

Sound Judgment

Senior Conformation Judges Association, Inc.

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UPDATE ON THE STATUS OF AKC BOARD'S IMPOSITION OF AN ANNUAL JUDGES FEE

All of our members were informed of the strong stance that the SCJA took on the AKC Board's approval of an annual fee for judges in our May 18th, 2010 open letter on this subject addressed to all members, Delegates and a good many others within the sport. We received well over 150 emails and numerous calls from not only our members but quite a few Delegates. Some of the Delegates forwarded copies of our open letter to members of their all-breed club. Others brought it up at their meetings. One club even asked for our specific comments at an upcoming meeting. The SCJA position all along has been that there should be **NO** fee of any kind for any judge in any category without first taking a hard look at other cost-cutting possibilities within the AKC Judges Department or for that matter, anywhere within the AKC in which judges are involved.

The AKC Judges Department scheduled meetings with the three national judges groups, limiting the agenda to just how much the fees were going to be or how to implement them. No other subjects were to be brought up. The ADSJ and the DJAA were invited to a meeting in Houston in July. The SCJA was invited to meet with the AKC Judges Department the last week in August. The SCJA's official position was that it was counter productive to hold a meeting of senior individuals and limit the discussion.

The SCJA Board voted instead to write a letter (July 24th, 2010) to AKC Chairman Ron Menaker, AKC Board members and AKC President Dennis Sprung.

SCJA JULY 24th, 2010 LETTER TO AKC'S CHAIRMAN, BOARD AND PRESIDENT COVERED SOME OF THE FOLLOWING MAJOR POINTS

The AKC was advised, "The Senior Conformation Judges Association (SCJA) is on record as publicly thanking AKC Chairman, Ron Menaker, and the AKC Board for reconsidering their initial proposal for an annual judges fee." We also included the fact that AKC Chairman Menaker indicated in his May 18th, 2010 letter to all AKC Constituents "Today the American Kennel Club faces unprecedented financial challenges. These challenges not only impact us in the present, but also raise critical questions about our future." (underlining added) The SCJA indicated to the AKC Board that in this situation it would take bold action and leadership at the highest level to include the personal attention of AKC's Chairman, Board of Directors and President. We also pointed out that AKC Chairman's May 18th, 2010 letter to all AKC Constituents indicated, "Therefore, it has been necessary to embark on a number of new initiatives in the quest for additional revenue." (underlining added) The SCJA stated its position that we could not agree more; and with this thought that it didn't seem appropriate for the AKC Judges Department to call a meeting of some of AKC's most experienced constituents and limit the meeting to a single item when the AKC Chairman and Board are looking for "new initiatives".

The SCJA pointed out that the AKC Board's approval of an annual fee for judges received as much public attention, negative comments and overall consternation within the AKC family as any subject that the AKC has encountered in the SCJA's twenty-seven years of existence. We also mentioned that in addition to hearing from a number of our members and Delegates, we also heard from an ex-AKC employee who had knowledge in the area being analyzed. We pointed out that, in the past, the SCJA has met with AKC Chairmen and Board members on more than one occasion with very positive results for all concerned. We again stressed that this problem required the personal leadership qualities of AKC Chairman Menaker and the management experience and decision-making ability of the AKC Board and President.

We made a point that, on many occasions in the past, the SCJA had made suggestions concerning the behavioral control assumed by the AKC Judges Department and Reps as to their compliance with <u>federal statutes</u> as applicable to independent contractors (AKC judges are independent contractors, not employees of the AKC). We use as one of the very basic examples - AKC judges are prohibited from advertising, i.e. soliciting. Independent contractors can advertise. The SCJA pointed out that this proviso is clearly one of the official distinguishing features of the Internal Revenue Service for an independent contractor vs. an employee. Another point covered which is even more important was the behavioral control placed on AKC judges by the AKC, i.e. AKC Judges Department. This absolute control was certainly not in accordance with the behavioral restrictions permitted by the IRS in their policies differentiating between independent contractors and employees. AKC judges are certainly not employees of the AKC or the independent show-giving clubs that happen to hire them from time to time.

