

Beginning Horses

AQHA - APHA



with Youth . . .
“A Western Lifestyle”

Presented By:



FOLCKEQUINE
ENTERPRISES



Beginning Horses With Youth. . .

It is no secret that from early childhood that when properly introduced kids love horses. There is often a mystical bonding when the relationship is nourished and developed. When parents gradually assign their interested children the responsibility to feed, care, and handle a horse, the child will assume a role of dependability and reliability.

As a result, work and moral ethics develop the child into a responsible dedicated and determined passion that last for a lifetime. Through the involvement of other youth with parental guidance associated with the widespread horse



industry there is a unmatched distinctive and positive lifestyle revealed. You only need to inquire with those youth and parents who have experienced the life long BENEFITS!

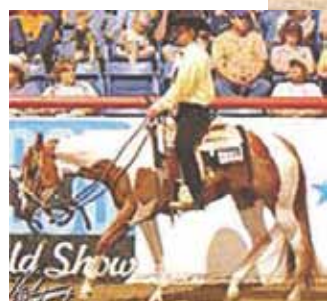
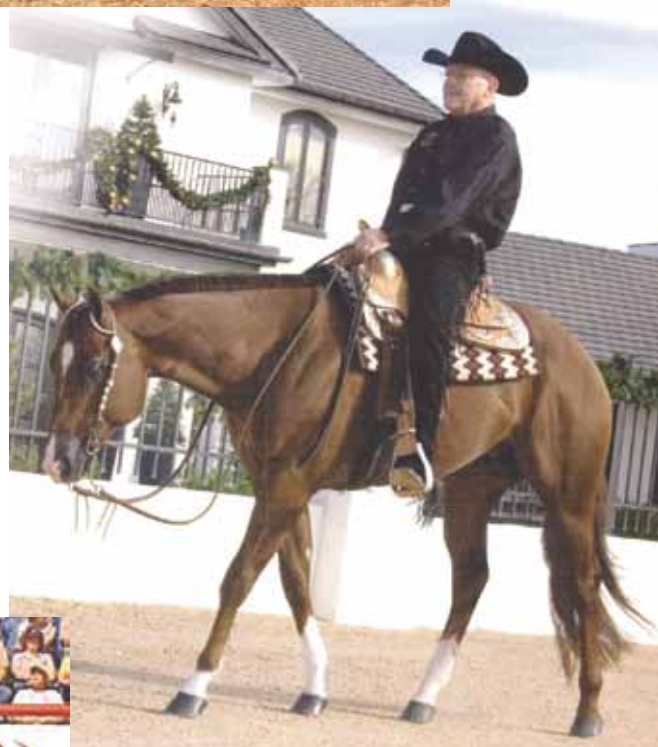


Tim, Denise, Nancy, Blair Folck

Beginning Horses With Adults . . .

Fortunately, there is no age or time limitations on when women or men can become involved with Horses. It could be renewing a positive aspect from your youth or developing a relationship in our later years (even as grandparents). The emotions and satisfaction can vigorously restore your vitality for Life. Everyone regardless of occupation needs a wholesome outlet in life, and there are few better ways than the western lifestyle.

Therefore, find a way to enjoy, to experience the joy of ownership and participation with Horses. You will meet people from all walks of life from throughout the world sharing a common passion. You will look forward to planning activities and create a real purpose for your day to day business grind. Life is short so have FUN!



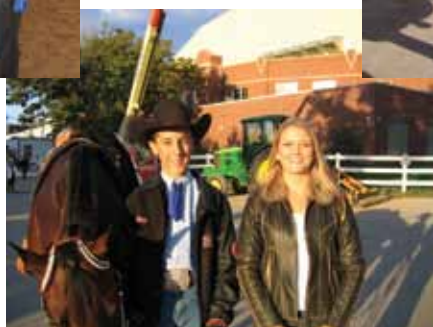


Beginning Horses With Families . . .

There are indeed few things in our busy lives that we can enjoy and participate together as a family. Involvement with horses certainly can draw children, parents and grandparents together. Whether it is participation by one or all we can develop the thrill and experiences together. It doesn't matter at what level from beginners to professional there is a place for everyone.

Imagine your feeling to share the uncanny passionate relationship between people and horses. The joy of the simple pleasure of providing care and progressing to major show competition. The western lifestyle is like none other, and must be experienced to bring joy and vitality to FAMILY!





