

KENTUCKY HORSE RACING COMMISSION

May 17, 2016

AGENDA

**Location: Capitol Annex
702 Capital Ave. | Room 129
Frankfort, KY 40601**

Time: 1:00 pm

I. Swearing in of New Commission Members

II. Call to Order and Roll Call

III. New Business

1. Welcome and Overview of Agency(N/A)
2. Minutes from March 22, 2016 Meeting.....(pgs. 1-8)
3. Ethical Guidelines for Members of Executive Branch Boards and Commissions.....(pgs. 9-10)
4. Proposed Amendments to Kentucky Quarter Horse, Paint Horse, Appaloosa, and Arabian Development Fund: 811 KAR 2:190.....(pgs. 11-25)
5. Proposed Amendments to Jockey Mount Fees: 810 KAR 1:009 Section 8.....(pgs. 26-49)
6. Application to Provide Totalizator Services Sportech Racing.....(pgs. 50-79)
7. Ellis Park’s Proposed 2016 Race Meet Officials.....(pgs. 80-82)
8. Bluegrass Downs’ Proposed 2016 Race Meet Officials.....(pg. 83)
9. Reports
 - a. Thoroughbred Rulings.....(pgs. 84-89)
 - b. Standardbred Rulings.....(pg. 90)
 - c. Veterinary Division.....(pg. 91)
 - d. Pari-Mutuel Wagering Division.....(pgs. 92-97)
 - e. Litigation and Regulations.....(N/A)

IV. Other Business

1. EquiLottery Presentation(pgs.98-122)

V. Executive Session

VI. Adjournment

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: March 22, 2016 at 1:30 PM

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

Members Present: Vice-Chairman Tracy Farmer; Commissioner Elizabeth Lavin; Commissioner Burr Travis; Commissioner Clay Patrick; Commissioner J. David Richardson, M.D.; Commissioner John Phillips; Commissioner Neil Howard; Commissioner Steve Stewart; Commissioner Jerry Yon, MD; Commissioner Frank Jones; F. Thomas Conway, Wade Houston, Sr., and Commissioner David Ingordo

Ex-officio Members Present: Secretary David Dickerson, representing the Public Protection Cabinet; and Deputy Secretary Erik Dunnigan, representing the Cabinet of Economic Development

KHRC Staff Participating: Marc A. Guilfoil, Executive Director; Susan B. Speckert, General Counsel; Mary Scollay, DVM, Equine Medical Director; Barbara Borden, Chief State Steward; and Jamie Eads, Director of Incentives and Development

Others Present/Participating: Michael Zeigler, Executive Director of Racing, Churchill Downs

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
I. Call to Order and Roll Call	2 – 4	Meeting called to order and roll call performed by Vice-Chairman Farmer. A quorum was recognized.	No action taken.
II. New Business Tab 1 Minutes – October, 26, 2015; December 1, 2015 and February 19, 2016	4 – 5	Vice-Chairman Farmer presented and requested a motion to approve the minutes of the October 16, 2015, December 1, 2015 and February 19, 2016 meetings. Commissioner Jones noted the correction of “Thompson” to “Thomason” in the December 1, 2015 Minutes.	Motion to approve the October 16, 2015 and February 19, 2016 Minutes as presented and the December 1, 2015 as corrected by Commissioner Jones. Second by Commissioner Conway. Motion carried

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			with no objections or abstentions.
Tab 2 Ellis Park's 2016 Meet KTDF Allotment Request	5 – 6	<p>Ms. Eads presented Ellis Park's KTDF purse structure request. By letter dated March 8, 2016, Ellis Park requested approval of its KTDF purse structure for the 2016 meet and the ability to payout KTDF purses on eligible horses first through last place.</p> <p>Ellis Park projected to card KTDF purses in the range of \$1,240,000, which is based on a payout of approximately 95% of the amount carded and daily earnings of \$41,328.</p> <p>The KTDF Advisory Committee approved recommendation of Ellis Park's request at its March 8, 2016 meeting. Approval is recommended.</p>	Motion to approve by Commissioner Jones. Motion seconded. Motion carried with no objections or abstentions.
Tab 3 Kentucky Downs' 2016 Meet KTDF Allotment Request	6 – 9	<p>Ms. Eads presented Kentucky Downs' KTDF purse structure request. By letter dated March 4, 2016, Kentucky Downs requested approval of its KTDF purse structure for the 2016 meet and the ability to payout KTDF purses on eligible horses first through last place.</p> <p>Kentucky Downs proposed to card KTDF purses in the range of \$4,200,000 and up to \$75,000 in advertising, which is based on earnings from wagers on historical horse racing. The advertising request is pursuant to the Kentucky Thoroughbred Development Fund regulation, 810 KAR 1:090(3)(7), and a portion will be used to advertise the entire Kentucky circuit.</p> <p>The KTDF Advisory Committee approved recommendation of Kentucky Downs' requests at its March 8, 2016 meeting. Approval is recommended.</p>	Motion to approve. Motion carried with no objections or abstentions.

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Tab 4 Churchill Downs' 2016 September Meet Allotment Request	9 – 10	<p>Ms. Eads presented Churchill Downs' KTDF purse structure request. By letter dated March 8, 2016, Churchill Downs requested approval of its KTDF purse structure for the 2016 September meet and the ability to payout KTDF purses on eligible horses through last place.</p> <p>Churchill Downs projected to card KTDF purses in the range of \$150,000-\$250,000, which is based on a payout of approximately 80% of the amount carded and daily earnings of \$12,850.</p> <p>The KTDF Advisory Committee approved recommendation of Churchill Downs' request at its March 8, 2016 meeting. Approval is recommended. Ms. Eads further explained that because Churchill Downs submitted its request for approval of the September 2016 meet prior to the conclusion of its 2016 spring/summer meet at the request of KHRC staff, if there are any changes in the projected numbers as presented upon conclusion of the spring/summer meet, the KTDF Advisory Committee would review the request again.</p>	<p>Motion to approve by Commissioner Lavin. Motion carried with no objections or abstentions.</p>
Tab 5 Churchill Downs' Backside Improvement Fund Request	10 – 11	<p>Ms. Eads presented Churchill Downs' request dated March 9, 2016 for approval of an additional expenditure of its backside improvement funds to their previous request for \$275,586 in funds that was approved by the Commission at its February 19, 2016 meeting. Additional funds in the amount of \$4,240 are being requested to purchase and install two portable storage sheds near the pony barns to provide covered storage for straw and other items.</p> <p>KHRC staff inspected the proposed additional project and Churchill Downs has provided a detailed description, justification, photographs, and a bid for the additional project.</p>	<p>Motion to approve by Commissioner Jones. Motion seconded. Motion carried with no objections or abstentions.</p>

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		<p>Churchill Downs has a balance of \$477,103.90 in backside improvement funds. Upon completion of all the projects, KHRC staff will inspect the repair work and confirm completion. Copies of all invoices, photographs and communications will be kept on file at the KHRC office.</p> <p>Staff recommends approval.</p>	
<p>Tab 6 KY Mountain Saddle Horse Assoc. Period IV Application Amendment Request</p>	<p>11 – 12</p>	<p>Ms. Eads presented the Kentucky Mountain Saddle Horse Association's (KMSHA) Period IV Application (KMSHA Application) amendment request dated February 23, 2016 for approval to amend their award distribution plan for the 2016 show season. The KMSHA's Application was approved by the Commission on March 23, 2015.</p> <p>The requested amendment would allow the KMSHA to apply double points to two horse shows in an effort to off-set the increased show rental rate. Ms. Eads noted that other approved applicants also offer similar award distribution plans.</p> <p>Staff recommends approval.</p>	<p>Motion to approve by Commissioner Yon. Second by Commissioner Lavin. Motion carried with no objections or abstentions.</p>
<p>Tab 7 Mountain Pleasure Horse Assoc. Period IV Application Amendment Request</p>	<p>12 – 14</p>	<p>Ms. Eads presented the Mountain Pleasure Horse Association's (MPHA) Period IV Application (MPHA Application) amendment request received March 10, 2016 for approval to amend their award distribution plan. The MPHA's Application including the current award distribution plan which allocated 5% of the total funds back to the MPHA was approved by the Commission on January 15, 2015; however, due to a misunderstanding it has come to KHRC staff's attention that the previously approved award distribution plan is not in compliance with the KHRC's regulation.</p>	<p>Motion to approve by Commissioner Jones. Second by Commissioner Lavin. Motion carried with no objections or abstentions.</p>