The SCJA officially requested a meeting with the AKC Chairman, Board and President for a determination of the behavioral control placed on AKC's independent contractors, i.e. AKC judges, before asking for a determination from the IRS. We actually quoted a few examples covered in IRS regulations that determine the difference between independent contractor and employee. We respectfully requested AKC's Chairman, with his personal leadership, to have the Board consider these distinguishing features between the independent contractor and employee. We pointed out that even more important are the behavioral controls that distinguish the differences between independent contractors and employees. The SCJA pointed out that a whole lot of control in AKC regulations and polices have been instituted since the AKC Judges Department went from a one-man operation to its present size of a large number of staff and the numerous Field Reps. We mentioned the many complaints made by judges and pointed out

AKC Board members had no idea of the number or serious nature of some of the complaints since obviously we cannot expect AKC Judges Department to report complaints to the AKC Board or President concerning complaints received on their own operations.

We quoted the following examples from the IRS official regulations with SCJA's comments on each policy (underlining added):

- 1. IRS "Behavioral Control covers facts that show whether the business has a right to direct or control how the work is done through instructions, training or other means." SCJA COMMENT: AKC, not the clubs, have 100% control over a judge in the ring with AKC Reps reporting and commenting on their every move; on occasion, even criticizing a judge's placements replacing the judge's opinion with their own. Judges are even graded and their judging evaluated by the AKC Rep. REFERENCE TRAINING AKC directs that judging applicants MUST attend an AKC Institute.
- 2. IRS "The Type of Relationship factor relates to how the workers and the business owner perceive their relationship." SCJA COMMENT: Most of the judges perceive the AKC as extremely dominant, and the overall relationship in some cases between the judge and AKC Rep is actually hostile. The SCJA and the AKC receive many written complaints of the negative interaction from our judges on this issue. We doubt the AKC Board members have any idea of the number and, most importantly, the nature of the complaints there are many in writing with signatures.
- 3. IRS "If you have the right to control or direct not only what is to be done, but also how it is to be done, then your workers are most likely employees." SCJA COMMENT: In the past twenty-five years with the advent of the AKC Judges Department (from one man to a department) and the ever-increasing role of the AKC Field Reps and Judges Department, the control of a judge, both in and out of the ring, in his relationship as a judge with the AKC is now absolute this is very questionable in this IRS example of "the right to control". According to this IRS example, judges are being treated as employees.
- 4. IRS "Both employers and workers can ask the IRS to make a determination on whether a specific individual is an independent contractor or an employee by filing a form SS-8--Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding with the IRS." SCJA COMMENT: Obviously, the judges are the "workers" and are those responsible for paying federal income tax on any income. The SCJA would most certainly like to address these issues with the Chairman, Board and President prior to going to the IRS for a ruling. The AKC staff has indicated they are not interested in addressing issues of this nature at their proposed meeting.
- 5. IRS "Training that the business gives to the worker. An employee may be trained to perform services in a particular manner. Independent contractors ordinarily use their own methods." SCJA COMMENT: We know how often an AKC Rep has criticized a judge on how he/she handles their ring even to the extent of how he/she lined up dogs or placed them on a table –TRAINING. Just recently, the AKC Board approved the very questionable requirement that every new judge MUST be trained at an AKC Institute. This is totally out-of-synch with this IRS requirement. In addition, considering the expenditure of unnecessary funds by the AKC Judges Department, they recently requested, and the AKC Board approved, that they take on the basic course for new judges, an additional expense, something the SCJA has been doing for the past twenty-four years at no expense to the American Kennel Club except for the expenses of the AKC Executive Secretary who does an outstanding job of representing the AKC. The SCJA for years tried to convince the AKC Judges Department of the need for a basic course - they finally agreed and turned the ACEF five-day course into a one-day course, declared it superior and inserted the "MUST ATTEND" requirement. Remember, this certainly comes under IRS definition of "training". The record will indicate that consideration was being given to having the judges groups assume more responsibility for judges education; this was just prior to the AKC Judges Department taking over judges education with the resultant increase in the Judges Department's budget. This is also in violation of IRS policy on training for independent contractors.

6. IRS "The extent to which the worker makes his or her services available to the relevant market. An independent contractor is generally free to seek out business opportunities. Independent contractors often advertise, maintain a visible business location and are available to work in the relevant market." SCJA COMMENT: It is an established fact that AKC judges are not permitted to advertise. The SCJA has long ago and consistently stated that the judges, as independent contractors, should be able to advertise. Although the SCJA has prevailed on a number of major issues affecting our judges, on the question of advertising our recommendations, through the years, have fallen on deaf ears. The SCJA has, up until now, refrained from getting the IRS involved; however, in view of the clarity of the IRS policy, and on behalf of the judges, we will continue to pursue this issue. The SCJA wants to attempt to have AKC's Chairman and Board address this issue rather than pursuing the only alternative.

