

**KENTUCKY HORSE RACING COMMISSION**  
**MINUTES OF THE MEETING**

Date: October 22, 2013

Place: Rolex Hospitality Room, Kentucky Horse Park, Lexington, KY

Members Present: Chairman Robert M. Beck, Jr.; Vice-Chairman Tracy Farmer; Commissioner Allan Wade Houston, Sr.; Commissioner Frank Jones, Jr.; Commissioner; Commissioner Alan J. Leavitt; Commissioner Burr Travis, Jr.; Commissioner Jerry Yon, M.D.; Commissioner Foster Northrop, D.V.M.; Commissioner John Phillips; and Commissioner Neil Howard

Ex-officio Members Present: Mr. William Dexter, representing the Tourism, Arts and Heritage Cabinet; and Ms. Hollie Spade, representing the Cabinet of Economic Development

KHRC Staff Participating: John T. Ward, Jr., Executive Director; Marc A. Guilfoil, Director of Racing; Susan B. Speckert, General Counsel; Mary Scollay, DVM, Equine Medical Director; William Farmer, DVM, Chief State Veterinarian; Jamie Eads, Director of Incentives and Development; Greg Lamb, Supervisor of Pari-Mutuel Wagering; Mr. Rich Williams, Chief Judge; and Barbara Borden, Chief State Steward

Others Participating: Mr. Corey Johnsen, Kentucky Downs; Mr. Kevin Flanery and Mr. E. Lysonge, Churchill Downs; Mr. Chip Bach, Turfway Park; and Mr. Matthew Stephens, Director of the Kentucky Harness Horsemen’s Association (“KHHA”)

Meeting called to order and roll call performed by Chairman Beck. A quorum was recognized.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
<b>Tab 1 Approve Turfway Park’s Roster of Racing Officials for 2013 Holiday Meet</b>	5 – 6	<p>Mr. Guilfoil stated that by letter dated October 14, 2013, Turfway Park requested approval of its roster of race officials and date preference system for its 2013 Holiday meet. All stewards are ROAP accredited and all officials, with the exception of David England, have previously performed the duties for which they are listed. Ms. Borden has approved Mr. England to serve as stall superintendent. The Kentucky Horsemen’s Benevolent and Protective Association (“KyHBPA”) has also approved the roster.</p> <p>Staff recommended approval.</p>	<p>Motion to approve recommendation by Commissioner Jones. Second by Commissioner Leavitt. Motion carried with no objections or abstentions.</p>

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<b>Tab 2 Approve KTDF Purse Structure request – Turfway Park 2013 Holiday Meet</b>	6 – 7	<p>Ms. Eads stated that by letter dated October 14, 2013, Turfway Park requested approval of its KTDF purse structure for its 2013 Holiday meet and the ability to payout KTDF purses on eligible horses first through last place. Turfway Park proposed KTDF purses in the amount of \$464,000. KHRC staff has confirmed that at the end of the 2013 winter meet, Turfway Park had a surplus of \$478,903.51.</p> <p>The KTDF Advisory Committee approved recommendation of Turfway Park’s request at its October 14, 2013 meeting.</p>	<p>Motion to approve recommendation by Commissioner Travis. Second by Commissioner Houston. Motion carried with no objections or abstentions.</p>
<b>Tab 3 Approve KTDF Purse Structure request – Churchill Downs 2013 November Meet</b>	7 – 8	<p>Ms. Eads stated that by letter dated October 14, 2013, Churchill Downs requested approval of its KTDF purse structure for its 2013 November meet and the ability to payout KTDF purses on eligible horses first through last place. Churchill Downs proposed KTDF purses in the range of \$625,000 to \$675,000. KHRC staff has confirmed that at the end of the 2013 September meet, Churchill Downs had a surplus of \$71,863.</p> <p>The KTDF Advisory Committee approved recommendation of Churchill Downs’ request at its October 14, 2013 meeting.</p>	<p>Motion to approve recommendation by Commissioner Jones. Second by Commissioner Yon. Motion carried with no objections or abstentions.</p>
<b>Tab 4 Approve 2014 Sire Stakes purse distribution</b>	8 – 9	<p>Ms. Eads presented the purse distributions for the 2014 Kentucky Sire Stakes as approved by the Kentucky Standardbred Development Fund Advisory Committee (“Advisory Committee”) at its September 19, 2013 meeting. The Advisory Committee recommends the following:</p> <p style="padding-left: 40px;">Legs: \$15,000; \$10,000 split          Finals: \$175,000</p> <p>The Advisory Committee also approved to recommend \$140,000 to be transferred to the Kentucky County Fairs to be used for purse allocations on Fairs in Kentucky.</p>	<p>Motion to approve recommendation by Commissioner Leavitt. Second by Commissioner Northrop. Motion carried with no objections or abstentions.</p>