With Families!



In the Beginning - How to get Started

As a lifelong horse admirer or lover have you ever wondered what it is like to be the owner of a winning show horse? Ever thought about how much fun it would be to be among the excited gathering of friends and well wishers before, during and after a competition? Or simply the quiet pleasure and relaxation of the simple ride. There are a number of ways to become involved as an owner, and they include everything from buying a horse by yourself to owning a percentage of a horse with friends.



National Equine Sales and The Folck's want you to know that getting started in the business is easier than you think. We and our Elite Agents (owners & trainers) and affiliate Associations provide information established to help attract, educate and keep prospective owners in the Quarter and/or

Paint Horse show/recreation world. We will answer any questions you may have. That is why we have developed this brochure, to help those get started who are thinking or dreaming about joining this exciting Lifestyle!

What Does It Take To Own A Horse?

The initial step in buying your first Quarter and/or Paint horse is determining the time and financial commitment you wish to make. A realistic assessment of what you can afford will help you set attainable goals as an owner.



Going It Alone or With Friends

Owning a show-bred Horse can be compared to having your own sports team, at a fraction of the cost. You can experience the same thrill of victory without worrying that your players will expect to renegotiate their contracts when they perform well.

You can get started in showing or recreation on your own, or perhaps in a partnership. Your participation in showing depends largely upon your financial resources and the amount of time you and/or your family have to devote to the sport.

- Sole Owner – You experience all of the glory but the cost and risks are all yours as well.
- Partnerships – A partnership with friends is a rich and personally rewarding experience. However, to ensure that the experience is positive, make it a point to discuss your mutual goals and responsibilities. Start out with a complete understanding of each others expectations. Even if the partnership involves close friends a written business plan and partnership agreement should be used.
- Syndicates – If your friends do not share your desire to become an owner, there is the

option of joining or forming a public partnership (LLC) or syndicate. With a public partnership, you can have the benefit of experienced owners; and the risk of calamity due to ignorance is far less. A possible drawback is that you individually have little control over decisions affecting the horse. Typically, the general partner or syndicate manager makes the decisions regarding a horse's show career. Keep in mind that when selecting a partnership it is best to do research, the business and its management thoroughly.

Locating An Advisor

A HORSE Agent may be an Owner, Trainer, and/or Breeder who is well respected in the industry and who has a professional approach to their business can serve as your key advisor. National Equine Sales' has developed an approved list of ELITE SALES AGENTS in an expanding worldwide network. A professional horseman's code of ethics is enforced.



An agent will normally charge 5-10% of the horse's purchase price. A trainer may charge you a fee to sell prep plus mileage and veterinary care. We suggest you discuss this in advance then execute the Authorized Agent forms and training/boarding agreement. Ordinarily, the commission to Sell is deducted from purchase price whereas commission to Buy is added on top of the purchase price.

An experienced agent must analyze a Sales catalog for you, bearing in mind your budget and goals. They should present you with a short list with suitable horses which are expected to fall within your price range. The Agent will then inspect the horses with you at the sale and arrange for a veterinarian examination of any horse in which you are actually interested. OR you may opt to purchase based on the sale Terms and Conditions specifically referencing unsoundness and health warranties.

The Agent may also help or offer if needed to be the trainer or help you decide what trainer might be most suitable for your horse purchase. The best way to find a good trainer and/or boarding facility is to talk with people experienced in the industry. Don't just listen to one or two people—they might have a selfish interest at stake. Select the opinions of several people and then talk directly with the most likely candidates. Before making a final decision, talk with other clients of the agent, or trainer, or boarding facility.

Ready to Buy, but Wondering Where To Start!



Broadly speaking, there are two primary considerations in buying your first horse. First, do you want one which is already showing/recreation or one that is just beginning its career? What events are you most interested in for example, Western Pleasure, English Pleasure, Hunt Seat, Reining, Contesting, Horsemanship, Showmanship, Halter, or Breeding Only. Second, do you want to purchase at a public auction or at a private transaction? Preparing a written business plan is a good way to determine in what area of the industry you wish to concentrate and develop your goals and objectives before you make your first purchase.

Already Showing or Prospect?