The SCJA pointed out that while the restriction on judges soliciting is positively not in accordance with IRS policies, that the behavioral control that the AKC has on its judges is a lot more serious. We also asked Chairman Menaker, who has often displayed his qualities of good leadership, to take advantage of the vast amount of diversified experience possessed by individuals within the dog world from owners of big businesses, college professors, doctors, attorneys, senior military people, former IRS senior staff and some with management analysis experience at the highest level of government. We pointed out that since right now the emphasis is on finances that all this experience and knowledge area available at no cost to the AKC. Obviously, the AKC Board is the final authority within the AKC and will decide whether to adopt suggestions proposed by the judges groups. The SCJA indicated in their July 24th, 2010 letter to the AKC and I quote, "With all due respect to AKC's hard-working dedicated but limited number of staff members, their experience in management analysis cannot compare with the quantity and diversity available within the judging community and others within the AKC family. This very crucial subject should be all encompassing, and coordination and final decision must be made at the highest level and recommendations must be unfettered and should not be screened."

The SCJA mentioned to AKC's Chairman that, with his vast business experience as well as that of some of the AKC Board members, they realize full well that good management practices dictate that in solving a problem of this magnitude no limitations are ever placed on experienced senior individuals meeting for the purpose of resolving and alleviating the crisis at hand.

SCJA CEO Wally Pedé has spoken personally to ADSJ President, Jerry Penta and DJAA President, Joe Purkhiser, to ask if they would be agreeable to a meeting if the SCJA were able to arrange a meeting with the AKC Chairman, Board and President. Both agreed. The SCJA made sure to point out in our letter to the AKC Chairman, Board and President that the words of our July 24th, 2010 letter were SCJA's words alone and the other two national judges groups simply agreed to attend a joint meeting if the SCJA's request for a joint meeting was granted by Chairman Menaker. Our suggestion for a date for the meeting was the upcoming Delegates meeting in September when all Delegates and AKC Board members are present. However, it might be difficult to schedule one during the time of a Delegates meeting.

To assure that all the AKC Board read the SCJA May 18th, 2010 open letter and ADSJ President Jerry Penta's comments, we suggested that Jerry send his comments as did the SCJA to AKC's Executive Secretary, Jim Crowley. Jim very graciously agreed to make copies for any AKC Board member requesting one. (In our official letter to AKC Chairman Menaker, Board and President, the SCJA strongly recommended that all AKC Board members that had not reviewed the SCJA's and ADSJ's comments read the comments of ADSJ President Penta and SCJA May 18th open letter which were written prior to the temporary suspension of the AKC Board's decision for an annual judges fee.)

I quote the closing of our letter,

"Although we can't speak for the ADSJ and the DJAA, we feel certain that by their agreeing with the meeting between the entire AKC Board and the three national judges groups that we all would like to offer our services and assist the AKC Chairman and Board in resolving this critical issue. This being the case, the SCJA respectfully requests a meeting between the three national judges groups and AKC's Chairman, Board members and President. As has been the custom, we recommend two representatives from each of the national judges groups attend. AKC records will show that such a meeting with the entire AKC Board and President has met with great success."

REMEMBER, THANKS TO AKC CHAIRMAN MENAKER, ALL OF THE ABOVE WAS DISCUSSED AT THE AUGUST AKC BOARD MEETING.

SCJA ELECTIONS

In accordance with our bylaws, the SCJA Board appointed the following individuals to serve on the Nominating Committee for the forthcoming elections: Victoria Jordan, Chairperson (OH) (614) 395-3641 k9judgevicki@gmail.com; Barbara Burns (IL) (815) 232-7776 medic417@verizon.net; Wyoma Clouss (ID) (208) 345-5197 clouss@wy-os.net; Beverly Eichel (NC) (704) 609-7248 beichel1@carolina.rr.com; Thomson Stanfield (CO) (303) 659-3445 Stanfieldt@aol.com. The Nominating Committee has nominated the following individuals for the SCJA Board of Directors for the forthcoming term:

Ms Rita Bell (NY)
Mrs. Laurie Doumaux (VA)
Ms. Stacey Davis (WA)
Mrs. Sharon Smith (GA)

Article V of the SCJA Bylaws details the election process.