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	9 – 14	<p>Mr. Stephens addressed the Commission and noted that because breeders, owners and trainers had relied on the website advertisement of \$250,000, the KHHA requested that the change be implemented gradually over the next few years instead of in 2014. Commissioner Leavitt responded that the proposed change was made in accordance with the statute. Representatives for the five aspects of harness racing were present at the Advisory Committee meeting and the proposed change passed by a 3 to 1 vote.</p>	
<p><b>Tab 5 Approve Churchill Downs request to offer Pick 6 with Unique Carryover</b></p>	14 – 29	<p>Mr. Lamb presented Churchill Downs' request to offer a new Pick-6 with Unique Carryover wager. Mr. Lamb noted that Churchill Downs had brought this request to the Commission at its September 23, 2013 meeting. During discussions at the September 23, 2013 meeting, concerns were raised and the Commission requested that Churchill Downs defer their request; work with KHRC staff to address the concerns identified, and bring the request back before the Commission at its next scheduled meeting.</p> <p>Mr. Lamb stated that as a result of discussions with Churchill Downs, a notification to patrons as provided in the agenda materials was agreed upon and is to be provided by Churchill Downs to patrons in compliance with Churchill Downs' conditions of licensure. Subject to Churchill Downs' compliance with their conditions of licensure and assurances of dissemination of the agreed notice, staff recommends approval.</p> <p>Mr. Lysonge stated that Churchill Downs had various plans to circulate the rules specific to this particular wager to patrons, including posting notices on their website and TwinSpires' website, posting notices at various strategic locations throughout</p>	<p>Motion to approve made by Commissioner Travis. Second by Commissioner Jones. Motion carried with no objections or abstentions.</p>

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		<p>their property, emailing notices to their simulcast facilities, video displays with slates that provide information about the rules of the wager on site, and notices in programs.</p> <p>Following a lengthy discussion during which Mr. Lysonge and Mr. Flanery answered questions, Chairman Beck requested a motion to approve Churchill Downs' request with the notification language as presented.</p>	
<p><b>Reports</b></p> <p>Tab 6 a. Thoroughbred Rulings</p> <p>Tab 7 b. Standardbred Rulings</p> <p>Tab 8 c. Veterinary Division</p> <p>Tab 9 d. Pari-Mutuel Wagering Division</p> <p>Tab 10 e. Regulations and Litigation</p>	<p>29 – 31</p> <p>31 – 36</p> <p>36 – 38</p>	<p>a. Ms. Borden presented the thoroughbred ruling report and responded to questions.</p> <p>b. Mr. Williams presented the standardbred ruling report and responded to questions. Commissioner Leavitt noted Kentucky rules do not prevent a driver from removing a foot from the stirrup and a violation may only occur depending on what the driver does with that foot after it has been dropped. He stated that the prevailing rule in other jurisdictions does not allow a driver to remove a foot from the stirrup on the bike at all and that Kentucky should change its rule to not allow a foot to be removed from the stirrup. Chairman Beck asked Mr. Guilfoil and the staff to take a look at the issue and seek input from industry stakeholders. Mr. Guilfoil and Mr. Williams responded that they had already begun the process of doing so.</p> <p>c. Dr. Farmer presented the veterinary report for the 2013 September meet at Churchill Downs and the 2013 meet at Kentucky Downs as provided.</p> <p>Commissioner Jones noted that the procedures that had been implemented in connection with the administration of Lasix by commissioner veterinarians were successful and that the</p>	<p>No action taken. Informational items only.</p>