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		<p>Therefore, at the request of KHRC staff, and in compliance with 811 KAR 2:120, the MPHA requested to amend its award distribution plan so that 100% of the funds allocated are disbursed to the participants.</p> <p>Staff recommends approval.</p>	
<p>Tab 8 Keeneland's Request to Offer Drive-Through Wagering at the Horse Park for Oaks and Derby</p>	<p>14 – 15</p>	<p>Ms. Speckert presented Keeneland's request dated March 11, 2016 for approval to amend its legal site description provided in its 2016 race track application to include a portion of the Kentucky Horse Park to be leased by Keeneland in order to offer drive-through betting during the 2016 Oaks and Derby, May 6-7, 2016. The Commission has approved Keeneland's identical requests since 2012 and a similar request for Breeders Cup in 2015.</p> <p>KHRC staff has confirmed that the request meets the requirements of the statute and recommends approval contingent upon receipt from Keeneland of a copy of the lease agreement between Keeneland and the Kentucky Horse Park and a letter of consent from the Red Mile.</p>	<p>Motion to approve as presented by Commissioner Yon. Motion seconded. Motion carried with no objections or abstentions.</p>
<p>Tab 9 LGC Science Rapid Response Contract Renewal</p>	<p>15 – 23</p>	<p>Dr. Scollay presented the rapid response testing contract with LGC Sports Science (LGC) for renewal. The current rapid response contract with LGC expires on June 30, 2016.</p> <p>The contract is a two-year contract for \$125,000 per year to be utilized for tactical research into emerging threats. Any funds not expended during the contract year will revert back to the Equine Drug Research Council (EDRC).</p> <p>The EDRC unanimously approved renewal of the contract at its March 11, 2016 meeting. Staff recommends approval.</p>	<p>Motion to approve by Commissioner Jones. Motion seconded. Motion carried with no objections or abstentions.</p>

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Tab 10 Churchill Downs' Pick 6 Carryover Request	23 – 29	<p>Mr. Zeigler presented Churchill Downs' request dated March 17, 2016 for approval of its Pick 6 carryover request.</p> <p>Churchill Downs requests that Derby Day feature a \$2 Pick 6 subjected to the traditional Pick 6 rules and fees. Should a carryover from Derby Day occur, the carryover from that day would transition into a \$.20 Single 6 wager. The Single 6 wager will feature a mandatory payout of 50% of the carryover from Derby Day and all the money wagered into the pool that day. Post the mandatory payout, the remaining 50% of the Derby Day carryover would become the jackpot prize for that day's pool and the wager would be subjected to the \$.20 Single 6 rules for the duration of the meet.</p>	<p>Motion to approve by Commissioner Travis. Second by Commissioner Jones. Motion carried with no objections or abstentions.</p>
Tab 11 Kentucky Downs' Request to Offer Jockey 7 Special Wager	N/A	Request and Agenda Item was withdrawn.	No action taken.
Tab 10 Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division d. Pari-Mutuel Wagering Division e. Litigation and Regulations	29 30 30 – 31	<p>a. Ms. Borden presented the thoroughbred ruling report. She noted updates that Ruling No. 16-0013 has been paid and an extension to pay has been granted for Ruling No. 16-0012.</p> <p>b. Ms. Borden presented the standardbred ruling report on behalf of Mr. Williams. There were no updates to the Standardbred ruling report.</p> <p>c. Dr. Scollay presented the race-related fatality occurrence over time report. She noted that because Turfway Park's meet had not yet concluded, Dr. Howard would present the report for the Turfway meet at the next scheduled Commission meeting.</p>	<p>No action taken. Informational items only.</p>

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		<p>d. Informational reports for historical horse racing for February 2016, and live handle for February 2016 for Turfway Park.</p> <p>e. Status Report on Regulations and Litigation – For Informational Purposes Only.</p>	
III. Other Business	N/A	There was no other business presented or discussed.	No action taken. Information item only.
IV. Executive Session		<p>Vice Chairman Farmer requested a motion to go into executive session to: 1) deliberate in a role as a judicial or quasi-judicial body regarding individual adjudications as permitted by KRS 61.810(1)(j); and 2) to discuss proposed or pending litigation against or on behalf of the public agency as permitted by KRS 61.810(1)(c).</p> <p style="text-align: center;"><u>EXECUTIVE SESSION</u></p> <p>Vice Chairman Farmer requested a motion to return to public session.</p> <p>Upon return to public session: 1) In re: <u>Hiles v. KHRC</u>, Commissioner Conway offered a motion to rescind Stewards' Ruling No. 15-0076 and to enter into an Agreed Order fully resolving the matter; and 2) In re: renewal of Dr. Mary Scollay's employment contract, Commissioner Yon offered a motion to approve the contract.</p>	<p>Motion and second to go into executive session. Motion carried with no objections or abstentions.</p> <p>Motion to return to public session by Commissioner Lavin. Motion seconded. Motion carried with no objections or abstentions.</p> <p>1) Motion by Commissioner Conway. Motion seconded. Motion carried with no objections or abstentions. 2) Motion by Commissioner Yon.</p>

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
			Second by Commissioner Lavin. Motion carried with no objections or abstentions.
V. Adjournment		Vice Chairman Farmer requested a motion for adjournment.	Motion and second to adjourn. 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.

14. Chiropractic Examiners
15. Commission for Children with Special Health Care Needs
16. Counselors
17. Deaf and Hard of Hearing Commission
18. Dentistry
19. Dieticians and Nutritionists
20. Education Professional Standards Board
21. Elections, Board of
22. Embalmers and Funeral Directors
23. Emergency Medical Services
24. Engineers and Land Surveyors
25. Executive Branch Ethics Commission
26. Fee-Based Pastoral Counselors
27. Fish and Wildlife Resources Commission
28. Geologists
29. Hairdressers and Cosmetologists
30. Hearing Instruments
31. Heating, Ventilation and Air Conditioning Contractors
32. Heritage Council
33. Higher Education Assistance Authority
34. Higher Education Student Loan Corporation
35. Horse Park Commission
36. Horse Racing Authority
37. Human Rights Commission
38. Infrastructure Authority
39. Interpreters for the Deaf and Hard of Hearing
40. Kentucky Educational Television Authority
41. Kentucky Housing Corporation Board of Directors
42. Kentucky River Authority
43. Landscape Architects
44. Marriage and Family Therapists
45. Massage Therapy
46. Medical Licensure
47. Military Affairs, Commission on
48. Mine Safety Review Commission
49. Nursing
50. Nursing Home Administrators
51. Occupational Therapy

(Continued on next page)

52. Ophthalmic Dispensers
53. Optometric Examiners
54. Personnel Board
55. Pharmacy
56. Physical Therapy
57. Podiatry
58. Private Investigators
59. Psychology
60. Real Estate Appraisers
61. Real Estate Commission
62. Registry of Election Finance
63. Respiratory Care
64. School Facilities Construction Commission
65. Social Work
66. Speech-Language Pathology and Audiology
67. State Fair Board
68. State Investment Commission
69. State Property and Buildings Commission
70. Teachers Retirement Systems Board of Trustees
71. Turnpike Authority
72. Unemployment Insurance Commission
73. Veterinary Examiners
74. Commission on Women
75. Board of Housing, Building and Construction
76. Kentucky Board of Home Inspectors
77. Board of Boiler and Pressure Vessel Rules
78. Manufactured Home Certification & Licensure Board
79. State Plumbers Examining Committee

**PREPARED BY EXECUTIVE BRANCH ETHICS
COMMISSION
SEPTEMBER 2009**

COMMONWEALTH OF KENTUCKY

ETHICAL GUIDELINES FOR MEMBERS OF EXECUTIVE BRANCH BOARDS AND COMMISSIONS



**EXECUTIVE ORDER 2008-454
EXECUTIVE ORDER 2009-882**

Executive Branch Ethics Commission
#3 Fountain Place
Frankfort, Kentucky 40601
(502) 564-7954
FAX (502) 564-2686
<http://ethics.kv.gov/>

EXECUTIVE ORDER 2008-454

On May 27, 2008, Governor Beshear issued Executive Order 2008-454 establishing certain ethical standards for members of policy-making and regulatory boards and commissions. These standards were issued to insure that board and commission members who serve in the public sector are accountable to the people of the Commonwealth. The ethical guidelines in the executive order **do not subject board and commission members to all provisions of the Executive Branch Code of Ethics** contained in KRS Chapter 11A. The ethical standards that do apply to board and commission members specifically relate to the prohibition against self dealing, the obligation to disclose in writing or in the minutes of a meeting a direct or indirect interest, and gift acceptance provisions.

