



An Open Letter to Owners of Incentive Fund Eligible American Quarter Horses

Important Incentive Fund Competition License Fee Information

I wanted to write to you to make sure you have heard about the [changes being made to AQHA's Incentive Fund](#). There has been a lot said about these changes, and I want to assure you **they were made in the best interests of all participants – especially you – the owners and exhibitors who work so hard all year long showing your great American Quarter Horses.**

When the [Incentive Fund](#) began back in the early 1980s, it was the most innovative show-based incentive program to hit the industry and immediately people started looking for Incentive Fund-nominated horses to buy so they could share in the pool that was once worth more than \$4 million and paid as much as \$46 per point. I'm proud of the Incentive Fund and the value it has brought to our industry and horses – and the rewards it has given you for nearly 30 years.

As proud as I am of this program, **some changes needed to be made to reward you more as you show and to keep the program viable for another 30 years and beyond.** If you decided to continue supporting the Incentive Fund, please consider this letter my personal thanks and best wishes on a successful show year! As I said, of all the checks I sign each year as AQHA Executive Vice President, the ones I always marvel at are the ones sent to Incentive Fund participants – stallion owners – foal nominators – exhibitors. It gives me great pleasure to see those checks hit the mail every year- and I want them to be larger!

I want to make sure you understand the changes being made and give you my assurance these changes were made to work toward the goal of higher payouts.

1. Exhibitors will pay a [competition license](#) of \$50 for the amateur division and \$50 for the open division per horse in order to earn Incentive Fund payouts. That fee can be paid any time during the year and **will become effective when it's received by AQHA or by show management** (yes, you can pay your Incentive Fund license fee at a show). I want to encourage you to pay your annual Incentive Fund license. ***Remember, points you earn prior to paying your annual license fee will not be Incentive Fund eligible for the nominated horse.***
2. One hundred percent of annual license fees go directly into the fund. As has been the case since inception, AQHA is not taking any of this money. It's an investment exhibitors will make every year to boost the Incentive Fund's value. So again, I encourage you to invest in your showing program and pay the [Incentive Fund license](#) fee. As one notable trainer recently told me, it would be foolish not to pay the annual license fee because that could mean only a few people would be splitting what will be a multi-million dollar pot. The goal of the license fee is to raise the available pool of money in the Fund to reward a larger cross section of exhibitors. Our hope is to move toward a \$50 per point value in the years to come. I think we can get there. With support it would mean it won't take long for you to recoup your \$50-\$100 investment.
3. There is a point cap being implemented so more money can be distributed across program participants. Once a horse has earned more than 200 points, any points earned beyond that will be paid at 50 percent of the point value. That means more money will be distributed to a broader group of people, and not necessarily concentrated with those who earn the largest number of

points each year. Our hope is to help you see bigger paychecks.

4. While the Incentive Fund wasn't "going broke," as some have stated, there is no doubt it was stressed because fewer stallions are being bred today (historically, stallion owners have been the group that make the Incentive Fund work from a monetary standpoint). You've been a long-time supporter of AQHA and its programs, and these changes to the Incentive Fund were made to improve the health of what is still *one of the most attractive rewards programs anywhere*. I want you to nominate your horses and pay the annual enrollment fee, show and have confidence the Incentive Fund will be solvent, viable and a strong, beneficial part of your showing program – no matter how often you make it to a show. If enough people support it, I know those are realistic expectations.

5. While Incentive Fund eligibility makes foals more attractive at the time of sale and thus provides stallion owners with a return on their investment, we wanted to investigate other revenue streams for the Incentive Fund – that's how the \$50 per division fee came into existence. I want you to know we all recognize that as an exhibitor, you are the one paying to show throughout the year. The reality of the situation, though, is that out of the dollars you pay to show, none of it was going to rejuvenate the Incentive Fund. Now, your [annual license fee](#) will be included with other Incentive Fund revenue streams (stallion enrollments and nominator fees) to make the per point value larger and maintain the financial integrity of the Incentive Fund. Nobody – least of all AQHA – wants to ask exhibitors to pay anything more than you already are. I truly believe if enough exhibitors support these changes, it will be an investment that should pay you larger dividends for showing – *and that's good for everyone*.

I don't want you to miss out on a single dollar you could have coming to you if you invest in your showing career.

Please take the time to [complete the Incentive Fund license form](#) and mail it back to the address provided or call today at (806) 376-4811 to pay over the phone with AQHA Customer Service.

If you have questions, comments or concerns on this or any of the Incentive Fund forms or fees, please let us know. After all, you're the ones out there actively participating in this incredible industry. I hope you're enjoying your time showing and will tell us how we can support you and your American Quarter Horse activities. For general Incentive Fund questions, your contact is AQHA Sr. Manager of Professional Horsemen and Regional Experiences Kelly Hess. Kelly can be reached by [email](#) or phone at (806) 378-4536.

I hope to see you at a show – soon!

Kindest regards,

A handwritten signature in cursive script that reads "Don Treadway Jr".

Don Treadway, Jr
Executive Vice President