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	38 – 39	<p>program had been running without any further incidents. He commended Mr. Guilfoil, Dr. Farmer, Greg Berry, Ms. Borden and the rest of the staff for their efforts in making the program successful.</p> <p>d. Mr. Lamb presented the reports for historical horse racing at Kentucky Downs and Ellis Park for September 2013, and live handle for Churchill Downs for September 6 – 30, 2013; Kentucky Downs for September 7 – 25, 2013; and The Red Mile for September 1 – 30, 2013.</p>	
	39	<p>e. Status Report on Regulations and Litigation – For Informational Purposes Only.</p>	

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2014 Race Track and OTB Licensing Tab 11 a. Approve 2014 Conditions of Racing Associations and OTBs Licensing for 2014	39 – 40	a. Chairman Beck presented the proposed 2014 Conditions of Racing Associations and OTB Licensing. He noted the changes that were redlined. The proposed 2014 Conditions of Racing Association and OTB Licensing were approved by the Race Dates Committee on October 7, 2013 and are recommended.	a. Motion to approve the 2014 Conditions of Racing Associations and OTB Licensing as presented by Commissioner Jones. Second by Commissioner Phillips. Motion carried with no objections or abstentions.
Tab 12 b. Calendar of requests for 2014 race dates and host status	40 – 41	b. Mr. Ward presented a month-by-month calendar illustrating the proposed 2014 race dates and host status requests as approved by the Race Dates Committee at its October 7 and October 21, 2013 meetings for recommendation for approval to the Commission. He noted that a second meeting was held in order to reach a resolution of a few conflicts. In response to an inquiry from Chairman Beck, Mr. Ward stated that the 2014 race dates and host status as presented were essentially the same footprint as 2013, with a few tweaks.	b. No action taken. Informational item only.
Tab 13 c. Race dates comparison – 2012, 2013, 2014			c. No action taken. Informational item only.
Tab 14 d. Applicable statutes and regulations: KRS 230.300; KRS 230.377; KRS 230.3771; 810 KAR 1:037			d. No action taken. Informational item only.
N/A e. Approve 2014 License Applications of Racing Associations and OTBs		2014 License applications for Keeneland, Turfway Park, Players Bluegrass Downs, Thunder Ridge and the Red Mile were recommended for approval to the Commission at the October 7, 2013 meeting. 2014 License applications for Churchill Downs, Ellis Park and Kentucky Downs were recommended for approval to the Commission at the October 21, 2013 meeting.	
Tab 15 i. Churchill Downs Application			
Tab 16 ii. Ellis Park Application			
Tab 17 iii. Keeneland Application	N/A	c. Three Year Race Dates Comparison – 2012, 2013, 2014 – For informational purposes only.	d. No action taken. Informational item only.
Tab 18 iv. Kentucky Downs Application			
Tab 19 v. Turfway Park Application	N/A	d. Copies of applicable statutes and regulations – For informational purposes only.	
Tab 20 vi. Players Bluegrass Downs Application	42 – 43	e. Mr. Bach stated that Turfway Park learned that they had probably requested too few race dates in February 2013. For	e. Motion to approve the 2014 license applications, live

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<p>Tab 21      vii.    The Red Mile Application</p> <p>Tab 22      viii.   Thunder Ridge and Ubet (OTB) Application</p>	<p>43 – 49</p>	<p>2014, Turfway Park requested an additional third race date for the second, third and fourth weekends in February. One additional optional race date for March 2014 was also requested.</p> <p>Mr. Flanery noted the differences between the calendar of requests as presented, the footprint from 2013 and as approved by the Race Dates Committee on October 21, 2013. He explained that after discussions with the KHRC staff and Kentucky Downs, Churchill Downs amended its request to provide Kentucky Downs host status on September 8, 9, 10, 15, 16 and 17, 2013. He stated that Churchill Downs did not believe that it would be wise for Kentucky Downs to also race on Saturday, September 20, 2014, the additional Saturday from 2013 that they had requested.</p> <p>Chairman Beck clarified that the calendar as presented did not accurately reflect the agreements reached and the calendar that was approved by the Race Dates Committee. The approved calendar included the following amendments: 1) Kentucky Downs would serve as the host track on September 8, 9, 10, 15, 16 and 17, 2014 and Kentucky Downs has withdrawn its request to race on Saturday, September 20, 2014.</p> <p>In response to an inquiry by Chairman Beck, Mr. Johnsen stated that Kentucky Downs was in agreement with the amended calendar as approved by the Race Dates Committee. Mr. Johnsen further stated for the record that Kentucky Downs was committed to doing what was right for the industry and wanted to race more days.</p>	<p>race dates and simulcast dates as recommended by the Race Dates Committee for Keeneland, Turfway Park, Churchill Downs, Ellis Park, Kentucky Downs, The Red Mile, Players Bluegrass Downs and Thunder Ridge by Commissioner Travis. The motion was seconded. Motion carried with no objections or abstentions.</p> <p>Motion to approve the 2014 license of Hazard Ubet as recommended by the Race Dates Committee by Commissioner</p>