PROHIBITION AGAINST SELF DEALING

- No member of a state policy-making or regulatory board or commission, personally or through a business of which the member owns or controls an interest of more than five percent (5%), or by any other person for the member's use or benefit (spouse), may hold or enjoy, in whole or in part, any contract, agreement, lease, sale, or purchase made, entered into, awarded, or granted by the board, commission, authority, council or committee on which he or she serves.
- This prohibition does not apply to purchases that are available on the same terms to the general public or which are made at public auction.

OBLIGATION TO DISCLOSE AND ABSTAIN

- A state policy-making or regulatory board or commission member must disclose to other members of the board, commission, authority, council or committee of which he or she is a member, any direct or indirect interest in any undertaking that puts the

member's personal interest in conflict with that of the board or commission on which he or she serves.

- This disclosure must be made in writing or must be recorded in the minutes of a formal meeting or the board or commission.
- A member who is required to publicly disclose a direct or indirect interest is required to abstain from all decisions concerning his or her interest if the decision will affect him or her as a member of a business, profession, occupation, or group differently from other members of the business, profession, occupation or group.

EXAMPLES

- A company owned by a member of the Horse Park Commission is prohibited from selling items to the Horse Park gift shop.
- If the brother of a member of the Executive Branch Ethics Commission wanted to provide legal services for the Commission, the member would be required to disclose his potential conflict of interest and abstain from voting on whether the Commission should contract with his brother.

ACCEPTANCE OF GIFTS

- Members of policy-making or regulatory boards and commissions are subject to the gift rules applicable to executive branch public servants found in KRS 11A.045(1).
- A board or commission member, and his or her spouse and dependent children, are prohibited from accepting gifts, including but not limited to travel expenses, meals, alcoholic beverages, and honoraria, totaling a value of more than \$25 per source, in a single calendar year, from any person or business that is:
 - Doing business with

- Regulated by
 - Seeking grants from
 - Involved in litigation against
 - Lobbying, or
 - Attempting to influence the actions of the board, commission, authority, or council on which the member serves.
- Exceptions to the gifts law:
- A campaign contribution to a member's own campaign if in compliance with campaign finance laws
 - A gift from a family member
 - Door prizes, available to the public
 - A gift or gratuity received by a member working directly on an economic incentive package or seeking to bring tourism to the state that was accepted in the performance of the member's official duty, and
 - A ticket for admission to a sporting event if the member pays face value for the ticket or admission.

REGULATORY AND POLICY-MAKING BOARDS AND COMMISSIONS

1. Accountancy
2. Agriculture Development Board
3. Athletic Commission
4. Alcohol and Drug Counselors
5. Alcoholic Beverage Control Board
6. Architects
7. Arts Council
8. Art Therapists
9. Auctioneers Board
10. Barbering
11. Bluegrass State Skills Corporation
12. Boxing and Wrestling Authority
13. Center for the Arts Board of Directors

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PUBLIC PROTECTION CABINET

FRANKLIN S. KLING, JR.
CHAIRMAN

KENTUCKY HORSE RACING COMMISSION

MARC A. GUILFOIL, EXECUTIVE DIRECTOR
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEB SITE: WWW.KHRC.KY.GOV

TO: ALL COMMISSION MEMBERS
FROM: Jamie H. Eads, Director, Division of Incentives & Development
DATE: May 3, 2016
SUBJECT: Amendments to 811 KAR 2:090: Kentucky Quarter Horse, Paint Horse, Appaloosa and Arabian Development Fund.

During the 2015 legislative session, KRS 230.445 was amended to include the Paint Horse. The Kentucky Horse Racing Commission worked with members of the Kentucky Quarter Horse Racing Association and together, along with the support of the other breeds, proposed amendments to 811 KAR 2:190 (Kentucky Quarter Horse, Paint Horse, Appaloosa and Arabian Development Fund). These amendments passed the Commission on December 1, 2015, were filed with LRC on December 3, 2015 and became effective on April 1, 2016.

It was recently discovered the yearling deadline was identified as December 15 in two locations and December 31 in two locations. December 31 is the correct & intended deadline. LRC does not consider this to be a technical amendment; therefore, the regulation will need to be re-considered and filed with the following proposed amendment.

Section 4, page 7:

- Per the recommendation of the LRC, remove the word "late" (line 12)
- Change deadline to December 31 (line 12)
- Change deadline to December 31 (line 15)

Approval is recommended.

COMMISSION ACTION

_____ Approved

_____ Deferred

_____ Denied

1 PUBLIC PROTECTION CABINET

2 KENTUCKY HORSE RACING COMMISSION

3 (Amendment)

4 811 KAR 2:190. Kentucky Quarter Horse, Paint Horse, Appaloosa, and Arabian
5 Development Fund.

6 RELATES TO: KRS 138.510, 230.215, 230.225, 230.443, 230.445

7 STATUTORY AUTHORITY: KRS 230.215, 230.260, 230.445

8 NECESSITY, FUNCTION AND CONFORMITY: KRS 230.215 and 230.260 authorize the
9 commission to promulgate administrative regulations prescribing the conditions under which
10 horse racing shall be conducted in Kentucky. KRS 230.445 establishes the Kentucky Quarter
11 Horse, Paint Horse, Appaloosa, and Arabian development fund and requires the commission to
12 promulgate administrative regulations to carry out the purpose of the statute and to administer
13 the development fund in a manner to promote and aid in the development of the horse
14 industry in Kentucky; upgrade the quality of racing in Kentucky; and to improve the quality of
15 horses bred in Kentucky. This administrative regulation establishes eligibility standards,
16 administrative practices to enforce the standards, and the administration of purses and
17 payments in these races.

18 Section 1. Definitions. (1) "Broodmare" means a mare that conceives and carries her
19 genetic foal to term.

1 (2) "Donor mare" means the mare from which an embryo is harvested for the purpose of
2 performing an embryo transfer.

3 (3) "Fund" means the Kentucky Quarter Horse, Paint Horse, Appaloosa, and Arabian
4 Development Fund established by KRS 230.445.

5 (4) "Historical horse race handle" means monies wagered at a licensed Kentucky
6 association on historical horse races as defined in 811 KAR 2:010, Section 1(37).

7 (5) "Inter-state wagering" means monies wagered at a Kentucky racing association on
8 Quarter Horse, Paint Horse, Appaloosa, or Arabian races conducted outside of Kentucky.

9 (6) "Intra-state wagering" means monies wagered at a Kentucky racing association on
10 Quarter Horse, Paint Horse, Appaloosa, or Arabian races conducted at another Kentucky
11 association.

12 (7) "Kentucky bred" means a horse that meets the requirements of this administrative
13 regulation and is:

14 (a) A Quarter Horse registered with the American Quarter Horse Association, or its
15 successor;

16 (b) An Appaloosa registered with the Appaloosa Horse Club, or its successor;

17 (c) An Arabian registered with the Arabian Horse Association Registry, or its successor; or

18 (d) A Paint Horse registered with the American Paint Horse Association, or its successor.

19 (8) "Live racing handle" means the monies wagered by individuals present on association
20 grounds on Quarter Horse, Paint Horse, Appaloosa, or Arabian races physically conducted on
21 that association's grounds.