A horse that has already started show competition or simple recreation use can provide visual evidence of its ability. Initial or extending training (ask which) may have already been done for events use desired (see above). Inquire as to name and contact information of prior trainer(s) including length of time and horse's response and result. A prospect is usually age 2-3 years and younger, with no measurable training. You can mold the horse with your own controlled program.



Private Transaction vs Public Auction

Many purchases of Horses currently showing are done privately. It should be obvious that you need an experienced and trusted agent/advisor to help evaluate whether an offering is fairly priced. Prices are set by individuals not by market



economics. There shall be a written purchase agreement to outline all the details of a transaction including full disclosure of costs including total commission(s) and medical evaluation.



At a public auction, you are able to consider many different alternatives in a short period of time. Prices are based on the reality of supply and demand. It is still important to have a knowledgeable Agent/Advisor, but you can take comfort with the ease of comparing one horse's price to another. With the purchase of a prospect (2 year olds and under) no one knows its true ability. There are different types of risks and great potential for rewards associated with the purchase of these horses. The risks include uncertainty of whether a horse will make it to the shows, be talented enough

to be competitive or earn enough to justify its purchase price.



Buying at the Auction

Buying at auctions can be just as exciting as winning classes! You will be dueling with other bidders for the horse of your choice—imagine the thrill when the auctioneer accepts your bid!



Auctions can vary dramatically depending upon management, prestige, reputation reliability, and experience. Ask probing questions with your Agent/Advisor. Fully read compare and comprehend the Terms and Conditions of Sale as there may or may not be protective features including warranties of sale. Request references from long-time consignors and purchasers including prior sale success stories.

The Sale Catalog

Time is of the essence at public sales, so pre-sale preparation is important. The first thing you should look at before an auction is the catalog. Typically the catalog page is printed in paragraph style or black-type system (see next page). The page usually details the sire (male) and dam's (female) sides of the family as well as the showing success of the offspring, called progeny. While no means fool proof, a horses pedigree provides a useful tool that can help evaluate its genetic traits and characteristics, potentially previewing its athletic performance as it pictures.

The sale catalog will also contain the Terms and Conditions of Sale – the legal terms governing the sale. Again these should be read very carefully to assure a familiarity with the rights and responsibilities of all involved. Auctions are public affairs; as such anyone can attend. Similarly, anyone can bid on and buy a horse. However, before a buyers bid will be recognized, they may need to establish credit with the sale company especially if Bidding Online or Telephone.

The Horse's Name or unnamed
(if not registered yet)

The General Use Guide -
per the consigner

The name of the consigner
(seller) - the individual
selling the horse

Horse's Birth
date and color

Hip No.
12

Western Pleasure Gelding
Consigned by Doug Rath, Agent, OH
Sweet Talkin Phantom
2002 Bay Gelding
TOP 5, 2005 CONGRESS

Hip No.
12

The number
identifying
the horse
appearing
on its hip
and order of
selling

Major Title
(if shown or bred)

Breed Fund
(if any)



Sweet Talkin Chip

{ Zippo Pine Bar
Fancy Blue Chip
Cassius Torino
Luck's Jill
Super Smooth
First Fame
Sundance Mac
Babe's Fashion

{ Talkin Sweet

{ Sundance Jet Phantom
(1985)

{ Barts Jet Shi
Macs Hi Fashion

Breed
Registration Info

Show Record
- Major
Accomplishments

PERFORMANCE RECORD:

5th, 2005 Congress Limited Open Western Pleasure Derby (out of 70+ awesome horses); money-earner in the Open Derby
top 10, 2004 Congress 2-Year-Old Limited Open Western Pleasure Futurity
4 Western Pleasure points
\$3,152 NSBA and Congress Earnings

NOTES: 16' hands. One of the top show horses in the country. Multi-futurity and class winner in western pleasure including Southern Ohio 3-Year-Old Futurity. This great horse was saved back and not pushed at 2 and 3 years to preserve him physically and mentally. On the threshold to *WIN BIG in 2006*, not only in Western but also into English and Pattern classes. Drop dead gorgeous and super minded. A step up for the serious owner and trainer.

