



CS-16-5297
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IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

FILED IN DISTRICT COURT
OKLAHOMA COUNTY

OCT 17 2016

RICK WARREN
COURT CLERK
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JAMES KITCHEN COSPER, an)
individual,)
)
Plaintiff,)
)
vs.)
)
NATIONAL REINING HORSE)
ASSOCIATION, an Oklahoma)
Corporation.)
)
Defendant.)
)

BJ-2016-5297

CASE NO. _____

JURY TRIAL DEMANDED

PETITION FOR DECLARATORY RELIEF

COMES NOW the Plaintiff, James Kitchen Cosper, and for his claim for declaratory relief pursuant to 12 O.S. § 1651 *et seq.* against Defendant, National Reining Horse Association, he alleges and states as follows:

PARTIES AND JURISDICTION

1. Plaintiff, James Kitchen Cosper ("Mr. Cosper"), is an individual residing in Brunswick County, North Carolina.
2. Defendant, National Reining Horse Association (the "NRHA"), is a domestic not for profit corporation, organized and existing under the laws of the State of Oklahoma with its principal place of business in Oklahoma City, Oklahoma.
3. The actions that are the subject matter of this action took place in Oklahoma County, Oklahoma.

4. This Court has jurisdiction of this action and venue is proper in Oklahoma County, Oklahoma.

STATEMENT OF FACTS

5. The NRHA is an organization designed to promote the reining horse, and activities involving the reining horse. It also serves as the standard setting body for the sport of reining worldwide. It operates according to the *2016 NRHA Handbook: Bylaws, Rules and Regulations; Judges' Guide*. Membership in the NRHA requires the payment of annual dues pursuant to Article II, Section 3 of the 2016 NRHA Bylaws.

6. Mr. Cospers, a Life Member of the NRHA since 1999, has served the NRHA in several different significant capacities, including, but not limited to: (a) member of the NRHA's Executive Committee; (b) Vice President of the Reining Horse Sports Foundation; and (c) member of the NRHA's Bylaw Committee.

7. On or about May 25, 2016, General Counsel of the NRHA, Terry Weins ("Mr. Weins"), sent Mr. Cospers a letter regarding his membership with the NRHA. In the letter, Mr. Weins stated that pursuant to Article 2, Section 1 of the NRHA Bylaws, Mr. Cospers's membership has been revoked at the discretion of the Executive Committee.

8. The May 25, 2016, letter did not state any reasons or allege any misconduct as the basis for Mr. Cospers's membership revocation.

9. Mr. Weins has been asked to provide reasoning for the actions of the NRHA Executive Committee in their revocation of Mr. Cospers's membership.

10. Mr. Weins has refused or otherwise failed to provide the requested reasoning for the actions of the NRHA Executive Committee in their revocation of Mr. Cospers membership.

11. The Board's action is purportedly rooted in Article II, Section 1 of the 2016 NRHA Bylaws. This Section provides:

Membership is open to any individual of good character and reputation that has an interest in reining horses and the promotion of the reining horse. However, membership is a privilege and not a vested right and is granted, rejected or revoked at the discretion of the Executive Committee.

12. The revocation of Mr. Cospers membership and involvement with the NRHA has had a negative and harmful impact on Mr. Cospers reputation.

13. The revocation of Mr. Cospers membership and involvement with the NRHA has had a negative and harmful impact on Mr. Cospers ongoing and future business interests in the reining horse industry.

14. The revocation of Mr. Cospers membership and involvement with the NRHA constitutes "Disciplinary Action" pursuant to Section D ("Disciplinary Procedures") of the NRHA General Rules and Regulations.

15. In revoking Mr. Cospers membership with the NRHA, the NRHA failed to comply with its own Disciplinary Procedures, as laid out in Section D of the NRHA's 2012 General Rules and Regulations. Pursuant to Article II of the NRHA Bylaws, "[m]embers are to be admitted and retained in accordance with the rules and regulations of the NRHA."

16. In revoking Mr. Cospers membership with the NRHA, the NRHA failed to comply with Section 1 of the Rules and Regulations related to Disciplinary Procedures. This provision provides, among other things, that "any member may be disciplined, fined, or *have*

his/her membership revoked or suspended for good cause.” (Emphasis added). Nowhere in Section 1 is there a provision allowing the NRHA’s Executive Committee to revoke the membership of a member of the NRHA without cause.

17. In revoking Mr. Cospers membership with the NRHA, the NRHA failed to comply with Section 4 and Section 5 of the Rules and Regulations related to Disciplinary Procedures. Section 4 provides, among other things, that “violations...of the *NRHA Handbook* discovered by the NRHA during the course of business shall be referred to the NRHA President, Commissioner, and Legal Counsel to determine the need to refer the matter to a hearing body.” Section 5 provides, among other things, that a “(1) properly filed protest or complaint will be assigned to an Investigation Review Committee [(IRC)]... (5) Upon review, the IRC may reject or advance the case to the full hearing body for final resolution.” It is unclear whether the NRHA pursued disciplinary action in the absence of a complaint or an actual complaint was filed against Mr. Cospers. Regardless, the NRHA failed to provide Mr. Cospers with the essential function of a hearing body, and as a result, the allegations against Mr. Cospers were never reviewed by a hearing body as required by the NRHA’s disciplinary procedures.

18. Nothing in the *2016 NRHA Handbook: Bylaws, Rules and Regulations; Judges’ Guide* exempts the Executive Committee’s action against Mr. Cospers from the requirements of Section D (“Disciplinary Procedures”) of the General Rules and Regulations. Likewise, nothing within Section D exempts the Executive Committee’s action against Mr. Cospers from the Section’s coverage.

19. 18 OKLA. STAT. § 1014.1 provides that “[a]ny shareholder, member or director may bring an action to interpret, apply or enforce the provisions of the certificate of incorporation or the bylaws of a domestic corporation in the district court.”

20. Further, 18 OKLA. STAT. § 1002(A) provides that “[t]he provisions of the Oklahoma General Corporation Act shall be applicable to every corporation, whether profit or not for profit.”

CLAIM FOR DECLARATORY RELIEF

Mr. Cospers adopts and incorporates by reference all allegations of each and every paragraph above as if set forth verbatim herein.

21. Pursuant to 12 O.S. § 1651, District Courts may determine the rights, status and other legal relations of cases of actual controversies.

22. A controversy exists as to the legal right and obligations of the parties in regard to the revocation of Mr. Cospers’s NRHA membership.

23. Therefore, Mr. Cospers petitions this Court to enter a declaratory judgment addressing the NRHA’s conduct and to determine and declare:

a. that Mr. Cospers’s membership with the NRHA was revoked by the Executive Committee without good cause;

b. that the revocation of Mr. Cospers’s membership was thus not in compliance with the *2016 NRHA Handbook: Bylaws, Rules and Regulations; Judges’ Guide* and as such is wrongful; and

c. that the revocation of Mr. Cospers’s membership with the NRHA is nullified and thus Mr. Cospers’s membership is reinstated in full.

WHEREFORE, Plaintiff prays this Court declare and determine the scope and extent of the legal rights and obligations of the parties as to the revocation of Mr. Cospers membership with the NRHA and for such other and further relief as may be just and proper under the facts as developed in this case including injunction and other such extraordinary relief.

Respectfully submitted,



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