22 (9) "Mare" means a broodmare, donor mare, or recipient mare.

1 (10) "Nonlive racing handle" means the monies wagered at an association located in
2 Kentucky on Quarter Horse, Paint Horse, Appaloosa, or Arabian races not physically conducted
3 on that association's grounds.

4 (11) "Recipient mare" means a mare of any breed who:

5 (a) Is implanted with an embryo from a donor mare;

6 (b) Carries the non-genetic foal to term; and

7 (c) Is implanted with an electronic horse identification microchip that accurately identifies
8 the horse and is compliant with international standards ISO 11784.

9 Section 2. Advisory Committee. The fund advisory committee shall consist of five (5)
10 members, all of whom shall be Kentucky residents, to be appointed by the chairman of the
11 commission by July 1 of each year. The committee shall consist of the following:

12 (1) One (1) member of the commission;

13 (2) One (1) officer or director of a licensed racing association in Kentucky conducting
14 Quarter Horse, Paint Horse, Appaloosa, or Arabian racing;

15 (3) One (1) owner of a horse nominated to the fund;

16 (4) One (1) owner of a mare registered with the fund; and

17 (5) One (1) member of the Kentucky Quarter Horse Racing Association recommended by
18 that organization's board of directors.

19 Section 3. Mare Eligibility. (1) In order for a foal to be eligible to earn money from the
20 fund, the broodmare or both the donor and recipient mares shall be registered with the fund
21 on or before February 15 of the year of conception. Late registration may be made on or before
22 June 15 of the year of conception as provided by subsection (3) of this section.

1 (2) In order to be eligible to be registered with the fund, a mare, whether a broodmare,
2 donor mare, or recipient mare, shall reside in Kentucky continuously from conception or
3 embryo transfer implantation until foaling unless one (1) of the exceptions established in this
4 subsection is met.

5 (a) Medical procedure.

6 1. A medical procedure is required to be performed to protect the health of the mare or
7 the unborn foal that involves an extraordinary medical situation and the owner of the mare
8 desires to have an expert located outside of Kentucky conduct the procedure;

9 2. The owner of the mare files with the commission a Kentucky Quarter Horse, Paint
10 Horse, Appaloosa, and Arabian Development Fund Application to Move Mare Outside of
11 Kentucky no later than fourteen (14) days after the mare leaves Kentucky and provides
12 information related to the procedure as requested by the commission;

13 3. The executive director of the commission approves the departure of the mare from
14 Kentucky;

15 4. The mare remains under the care of a veterinarian during the entire period of time she
16 is not residing in Kentucky, other than the time during which she is traveling to and from
17 Kentucky;

18 5. The mare returns to Kentucky following the medical procedure for which her departure
19 was authorized; and

20 6. The mare is in Kentucky for foaling and documentation establishing that fact to the
21 satisfaction of the commission is provided;

22 (b) Racing.

1 1. The owner of the mare desires to race the mare in a sanctioned pari-mutuel race held
2 outside of Kentucky;

3 2. The owner of the mare files with the commission a Kentucky Quarter Horse, Paint
4 Horse, Appaloosa, and Arabian Development Fund Application to Move Mare Outside of
5 Kentucky at least fourteen (14) days before the mare leaves Kentucky and provides information
6 relating to the race outside of Kentucky as requested by the commission;

7 3. The executive director of the commission approves the departure of the mare from
8 Kentucky;

9 4. The mare returns to Kentucky within ten (10) days after the running of the approved
10 race; and

11 5. The mare is in Kentucky for foaling and documentation establishing that fact to the
12 satisfaction of the commission is provided; or

13 (c) Auction.

14 1. The owner of the mare desires to enter her for sale at a catalogued auction for her
15 breed held outside of Kentucky;

16 2. The owner of the mare files with the commission a Kentucky Quarter Horse, Paint
17 Horse, Appaloosa, and Arabian Development Fund Application to Move Mare Outside of
18 Kentucky at least fourteen (14) days before the mare leaves Kentucky and provides information
19 relating to the auction as requested by the commission;

20 3. The executive director of the commission approves the departure of the mare from
21 Kentucky;

22 4. The mare returns to Kentucky no later than thirty (30) days after the auction; and

1 5. The mare is in Kentucky for foaling and documentation establishing that fact to the
2 satisfaction of the commission is provided.

3 (3) The owner of a mare approved to leave the state under subsection (2) of this section
4 shall provide the commission with written notification of the mare's return within forty-eight
5 (48) hours of her return.

6 (4) A mare shall be registered with the fund by:

7 (a) Completing and filing with the commission a Kentucky Quarter Horse, Paint Horse,
8 Appaloosa, and Arabian Development Fund Mare Registration Form;

9 (b) Providing the commission with a photocopy of the mare's official breed registration
10 papers from the American Quarter Horse Association, American Paint Horse Association,
11 Appaloosa Horse Club, the Arabian Horse Association Registry, or The Jockey Club or their
12 respective successors, or documentation regarding a recipient mare's electronic horse
13 identification microchip; and

14 (c) Paying the registration fee as follows:

15 1. A twenty-five (25) dollar fee for registrations postmarked no later than February 15 of
16 the year of conception; or

17 2. A \$200 late fee for registrations postmarked no later than June 15 of the year of
18 conception.

19 (5) Registration postmarked after June 15 of the year of conception shall not be accepted.

20 Section 4. Nomination. (1) Except as set forth in subsection (5) of this section, in order for
21 a horse to be eligible to earn money from the fund, it shall be a Kentucky bred as defined in this

1 administrative regulation and it shall be nominated to the fund on or before December 31 of its
2 yearling year by:

3 (a) Completing and filing with the commission a Kentucky Quarter Horse, Paint Horse,
4 Appaloosa, and Arabian Development Fund Nomination Form;

5 (b) Providing the commission with a photocopy of the horse's official breed registration
6 papers from the American Quarter Horse Association, American Paint Horse Association,
7 Appaloosa Horse Club, or the Arabian Horse Association Registry, or their respective successors;
8 and

9 (c) Paying the nomination fee as follows:

10 1. A twenty-five (25) dollar fee for nominations postmarked no later than December 31 of
11 the weanling year; or

12 2. A \$100 ~~late~~ fee for nominations postmarked no later than December ~~3115~~ of the
13 yearling year.

14 (2) Except as provided in subsection (5) of this section, nominations postmarked after
15 December ~~3115~~ of the yearling year shall not be accepted.

16 (3) In order for a foal that is the product of an embryo transfer to be eligible to earn
17 monies from the fund, the donor mare and the recipient mare shall be registered as provided in
18 Section 3 of this administrative regulation and shall meet the other requirements of this
19 administrative regulation.

20 (4) If a registered donor mare produces more than one (1) foal in one (1) breeding season,
21 two (2) genetic foals may be nominated to the fund as determined by the owner of the donor
22 mare.

1 (5) A horse born in 2016 or before shall be eligible to be nominated to the fund and to
2 participate in races offering monies from the fund. A horse shall be nominated by:

3 (a) Completing and filing with the commission a Kentucky Quarter Horse, Paint Horse,
4 Appaloosa, and Arabian Development Fund Nomination Form;

5 (b) Paying a nomination fee of \$300; and

6 (c) Including the following with the nomination form:

7 1. A photocopy of the official breed registration papers from the American Quarter Horse
8 Association, American Paint Horse Association, Appaloosa Horse Club, or the Arabian Horse
9 Association Registry, or their respective successors;

10 2. Registration papers showing ownership and demonstrating that the horse was foaled in
11 Kentucky;

12 3. An official breed registry shipped semen report or a stallion breeders certificate
13 demonstrating that the horse was conceived in Kentucky; and

14 4. A signed affidavit from the owner of the mare at the time of her pregnancy stating that
15 the mare resided in Kentucky during the entirety of her pregnancy.

16 (6) Nothing in this section shall prevent a registered mare from being eligible to race for
17 monies from the fund.