Consigners
description of
sale horse

ENGAGEMENTS: AQHA Incentive Fund

By SWEET TALKIN CHIP (1992). Earner of \$31,119 and 41 points: #1 Western Pleasure Money-Earner as a 2-year-old; 5th, World Championship Junior Western Pleasure. An NSBA Top 20 All-Time Leading Sire and a 2005 AQHA Leading Performance Sire in all divisions, siring the earners of 5,103 AQHA points, 99 ROM and 22 Superior awards and \$308,671 including SWEET TALKIN JEANNIE (722 points: 2004 World Champion Senior & Amateur Champion; Congress AQHA & NSBA Junior Western Pleasure Reserve Champion; Amateur Performance Champion), THE MOUSE IS TALKIN (455 points and \$49,804: Congress Non-Pro Western Pleasure Derby Reserve Champion; NSBA #1 Non-Pro 3-Year-Old), ITSTHESCOTCHTALKING (228 points: AQHA Champion; Superior Trail; National All-Around Leader), TALKIN POLITELY (\$30,070 and 98 points: Congress Non-Pro Western Pleasure Futurity Reserve Champion), CHIPS N MOORE (\$20,273).

1st dam

SUNDANCE JET PHANTOM, by Barts Jet Shi. 129 points and \$3,581: 4th, Congress Open Senior Western Pleasure; 5th, Congress Amateur Horsemanship; 6th, Congress 15-18 Western Pleasure; 4th, AQHA World Championship Amateur Western Pleasure; AQHA National Leader in Senior Western Pleasure; Superior Open and Amateur Western Pleasure; Youth Performance ROM. Full sister to **Phantom Mac 715** (68 points: Open & Amateur Performance ROM). She is the dam of 8 foals, 6 to perform including--

Dam - 1st
female parent -
record w/ Assn.

SIMPLY A NOTION (f. by Zipped My Zipper). 225 points and \$1,464 AIF: 2005 European Champion Senior Trail Horse, Youth Trail Horse, and Youth Western Pleasure; 2005 Superior Youth Trail Horse and Western Pleasure; 2004 High Point International Senior Trail Horse, Senior Western pleasure, and Youth Western Pleasure.

Zipvanwinkle (g. by Zipped My Zipper). 31 points & \$1,543: 4th, PCQHA NSBA SSA 2-Year-Old Open Western Pleasure Futurity; High Point International Hunter Under Saddle; Open Performance ROM.

Phantom Zipper (g. by Zipped My Zipper). 18 points and \$3,134: 2nd, European Champion Western Pleasure; Open Performance ROM.

Sweet Talkin Phantom (g. by Sweet Talkin Chip). 5th, 2005 Congress; above.

Dont Skip My Dance (g. by Dont Skip Zip). 22.5 points: 2005 Performance ROM.

Sale Horse
Brothers or
Sisters

A potential buyer may inspect any horse entered in the sale prior to and during the sale. The horse may be inspected by the buyer and their agent/advisor. Such an inspection will typically consist of an examination of the horse's physical characteristics, or conformation as with people every horse is built differently. Therefore, an evaluation of a horse's conformation by you and your agent is a critical aspect of the buying process. Precise opinions on which conformational traits are most important usually depend on personal buyer preference.

Depending on your degree of interest in a horse, your budget, and the estimated sale price, a potential buyer may wish to have a veterinarian perform a pre-purchase exam, or examine the horse's X-rays IF on file in the sale repository (digital x-rays with reference may be emailed by sales company). Cost and extent of the exam can vary depending on the buyers circumstances.

Successful bidders must make the necessary arrangements for the board and care of their purchases. This includes buying and binding Insurance (see www.folckequine.com, making payment and securing



transportation and boarding accommodations, etc within 24 hours of the fall of the hammer. An owner may need the services of a professional trainer to condition the horse. Trainers' day or monthly rates vary depending upon their reputation, experience and their geographic region. Factors such as budget rate of success, communication, horse health, character, reputation and service should all be considered when choosing a trainer.

Some horses remain in training year round. Most horses need and deserve a rest away from the show ring and training facility—called a lay-up or turn out. The day or monthly rate during this time is usually substantially less. In addition, fees for the veterinary care, farrier service will increase the monthly cost.

Again, depending upon the value of the horse and upon one's willingness and/or ability to absorb a loss, an owner may wish to purchase Insurance. The annual cost of mortality (term "life") insurance is a percent of a horses value plus optional coverages such as Major Medical, Loss Of Use, Stallion Infertility, etc. In addition, check with your Insurance Agent on Liability Coverage to protect you against legal claims for property damage and/or personal injury caused by your horse both on and off your premises. Most homeowners policy exclude horse's especially if considered a business pursuit.

