IF TIME ALLOWS BEFORE SUBMISSION DEADLINE, PROPOSAL MAY BE RESUBMITTED WITH CORRECTIONS. NO PROPOSAL WILL BE CONSIDERED IF RECEIVED AFTER DEADLINE.

NOV 10 2026

(6)

4. **Proposed Rule Language:** *(Proposed new additions typed in **bold and italics**)*

RULE [INSERT NEW NUMBER / GOVERNANCE & FIDUCIARY RESTRICTIONS]: FIDUCIARY INELIGIBILITY – FINANCIAL CRIMES AND EMBEZZLEMENT

A. Membership Standing: Individuals who have been convicted of, entered a plea of guilty or nolo contendere to, or received deferred adjudication for any felony or misdemeanor offense involving theft, larceny, embezzlement, forgery, fraud, misappropriation of funds, or financial breach of trust are permitted to hold general membership and participate as exhibitors and owners in PHBA-approved events, subject to standard conduct and membership rules.

B. Ineligibility for Fiduciary Roles: Any member with a conviction, plea, or adjudication of an offense described in Section A is strictly barred and disqualified from holding, seeking, or being appointed to any office, directorship, committee, or position within the PHBA (national or affiliated regional associations) that entails fiduciary duty, financial authority, or oversight. Restricted roles include, but are not limited to:

1. ***Executive Committee Officers (President, Vice Presidents, Secretary, Treasurer, etc.);***
2. ***Members of the Board of Directors;***
3. ***Members of the Finance, Audit, Budget, Investment, or Ways and Means Committees;***
4. ***Authorized check signers, account administrators, debit/credit card holders, or cash-handling positions for any PHBA national office, foundation, show committee, or sanctioned event;***
5. ***Show treasurers, show secretaries handling funds, or point secretaries with budget oversight.***

C. Disclosure Requirement: Any nominee, candidate, or appointee for a restricted fiduciary position must certify on their nomination or acceptance form that they have no disqualifying record as described in Section A. If an active officer, director, or committee member is charged, convicted, or enters a plea to any such financial offense during their term, they must immediately disclose the matter and resign from all fiduciary posts.

D. Enforcement and Vacancy: Any individual serving in violation of this rule shall be immediately removed from the fiduciary office or committee by the Executive Committee, and the position shall be filled in accordance with association vacancy procedures.

5. **Explain why this rule change is needed:**

- **Financial Protection and Stewardship:** The PHBA holds a fiduciary duty to its membership to safeguard organizational assets, scholarship funds, premium payouts, and operating budgets against financial mismanagement or malfeasance.
- **Balanced Approach to Membership:** This rule allows individuals with prior

NOV 1 0 2026

financial offenses to participate in equine competition and enjoy membership benefits while responsibly mitigating risk by keeping association funds and financial decision-making out of reach of individuals with proven records of financial crime.

- **Governance and Non-Profit Best Practices:** Clarifying eligibility criteria for leadership roles aligns the association with standard non-profit governance, insurance requirements (such as fidelity bond and crime coverage underwriting), and corporate accountability standards.

6. **Determine if any other rules would be affected and specify rule numbers:**
   - Rules governing Nominations and Elections of Officers and Directors.
   - Committee Appointment and Eligibility bylaws.
   - Show Management rules regarding qualifications for Show Secretaries and Show Treasurers.
7. **Financial Impact on PHBA:**
   - **Estimated Income Impact:** None.
   - **Estimated Expense Impact:** None; may assist the association in securing lower premiums or broader coverage under Directors and Officers (D&O) and employee dishonesty / crime insurance policies.

(This may affect the verbiage of Rule 67)

NOV 10 2026