18 Section 5. Monies Earned. (1) One (1) live association.

19 (a) Live racing handle. An association conducting live racing shall earn monies to be
20 deposited in the fund account for that association in the amount of one (1) percent of the total
21 live racing handle pursuant to KRS 138.510(1).

1 (b) Nonlive racing handle. An association conducting live racing shall earn monies to be
2 deposited in the fund account for that association in the amount of two (2) percent of the total
3 non-live racing handle pursuant to KRS 138.510(2).

4 (2) More than one (1) live association. Unless there is a commission approved agreement
5 among the associations conducting live racing to the contrary, if two (2) or more associations
6 are conducting live Quarter Horse, Paint Horse, Appaloosa, or Arabian races on the same day,
7 the monies earned from the handle for that day shall be divided as established in this
8 subsection.

9 (a) Live racing handle. An association conducting Quarter Horse, Paint Horse, Appaloosa,
10 or Arabian races shall earn monies to be deposited in the fund account for that association in
11 the amount of one (1) percent of that association's live racing handle pursuant to KRS
12 138.510(1).

13 (b) The intra-state wagering monies shall be allocated to that association on which the
14 wagering is placed for purposes of calculating that association's fund earnings.

15 (c) Inter-state wagering monies originating from an association conducting live Quarter
16 Horse, Paint Horse, Appaloosa, or Arabian races shall be allocated to that association for
17 purposes of calculating that association's fund earnings.

18 (d) Inter-state wagering monies from all other Kentucky associations shall be divided
19 evenly among the associations conducting live races.

20 (3) Historical horse race handle. An association offering wagering on historical horse races
21 shall earn monies to be deposited in the fund account for that association as provided in KRS
22 138.510(1).

1 Section 6. Distribution of Funds. (1) Each association shall submit a request to the advisory
2 committee, including the proposed races eligible to receive monies from the fund and the
3 proposed purse structure for those races, at least forty-five (45) days prior to the opening day
4 of the live racing meet.

5 (2) Unless there is a commission approved proposal to the contrary, the proposed purse
6 structure shall not exceed the total dollars generated by that breed to the association's fund
7 account.

8 (3) The advisory committee shall review the proposed eligible races and purse structure
9 and make a recommendation whether to approve the proposed races and purse structure to
10 the commission based upon the best interests of Kentucky racing.

11 (4) Two (2) or more associations conducting Quarter Horse, Paint Horse, Appaloosa, or
12 Arabian racing may request permission from the advisory committee to combine their
13 respective fund monies to supplement purses at one (1) of the associations. The advisory
14 committee shall recommend to the commission whether to approve the request.

15 Section 7. Reconciliation. (1) Each association shall file with the commission a copy of the
16 pari-mutuel tax form filed with the Department of Revenue, along with a copy of the check
17 submitted for each report. These reports shall be filed weekly.

18 (2) Each association shall report to the commission the actual purse distribution no later
19 than fifteen (15) calendar days after the last day of a live race meeting.

20 (3) The commission shall on a monthly basis reconcile the weekly reports submitted by
21 the association with the Department of Revenue's reports and deposits.

1 (4) If, at the close of a live race meet, an association has a balance of monies earned for
2 that meet, which has not been distributed in actual fund purse distribution, then the
3 association may choose one (1) of the following options to distribute the remaining balance,
4 subject to the recommendation of the advisory committee and the approval of the commission:

5 (a) Use fund monies previously earned to supplement purses at future live racing meets
6 held by that association; or

7 (b) Use fund monies previously earned to supplement purses already distributed at the
8 last live racing meet held by the association to the recipients of the original purse allocations.

9 (5) If, at the close of a live race meet, an association offering wagering on historical horse
10 races has a balance of fund monies earned from historical horse race wagers, which has not
11 been distributed in actual fund purse distribution, then the association may choose one (1) of
12 the following options to distribute a portion of the balance, subject to the recommendation of
13 the advisory committee and the approval of the commission:

14 (a) Use the historical horse race fund monies previously earned to supplement purses at
15 future live racing meets held by that association;

16 (b) Use historical horse race fund monies previously earned to supplement purses already
17 distributed at the last live racing meet held by the association to the recipients of the original
18 purse allocations; or

19 (c) Use historical horse race fund monies previously earned to supplement purses at
20 another licensed Kentucky racetrack.

1 (6) Reasonable and customary administrative charges for time spent reconciling the
2 account may be charged to each association by the commission based on the percentage of
3 funds generated by each association for the previous calendar year.

4 (7) Each association shall sign an agreement stating that it accepts and agrees with the
5 reconciliation prior to reimbursement of any funds.

6 Section 8. Consent to Investigate. The filing of a registration form shall authorize the
7 advisory committee and commission to investigate and verify information provided by the
8 applicant, including conducting site visits to verify the residency of a registered mare.

9 Section 9. Penalties. (1) An applicant who provides incorrect, false, or misleading
10 information concerning the registration of a mare or the nomination of a foal or horse, or who
11 violates this administrative regulation in any other manner shall be subject to the following
12 penalties:

13 (a) A fine of not more than \$5,000;

14 (b) Denial or revocation of the registration of the mare or the nomination of the foal or
15 horse with the fund; or

16 (c) A bar from registering mares to the fund or from being eligible to receive monies from
17 the fund for a period of one (1) to five (5) years, based on the seriousness of the violation.

18 (2) In addition to the penalties provided in subsection (1) of this section, a second or
19 subsequent violation of this administrative regulation may result in a lifetime bar of the
20 applicant from being eligible to register mares with the fund or to receive monies from the
21 fund.

1 (3) In addition to the penalties provided in subsection (1) of this section, the commission
2 may deny or revoke the registration of a mare or nomination of a foal or horse or the purse
3 money earned by the foal or horse if the applicant is charged or convicted of a crime, offense,
4 or other criminal or civil violation involving cruelty, mistreatment, abuse, or neglect of any
5 horse. A person charged, but not convicted of any crime, offense, or other criminal or civil
6 violation as provided in this subsection may petition the commission for reinstatement. The
7 commission shall reinstate the registration or purse upon submission of proof satisfactory to
8 the commission that the charges were dismissed and the facts forming the basis of the charges
9 were false.

10 (4) The advisory committee may recommend, and the commission may impose, one (1) or
11 more of the penalties provided in subsection (1) of this section.

12 (5) Any penalty imposed under this section shall be subject to appeal and adjudication in
13 accordance with 811 KAR 2:105 and KRS Chapter 13B.

14 Section 10. Incorporation by Reference. (1) The following material is incorporated by
15 reference:

16 (a) "Kentucky Quarter Horse, Paint Horse, Appaloosa, and Arabian Development Fund
17 Mare Registration Form", KHRC 190-1, 12/15;

18 (b) "Kentucky Quarter Horse, Paint Horse, Appaloosa, and Arabian Development Fund
19 Nomination Form", KHRC 190-2, 12/15; and

20 (c) "Kentucky Quarter Horse, Paint Horse, Appaloosa, and Arabian Development Fund
21 Application to Move Mare Outside of Kentucky", KHRC 190-3, 12/15.

1 (2) This material may be inspected, copied, or obtained, subject to applicable copyright
2 law, at the Kentucky Horse Racing Commission, 4063 Iron Works Parkway, Building B,
3 Lexington, Kentucky 40511, Monday through Friday, 8:00 a.m. to 4:30 p.m. This material is also
4 available on the commission's Web site at <http://khrc.ky.gov>.

1 PUBLIC PROTECTION CABINET
2 KENTUCKY HORSE RACING COMMISSION
3 (Amendment)

4 810 KAR 1:009. Jockeys and apprentices.

5 RELATES TO: KRS 230.215

6 STATUTORY AUTHORITY: KRS 230.215(2), 230.260

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215(2) authorizes the commission to
8 promulgate administrative regulations prescribing conditions under which all horse racing is
9 conducted. KRS 230.260 authorizes the commission to promulgate administrative regulations
10 that regulate conditions under which thoroughbred racing shall be conducted in Kentucky and
11 to establish safety standards and minimum fees for jockeys. This administrative regulation
12 establishes the requirements for jockeys and apprentice jockeys.