FOR THE DISCRIMINATING HORSEMAN

Service • Knowledge • Trust



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• Sales Service (since 1969)

Timothy & Denise Folck

1068 Wellington Way
Lexington, KY 40513

(859) 223-6728
ext. 107 & ext. 100
Fax (859) 223-6732
(937) 605.0725 / Tim Cell
(937) 605.0726 / Denise Cell

tim@folckequine.com
denise@equirisk.com

www.folckequine.com

So, with these considerations in mind, lets look at what it might cost to start and keep a horse in-training for one year.

What Does It Cost To Own A Horse?

Estimated 12 month continuous training

Expense	50% Ownership	Sole Owner
Mortality Insurance (Age 2-12 yr; \$25,000value; Western Pleasure)	\$450	\$900
Major Medical based on \$5,000/limit	\$100	\$200
Breaking & Training (5 X Months @ \$30/day)	\$2,700	\$5,400
Lay-Up/Turn Out (5 X Month @ \$15/day)	\$1,350	\$2,700
Veterinary Care (routine & preventative assuming no major illness or injury)	\$1,500	\$2,000
Farrier Services	\$500	\$1,000
TOTAL	\$6,600	\$12,200

Tax Issue

Generally speaking, if your horse activities are handled in a business-like manner with a clear intention of making a profit, you can deduct the expenses you incur including depreciation, purchase price of your horses (s), from your other income. Of course, any revenue you receive, such as prize winning or proceeds from the sale of horses, would count as additional income.

Since equine taxation is a specialty within itself, a prospective horse investor would be well advised to contact a person with equine taxation experience. The owner should be familiar with the passive loss rules, hobby loss regulations, depreciating guidelines and the appropriate type of business entity for horses or horse operation. Recommend Horse Owners & Breeders Tax Handbook, published by the American Horse Council (www.horsecouncil.org).



Where Should You Show or Recreation Ride?

Once you buy a horse, there will eventually come the moment of truth—the showing or recreation. Most owners keep and show their horses where it is convenient to see them. In most instances, the key to success at the shows lies in management decisions related to a horse's showing career. Realize if you have a horse that is unable to win or place at a major shows, you should consider sending it to where it can be competitive. The shows that offer the largest prizes, points and money attract better horses. If your horse is supremely talented, you naturally will want to show for as large a reward as possible. Nevertheless, there are still good rewards available at smaller shows.



Resources / References

Another way to learn about the world of showing and recreation of Horses is to read industry trade publications or visit their websites.

Folck Insurance & Folck Equine Enterprises

www.folckequine.com

(Since 1969 specializing all forms of Equine Insurance)

American Quarter Horse Association (AQHA) (Breed organization)

www.aqha.com

(World's largest and progressive horse breed association)

American Paint Horse Association (APHA) (Breed organization)

www.apha.com

(World's 2nd largest horse breed association)

American Horse Council (AHC) (Federal Horse Organization)

www.horsecouncil.org

National Snaffle Bit Association (NSBA) (specific horse organization)

www.nsba.com

National Reining Horse Association (NRHA) (specific horse organization/use)

www.nrha.com

Ohio Quarter Horse Association (OQHA) (state association)

www.oqha.com

(Home of the All-American QH Congress—World's Largest Single Breed Exposition – October in Columbus, Ohio)

In addition to these references, most state associations and horseman's organizations publish their own periodicals. The vast majority of them are excellence sources of regional information and contacts.

Thousands of other people from all walks of life and with varying investment ability have enjoyed owning Quarter and Paint Horses—you can too! This growing worldwide industry encompasses a passionate lifestyle with excellent family orientation. Kids and adults regardless of age have experienced the genuine wholesome benefits in rivaled by any other lifestyle. If you have the passion and the desire—there is a place for you in the flourishing Worldwide Horse Industry. Start your way today!

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Tim and Denise Folck
1068 Wellington Way • Lexington, KY 40513
Tim Cell: 937.605.0725
Denise Cell: 937.605.0726
E-Mail: tim@folckequine.com • www.folckequine.com