ACEF'S 22nd ANNUAL JUDGES INSTITUTE LAS VEGAS, NV Saturday, October 2nd – Friday, October 8th, 2010

The American Canine Education Foundation (ACEF) is holding its 22nd Annual Judges Institute from Saturday, October 2nd, 2010 through Friday, October 8th, 2010 at the Fiesta Henderson Casino Hotel in Henderson, Nevada. Five days of top quality learning, camaraderie and enjoyment at an <u>unbelievable cost!</u> THE WEEK LONG JUDGES INSTITUTE <u>INCLUDES SIX NIGHTS HOTEL</u>, LUNCH EVERYDAY (EXCEPT FOR THE AFTERNOON OFF), ALL BREAKS, CLASS MATERIAL, GRADUATION BANQUET, GRADUATION CERTIFICATE AND GREAT NETWORKING. The course is by far the <u>most comprehensive</u> course available to our new and aspiring judges. It has been called the "super bowl of judges' education!"

TUITION: Members - Double \$205; Non-Members - Double \$245; Members - Single \$355; Non-Members - Single \$395; Local - no room required - Members - \$150; Non-Members - \$180.

The AKC has recognized the ACEF's Judges Institutes since the very first one in 1989, and the AKC is well represented with the #1 authority on AKC rules, regulations and other administrative matters with

with **AKC's Executive Secretary,** Mr. James Crowley. Mr. Crowley's lecture covers AKC Rules, Regulations and Guidelines as well as Bench Show Trial Boards. Jim is our after-graduation dinner speaker, and his talk has long been the highlight of the week.

We have other top-notch speakers on Anatomy and Movement as well as Judges Ethics and Ring Management and Procedures. There will be time allocated for individuals to actually fill out application forms for initial or additional breeds. THIS SHOULD BE A MUST FOR ALL PROVISIONAL & NON-GROUP JUDGES, AND WE HOPE YOU WILL JOIN US. Registration form is available on the ACEF web site www.k9education.org or by emailing Nina Sherrer at mina@k9education.org.

You will learn everything you need to know for a judging career except for breed-specific knowledge which is covered at our Graduate Institutes. Full details will be on the ACEF web site at www.k9education.org or email the Director of Education, Nina Sherrer at nina@k9education.org or us at scja@cox.net. When emailing, please put **2010 JUDGES INSTITUTE LAS VEGAS, NV** in the subject and also **include a day and evening phone number** with your emails. You may also write the ACEF at 7200 Tanager St. Springfield, VA 22150 or call (703) 451-5656.

As part of the agreement for getting this great price with the hotel, we promised to give them an early room count; consequently, we are asking all of you who are considering attending to please let us know as soon as possible. Full tuition will be returned at any time for any change in plans. We need a preliminary count for the hotel within the week. In order to get this great deal, we have to sign a contract within the next 10 days, so we have to hear from you as soon as possible!

SCJA HELP THE PROVISIONAL JUDGES PROGRAM

Just a reminder to please let us know when your provisional status changes, i.e. no longer need provisional assignments, when new provisional breeds are approved or you have new provisional breeds. If any of your information changes such as address, phone, email, please keep us updated. The program is still active. Forms can be found on our web site at www.scja.org. You should resubmit a new form every 12 months since so many fail to let us know when you have completed your provisionals. We encourage our member show chair to participate in our "Help The Provisional Judge" program. Call or email the CEO.

UPCOMING EVENTS

WESTMINSTER WEEK NEW YORK FEBRUARY 2011

We have already received our contracts from the New York's Hotel Pennsylvania and the New Yorker Hotel for the Westminster Week in February 2011. OUR 28th ANNUAL RECEPTION AND DANCE WILL BE HELD ON SUNDAY, FEBRUARY 13th, 2011. Details will be published in the next newsletter. Anyone planning to be in New York in February 2011 can be placed on a waiting list for hotel reservations by sending an email to scja@cox.net with a subject of NEW YORK 2011. We hope if you are planning to be in New York, you will attend our reception and dance.

<u>IMPORTANT</u> – Always include a phone number with all emails. We simply do not have the staff to answer all the emails, and mainly, Col. Pedé is not known for his typing skills. The phone is another story.

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