13 Section 1. Probationary Mounts. Any person desiring to participate in this state as a
14 jockey, who has not ridden in a race previously, may ride in three (3) races before applying for a
15 license as a jockey or apprentice jockey if:

16 (1) The person is a licensed stable employee, assistant trainer, or trainer with at least one
17 (1) year of service with a racing stable;

18 (2) A licensed trainer certifies in writing to the stewards that the person has demonstrated
19 sufficient horsemanship, as evidenced by his control of the animal while mounting, riding, and
20 dismounting in race and nonrace conditions, to be permitted the probationary mounts;

1 (3) The starter has schooled the person in breaking from the starting gate with other
2 horses and approves the person as capable of starting a horse properly from the starting gate in
3 a race;

4 (4) The stewards determine that the person:

5 (a) Intends to become a licensed jockey;

6 (b) Possesses the physical ability to be a jockey; and

7 (c) Has demonstrated his ability to ride in a race without jeopardizing the safety of horses
8 or other jockeys in the race; and

9 (5) The person has prior oral or written approval of the stewards.

10 Section 2. Qualifications for License. In addition to the requirements applicable to
11 licensees under 810 KAR 1:025, a holder of a license as a jockey or apprentice jockey:

12 (1) Shall be sixteen (16) years of age or older and licensed under his legal name which
13 shall be listed in the daily race program;

14 (2) Shall have served at least one (1) year with a racing stable;

15 (3) Shall have ridden in at least three (3) races; and

16 (4) Shall, if required by the stewards, to protect the health and safety of the jockey, other
17 jockeys, the horses, and the welfare of the betting public, provide a medical affidavit certifying
18 the person is physically and mentally capable of performing the activities and duties of a
19 licensed jockey.

20 Section 3. Amateur or Provisional Jockey. (1) An amateur wishing to ride in races on even
21 terms with professional riders, but without accepting fees or gratuities therefore, shall:

1 (a) Be approved by the stewards as to competency of horsemanship, as demonstrated by
2 meeting the requirements in Section 1(2), (3), and (4)(b) and (c) of this administrative
3 regulation;

4 (b) Be granted an amateur jockey's license; and

5 (c) Have his amateur status duly noted on the daily race program.

6 (2) A licensed owner or licensed trainer, upon approval by the stewards, may be issued a
7 provisional jockey's license to ride his own horse or horse registered in his care as trainer.

8 Section 4. Apprentice Allowance. (1) Any person sixteen (16) years of age or older, who
9 has not been licensed previously as a jockey in any jurisdiction, and who is qualified under
10 Section 2 of this administrative regulation, may claim in all purse races except handicaps the
11 following weight allowances:

12 (a) Ten (10) pounds until he has ridden five (5) winners;

13 (b) Seven (7) pounds until he has ridden an additional thirty-five (35) winners;

14 (c) If he has ridden a total of forty (40) winners prior to the end of one (1) year from the
15 date of riding his fifth winner, he shall have an allowance of five (5) pounds until the end of that
16 year; and

17 (d) If after one (1) year from the date of the fifth winner, the apprentice jockey has not
18 ridden forty (40) winners, the applicable weight allowance shall continue for one (1) additional
19 year, or until the 40th winning mount, whichever occurs first.

20 (2)(a) After the completion of conditions in subsection (1) of this section, a contracted
21 apprentice may claim three (3) pounds for one (1) year if riding horses owned or trained by his
22 original contract employer if his contract has not been transferred or sold since his first winner.

1 (b) The original contract employer shall be the party to the contract who was the
2 employer at the time of the apprentice jockey's first winner.

3 (c) Apprentice allowance shall not be claimed for a period in excess of two (2) years from
4 the date of the rider's fifth winner unless an extension has been granted in accordance with
5 subsection (4) of this section.

6 (3) An apprentice jockey may enter into a contract with a licensed owner or licensed
7 trainer qualified under Section 5 of this administrative regulation for a period not to exceed five
8 (5) years.

9 (a) These contracts shall be:

- 10 1. Approved by the stewards;
- 11 2. Filed with the commission; and
- 12 3. Binding in all respects on the parties to the contract.

13 (b) An apprentice who has not entered into a contract pursuant to this subsection shall be
14 given an apprentice jockey certificate.

15 (4) If an apprentice jockey is unable to ride for a period of seven (7) consecutive days or
16 more because of service in the armed forces of the United States, physical disablement,
17 attendance in an institution of secondary or higher education, restrictions on racing, or other
18 valid reason, the commission, upon recommendation of the stewards and after consultation
19 with the racing entity which approved the original apprentice contract, may extend the time
20 during which the apprentice weight allowance may be claimed for a period no longer than the
21 period the apprentice rider was unable to ride.

1 (5) After completion of conditions in subsection (1) of this section, the rider shall be issued
2 a license as a jockey before accepting subsequent mounts. Under these circumstances, the
3 commission may waive collection of an additional license fee.

4 Section 5. Rider Contracts. (1) All contracts between an employer owner or trainer and
5 employee rider shall be subject to 810 KAR Chapter 1.

6 (2) All riding contracts for terms longer than thirty (30) days, and any amendments,
7 cancellation, or transfer, shall be in writing with the signatures of the parties notarized, and
8 shall be approved by the stewards and filed with the commission.

9 (3) The stewards shall approve a riding contract and permit parties to participate in racing
10 in this state if the stewards find that:

11 (a) The contract employer is a licensed owner or licensed trainer who owns or trains at
12 least three (3) horses eligible to race when the contract is executed;

13 (b) The contract employer possesses the character, ability, facilities, and financial
14 responsibility conducive to developing a competent race rider; and

15 (c) If it is a contract for an apprentice jockey, the contract provides for fair remuneration,
16 adequate medical care, and an option equally available to both employer and apprentice jockey
17 to cancel the contract after two (2) years from the date of execution.

18 Section 6. Restrictions as to Contract Riders. A rider shall not:

19 (1) Ride any horse not owned or trained by his contract employer in a race against a horse
20 owned or trained by his contract employer;

21 (2) Ride or agree to ride any horse in a race without consent of his contract employer;

22 (3) Share any money earned from riding with his contract employer; and

1 (4) Accept any present, money, or reward of any kind in connection with his riding of any
 2 race except through his contract employer.

3 Section 7. Calls and Engagements. (1) Any rider not prohibited by prior contract may agree
 4 to give first or second call on his race-riding services to any licensed owner or trainer.

5 (2) These agreements, if for terms of more than thirty (30) days, shall be in writing,
 6 approved by the stewards, and filed with the commission.

7 (3) Any rider employed by a racing stable on a regular salaried basis shall not ride against
 8 the stable which employs him.

9 (4) An owner or trainer shall not employ or engage a rider to prevent him from riding
 10 another horse.

11 Section 8. Jockey Fee. (1) The fee to a jockey, in the absence of special agreement to the
 12 contrary, shall be as follows:

13 (a)

<u>Purse</u>	<u>Winning Mount</u>	<u>Second Place Mount</u>	<u>Third Place Mount</u>	<u>Fourth Place Mount</u>	<u>Losing Mount</u>
<u>Up to \$9,999</u>	<u>10% of Win Purse</u>	<u>5% of Place Purse OR \$75, whichever is greater</u>	<u>\$70</u>	<u>\$65</u>	<u>\$60</u>
<u>\$10,000-\$14,999</u>	<u>10% of Win Purse</u>	<u>5% of Place Purse</u>	<u>\$75</u>	<u>\$70</u>	<u>\$65</u>
<u>\$15,000-\$24,999</u>	<u>10% of Win Purse</u>	<u>5% of Place Purse</u>	<u>5% of Show Purse OR \$80, whichever is greater</u>	<u>\$75</u>	<u>\$70</u>
<u>\$25,000-49,999</u>	<u>10% of Win Purse</u>	<u>5% of Place Purse</u>	<u>5% of Show Purse</u>	<u>\$85</u>	<u>\$80</u>
<u>\$50,000-\$99,000</u>	<u>10% of Win Purse</u>	<u>5% of Place Purse</u>	<u>5% of Show Purse</u>	<u>\$90</u>	<u>\$85</u>
<u>\$100,000 and up</u>	<u>10% of Win Purse</u>	<u>5% of Place Purse</u>	<u>5% of Show Purse</u>	<u>5% of Fourth Place Purse</u>	<u>\$110</u>