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	53 – 54	<p>Chairman Beck requested a motion to approve the recommendations of the Race Dates Committee to: 1) approve the 2014 license applications submitted, and the live racing dates and simulcast dates requested, subject to the receipt of any outstanding information and subject to compliance with the conditions of licensure approved by the Commission for those racing associations, by Keeneland, Turfway Park, Churchill Downs, Ellis Park, Kentucky Downs, The Red Mile, Players Bluegrass Downs and Thunder Ridge.</p> <p>Ms. Speckert noted that as the owner/operator of the simulcast facility, Hazard Ubet, Thunder Ridge's 2014 license application included the request for a 2014 license for Hazard Ubet. Mr. Prewitt, on behalf of Thunder Ridge, stated that the schedule requested is the same as requested for 2013. The Race Dates Committee approved Hazard Ubet's application at its October 7, 2013 meeting.</p>	Jones. Second by Commissioner Travis. Motion carried with no objections or abstentions.
Other business	51 – 53	Commissioner Travis asked Mr. Bach to explain a recent licensing issue involving Caesar's. According to a <i>Bloodhorse</i> article, the Massachusetts Gaming Commission issued a report finding Caesar's unsuitable for receipt of a gaming license as a partner in the proposed Sterling Suffolk Racecourse, LLC. Mr. Bach stated that he had no information relative to what the article alleged. Ms. Speckert stated that KHRC staff was in contact with Caesar's compliance officer who was in the process of preparing a letter to be provided to the Commission that would contain details of the matter. Upon receipt of that letter, staff will look into the matter.	No action taken.
Executive Session a. Ramsey v. KHRC	54 – 55	1) Chairman Beck requested a motion for the Commission to go into executive session to deliberate in its role as a quasi judicial body regarding any individual adjudications as permitted by KRS 61.810(1)(j) and to discuss proposed or pending litigation against	1) Commissioner Yon offered a motion to go into executive session. Second by

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	55	<p>or on behalf of the agency as permitted by KRS 61.810(1)(c).</p> <p>Prior to the motion to go into executive session, Commissioner Travis recused himself from participating in the executive session.</p> <p style="text-align: center;"><b>EXECUTIVE SESSION</b></p>	<p>Commissioner Houston. Motion carried with no objections or abstentions.</p>
	55 – 56	2) Chairman Beck requested a motion for the Commission to return to open session.	2) Commissioner Jones offered a motion to return to open session.
	56	3) Upon returning to open session, Chairman Beck requested a motion to adopt the Findings of Fact, Conclusions of Law and Recommended Order of the Hearing Officer to dismiss the appeal and affirm the Stewards' ruling in the matter of <i>Ramsey v. KHRC</i> , Administrative Action No. KHRC-13-TB-009.	<p>Second by Commissioner Yon. Motion carried with no objections or abstentions.</p> <p>3) Commissioner Jones offered a motion to adopt the Findings of Fact, Conclusions of Law and Recommended Order of the Hearing Officer as presented. Second by Commissioner Leavitt. Motion carried with no objections or abstentions.</p>

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Adjournment	56 – 57	Chairman Beck requested a motion for adjournment.	Motion to adjourn by Commissioner Yon. Second by Commissioner Houston. Motion carried with no objections or abstentions.

**NOTE:** The Agenda materials and any amendments thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.