



Empowerment Through Education

By Whitney Allen

Buying or selling a horse can be daunting. Finding the right horse for the right owner/rider is challenging in and of itself. Add in agents, veterinarian examinations and price negotiations, and you can quickly find yourself in a vulnerable position with more questions than answers. You might even find yourself on the wrong side of the law.

Many people enter into these transactions with little to no knowledge of the laws or their rights. As a corollary, if you were to find a house you wanted to purchase, you would be certain to require a contract from the seller that would outline the full scope of the purchase agreement. You would be entitled to know how much commission your real estate agent is making from the sale, and you would be entitled to full disclosure, documentation and memorialization through a legally binding agreement.

An equine investment should require the same standards of fiduciary responsibility. The financial and personal risk can be as great as purchasing a home.

As with any endeavor, the best way to prepare and protect yourself is through education. To help people better understand the laws regarding equine transactions, the USHJA Owner's Task Force is launching an educational campaign surrounding this issue. Through this campaign, members will learn about legal requirements and will have access to sample contracts to support their purchase process.

"Time after time we see transactions where owners and agents don't even realize they are not in compliance with the

law. The Equine Transaction Laws Campaign is designed to improve awareness of legal requirements and empower people to know and do right by each other," said Debbie Bass, chair of the USHJA Owner's Task Force.

The Equine Transaction Laws campaign was launched at the 2014 USHJA Annual Meeting with the presentation of the Equine Transaction Laws Booklet. Along with a checklist for recommended contracts, the booklet provides a summary of the laws in Kentucky, Florida and California. These states have the most stringent requirements and serve as a safe prototype for all equine transactions.

In addition to potential state requirements, there is the Uniform Commercial Code covering horse transactions that is a comprehensive body of laws governing commercial transactions in the United States.

There are also the State Consumer Protection Act and Consumer Protection Laws. Every state has common law fraud statutes, which exist to address deceptive and unfair trade practices.

All members are encouraged to download a copy of the Equine Transaction Laws Booklet and educate themselves about the laws and standards for buying and selling horses.

This information is offered solely as an educational service to the USHJA community and the general public. This content is not intended to provide nor does it constitute legal advice or legal opinions and should not be relied upon as legal advice or opinion.

DID YOU KNOW? AN AGENT DISCLOSURE AGREEMENT SHOULD INCLUDE:

- Statement of Agent's expertise in the industry and purchase/sale of horses
- Statement of Agent's intent to act as Agent for the purchaser for the horse(s)
- Statement of Agent's agreement to locate suitable horses for future purchase and to negotiate the purchases
- Statement of requirements for purchase outlined by the Purchaser
- Agent acknowledgment of acting as Purchaser's fiduciary with respect to his obligation under this Agreement
- Statement of what acts or omissions would constitute a breach of Agent's duties
- Agent acknowledgment of duty to disclose to Purchaser any adverse/dual interest Agent has in a transaction
- Statement of who employs the Agent with regard to the horse under consideration, and the Agent's compensation for those services
- Statement that Agent is not employed by any other persons or entities regarding a horse under consideration by Purchaser and is not being paid any additional compensation other than that expressly mentioned in agreement
- Agent's remuneration, including commissions for services in connection with the purchase
- Statement of when Agent payments by Purchaser will be made and in what manner
- Agent acknowledgment that failing to disclose and receive consent from Purchaser for any adverse/dual interest Agent may have in a transaction concerning the subject matter of this Agreement, including but not limited to acting as a dual Agent, may constitute fraud and subject Agent to civil and/or criminal prosecution

Throughout the year, the USHJA will be providing educational materials on this important topic through USHJA In Stride and USHJA Enews. Please visit the USHJA website (www.ushja.org) and click on "Resources" to download sample contracts and the educational summary booklet. You can also access this information by scanning this QR code on your mobile device.