1 (b) The flat fee amounts as set out in paragraph (a) of this subsection are not percentage
2 driven.[Purse up to \$9,999: winning mount, ten (10) percent of win purse; second place mount,
3 \$70 or five (5) percent of place purse, whichever is greater; third place mount, \$60; fourth place
4 mount, \$55; losing mount, \$50;

5 ~~(b) Purse, \$10,000 to \$14,999: winning mount, ten (10) percent of win purse; second~~
6 ~~place mount, five (5) percent of place purse; third place mount, \$65 or five (5) percent of show~~
7 ~~purse, whichever is greater; fourth place mount \$60; losing mount, \$55;~~

8 ~~(c) Purse, \$15,000 to \$24,999: winning mount, ten (10) percent of win purse; second place~~
9 ~~mount, five (5) percent of place purse; third place mount, five (5) percent of show purse; fourth~~
10 ~~place mount, \$65; losing mount, \$60;~~

11 ~~(d) Purse, \$25,000 to \$49,999: winning mount, ten (10) percent of win purse; second~~
12 ~~place mount, five (5) percent of place purse; third place mount, five (5) percent of show purse;~~
13 ~~fourth place mount, \$75; losing mount, \$70;~~

14 ~~(e) Purse, \$50,000 to \$99,999: winning mount, ten (10) percent of win purse; second place~~
15 ~~mount, five (5) percent of place purse; third place mount, five (5) percent of show purse; fourth~~
16 ~~place mount, \$90; losing mount, \$85; and~~

17 ~~(f) Purse, \$100,000 and up: winning mount, ten (10) percent of win purse; second place~~
18 ~~mount, five (5) percent of place purse; third place mount, five (5) percent of show purse; fourth~~
19 ~~place mount, five (5) percent of fourth place purse; losing mount, \$110.]~~

20 (2) A jockey fee shall be considered earned by a rider if he is weighed out by the clerk of
21 scales, with the following exceptions:

1 (a) If a rider does not weigh out and ride in a race for which he has been engaged because
2 an owner or trainer engaged more than one (1) rider for the same race, the owner or trainer
3 shall pay an appropriate fee to each rider engaged for the race;

4 (b) If a rider capable of riding elects to take himself off the mount without, in the opinion
5 of the stewards, reasonable cause; or

6 (c) If a rider is replaced by the stewards with a substitute rider for a reason other than a
7 physical injury suffered by the rider during the time between weighing out and start of the race.

8 Section 9. Revised Order of Finish After Race is Declared Official. If a winning purse is
9 forfeited through subsequent ruling of the stewards or the commission, after the result has
10 originally been made official, the winning fee shall be paid to the jockey whose mount is
11 ultimately adjudged the winner, and the original winner shall be credited only with a losing
12 mount.

13 Section 10. Duty to Fulfill Engagements. Every rider shall fulfill his duly scheduled riding
14 engagements, unless excused by the stewards due to circumstances under which a jockey could
15 not reasonably be expected to be physically present at the required time. A rider shall not be
16 required to ride a horse he believes to be unsound, nor over a racing strip he believes to be
17 unsafe, except if the stewards find a rider's refusal to fulfill a riding engagement is based on a
18 personal belief unwarranted by the facts and circumstances, the rider may be subject to
19 disciplinary action.

20 Section 11. Presence in Jockey Room. (1) Each rider who has been engaged to ride in a
21 race shall be physically present in the jockey room no later than one (1) hour prior to post time
22 for the first race on the day he is scheduled to ride, unless excused by the stewards or the clerk

1 of scales due to circumstances under which a jockey could not reasonably be expected to ride;
2 and upon arrival shall report to the clerk of scales his engagements. If a rider fails for any
3 reason to arrive in the jockey room no later than one (1) hour before post time of a race in
4 which he is scheduled to ride, the clerk of scales shall so advise the stewards who may name a
5 substitute rider and shall cause a public announcement to be made of the rider substitution
6 prior to opening of wagering on the race.

7 (2) Each rider reporting to the jockey room shall remain in the jockey room until he has
8 fulfilled all his riding engagements for the day, except to ride in a race, or except to view the
9 running of a race from a location approved by the stewards. While a rider is outside of the
10 jockey room, a rider shall not have contact or communication with any person other than an
11 owner or trainer for whom he is riding, a racing official, or a representative of the regular news
12 media, until the rider has fulfilled all his riding engagements for the day.

13 (3) The association shall be responsible for security of the jockey room to conduct specific
14 business previously approved by the stewards so as to exclude all persons except riders
15 scheduled to ride on the day's program, valets, authorized attendants, racing officials, duly
16 accredited members of the news media, and persons having special permission of the stewards
17 to enter the jockey room.

18 (4) Any rider intending to discontinue riding at a race meeting prior to its conclusion shall
19 notify the stewards of his intent to depart after fulfilling his final riding engagement of the day.

20 Section 12. Weighing Out. (1) Each rider engaged to ride in a race shall report to the clerk
21 of scales for weighing out not more than one (1) hour and not less than fifteen (15) minutes

1 before post time for each race in which he is engaged to ride, and when weighing out, the rider
2 shall declare overweight, if any.

3 (2)(a) A rider shall not pass the scale with more than one (1) pound overweight, without
4 consent of the owner or trainer of the horse he is engaged to ride; and

5 (b) A rider shall not pass the scale with more than five (5) pounds overweight.

6 (3) A horse shall not be disqualified because of overweight carried.

7 (4) Riding crops, blinkers, number cloths, bridles, bits, reins, over-girth, breast collar,
8 goggles, safety helmets, and safety vests shall not be included in a rider's weight.

9 Section 13. Wagering. A rider shall not place a wager, cause a wager to be placed on his
10 behalf, or accept any ticket or winnings from a wager on any race except on his own mount,
11 and except through the owner or trainer of the horse he is riding. The owner or trainer placing
12 wagers for his rider shall maintain a precise and complete record of all of these wagers, and the
13 record shall be available for examination by the stewards at all times.

14 Section 14. Attire. (1) Upon leaving the jockey room to ride in any race, each rider shall be
15 neat and clean in appearance and wear the traditional jockey costume with all jacket buttons
16 and catches fastened.

17 (2) Each jockey shall wear:

18 (a) The cap and jacket racing colors registered in the name of the owner of the horse he is
19 to ride;

20 (b) Stock tie;

21 (c) White or light breeches;

22 (d) Top boots;

1 (e) A safety vest and safety helmet that meet the standards set forth in subsections (4)
2 and (5) of this section; and

3 (f) A number on his right shoulder corresponding to his mount's number as shown on the
4 saddle cloth and daily racing program.

5 (3) The clerk of scales and attending valet shall be held jointly responsible with a rider for
6 his neat and clean appearance and proper attire.

7 (4) A jockey mounted on a horse or stable pony at a location under the jurisdiction of the
8 commission shall wear a properly secured safety helmet at all times. If requested by a
9 commission official, the jockey shall provide sufficient evidence that his helmet has a tag,
10 stamp, or similar identifying marker indicating that it meets one of the following safety
11 standards:

12 (a) ASTM International Standard, ASTM F1163-04a;

13 (b) British Standards, BS EN 1384:1997 or PAS 015:1999; or

14 (c) Australian/New Zealand Standard, AS/NZS 3838:2006.

15 (5) A jockey mounted on a horse or stable pony at any location under the jurisdiction of
16 the commission shall wear a safety vest at all times. If requested by a commission official, the
17 jockey shall provide sufficient evidence that his safety vest has a tag, stamp, or similar
18 identifying marker indicating that it meets or exceeds one (1) of the following safety standards:

19 (a) British Equestrian Trade Association (BETA):2000 Level 1;

20 (b) Euro Norm (EN) 13158:2000 Level 1;

21 (c) ASTM International Standard, ASTM F2681-08;

1 (d) Shoe and Allied Trade Research Association (SATRA) Jockey Vest Document M6 Issue 3;

2 or

3 (e) Australian Racing Board (ARB) Standard 1.1998.

4 Section 15. Advertising. (1) A jockey shall not wear advertising or promotional material of
5 any kind (whether for a nonprofit or for-profit entity) on clothing within one (1) hour before or
6 after a race, unless:

7 (a)1. The material advertises or promotes the Jockey's Guild in the form of the picture of a
8 jockey's boot or the picture of a wheelchair, with no additional picture or logo;

9 2. The material advertises or promotes the Permanently Disabled Jockey's Fund in the
10 form of the pictures of its logo, with no additional picture or logo; or

11 3. The picture or logo has previously been approved by the current owner, association,
12 and the stewards under the process set forth in this administrative regulation, and this approval
13 is reflected in the commission's official records;

14 (b) The material complies with the size restrictions of subsection (2)(b) of this section;

15 (c) The material meets the advertising standards listed in subsection (2) of this section;

16 (d) Written approval by the following is submitted to the commission:

17 1. The managing owner of the horse, or authorized agent of the managing owner who acts
18 with actual authority and has been specifically authorized in writing to sign the written approval
19 on behalf of the managing owner. Written authorization shall be evidenced by completion and
20 return to the commission of the "Authorized Agent License Application" form. If the owner is a
21 business entity, in lieu of filing the "Authorized Agent License Application" form, the owner may

1 file duly adopted resolutions of the business entity authorizing the agent to act on its behalf
2 and remit the twenty-five (25) dollar license application fee;

3 2. The jockey riding the horse or the authorized agent of the jockey who acts with actual
4 authority and has been specifically authorized in writing to sign the written approval on behalf
5 of the jockey. Written authorization shall be evidenced by completion and return to the
6 commission of the "Authorized Agent License Application" form;

7 3. The licensed racing association, which shall grant approval if it reasonably determines
8 the material meets the standards in subsection (2)(a) of this section; and

9 4. The stewards, who shall grant approval if they reasonably determine the material
10 meets the standards in subsections (2)(b) and (3) of this section; and

11 (e) Written approval required pursuant to subsection (1)(d) of this section is evidenced by
12 completion and return to the commission of the "Request to Wear Advertising and Promotional
13 Materials" form. The form shall be completed and submitted to the stewards not later than 5
14 p.m. two (2) days prior to the day of the race in which the advertising and promotional
15 materials will be worn. Other forms of approval shall not be accepted by the commission.

16 (2) Advertising or promotional material displayed on jockey clothing shall:

17 (a) Not compete with, conflict with, or infringe upon sponsorship agreements applicable
18 to the racing association race or to the race meet in progress; and

19 (b) Comply with the following size restrictions:

20 1. A maximum of thirty-two (32) square inches on each thigh of the pants on the outer
21 side between the hip and knee and ten (10) square inches on the rear of the pant at the
22 waistline at the base of the spine;

1 2. A maximum of twenty-four (24) square inches on boots and leggings on the outside of
2 each nearest the top of the boot; and

3 3. A maximum of six (6) square inches on the front center of the neck area (on a
4 turtleneck or other undergarment).

5 (3) A sponsorship shall not be permitted by a person or entity whose message, business
6 reputation, or ongoing business activity may be considered as obscene or indecent to a
7 reasonable person.

8 (4)(a) The party presenting the advertising or promotional opportunity to the owner and
9 jockey (including without limitation, the owner and jockey) shall disclose in writing all material
10 terms, including financial, regarding the advertising or promotional opportunity to the owner
11 and the jockey;

12 (b) The division of proceeds from any advertising or promotional material placed in
13 accordance with this administrative regulation shall be subject to agreement between the
14 owner and the jockey;

15 (c) The agreement between the owner and jockey shall be made in writing on the
16 "Owner/Jockey Advertising and Promotional Materials Agreement" not later than 5 p.m. two
17 (2) days prior to the day of the race in which the advertising and promotional materials will be
18 worn;

19 (d) Other forms of agreement or contract shall not be used; and

20 (e) Any party who fails to comply with this or any other provision provided in this
21 administrative regulation may be subject to penalties by the commission in accordance with
22 KRS Chapter 230 and 810 KAR Chapter 1.

1 (5) As a condition for approval of advertising or promotional material, either the owners,
2 the stewards, or the licensed racing association may require a personal viewing of the proposed
3 material as it is to be displayed, to determine that the requirements of this section are met.

4 (6) The sponsor of a licensed racing association race or race meeting may display
5 advertising or promotional material on an association saddlecloth if it does not interfere with
6 the clear visibility of the number of the horse.

7 (7) Advertising content other than that approved in this administrative regulation shall not
8 be permitted.

9 (8) This administrative regulation shall not infringe upon or limit the common law rights of
10 a racing association to eject or exclude persons, licensed or unlicensed, from association
11 grounds, or to apply the association's internal rules regarding other forms of advertising not
12 addressed in this or any other applicable statute or administrative regulation, if the internal
13 rules have been previously filed with and approved by the commission or its authorized
14 representative.

15 Section 16. Viewing Films or Tapes of Races. (1) Every rider shall check the film list posted
16 by the stewards in the jockey room the day after riding in a race.

17 (2) The posting of the film list shall be considered as notice to all riders whose names are
18 listed to present themselves when designated by the stewards to view the patrol films or video
19 tapes of races.

20 (3) Any rider may be accompanied by a representative of the jockey organization of which
21 he is a member in viewing the films, or with the stewards' permission, be represented at the
22 viewing by his designated representative.

1 Section 17. Material Incorporated by Reference. (1) The following material is incorporated
2 by reference:

3 (a) "Request to Wear Advertising and Promotional Material", KHRC 009-01, 10/10;

4 (b) "Authorized Agent License Application", KHRC 009-02, 5/10; and

5 (c) "Owner/Jockey Advertising and Promotional Materials Agreement", KHRC 009-03,
6 5/10.

7 (2) This material may be inspected, copied, or obtained, subject to applicable copyright
8 law, at the Kentucky Horse Racing Commission, 4063 Iron Works Parkway, Building B,
9 Lexington, Kentucky, Monday through Friday, 8 a.m. to 4:30 p.m.

10 (3) This material may also be obtained from the Kentucky Horse Racing Commission Web
11 site at <http://www.khrc.ky.gov/>.

READ AND APPROVED:

**Franklin S. Kling, Jr., Chairman
Kentucky Horse Racing Commission**

Date

**David A. Dickerson, Secretary
Public Protection Cabinet**

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on _____, 2016 at 10:00 a.m., at the office of the Kentucky Horse Racing Commission, 4063 Iron Works Parkway, Building B, Lexington, Kentucky 405011. Individuals interested in being heard at this hearing shall notify the Kentucky Horse Racing Commission in writing by _____, 2016, five working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until close of business on _____, 2016. Please send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person below.

CONTACT PERSON:

General Counsel
Kentucky Horse Racing Commission
4063 Iron Works Parkway, Building B
Lexington, KY 40511

Phone: (859) 246-2040
FAX: (859) 246-2039

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: , General Counsel, Kentucky Horse Racing Commission
Phone (859) 246-2040

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation sets forth restrictions and requirements regarding the participation of jockeys in horse racing. The amendments increase minimum jockey mount fees based upon an agreement reached between the Jockeys' Guild, the Kentucky Horsemen's Benevolent and Protective Association, and the Kentucky Thoroughbred Association—Kentucky Thoroughbred Owners and Breeders.

(b) The necessity of this administrative regulation: Kentucky currently has among the lowest mount fees in the nation, and the fees have not been increased since 2011. Representatives from the relevant stakeholder organizations met and negotiated the increases.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 230.215 grants the Kentucky Horse Racing Commission the authority to promulgate regulations governing the conduct of horse racing in Kentucky. KRS 230.260 specifically grants the Kentucky Horse Racing Commission the authority to establish minimum fees for jockeys.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation sets forth restrictions and requirements regarding the participation of jockeys in horse racing.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendments will change this existing administrative regulation: The amendments increase jockey mount fees based upon an agreement reached between the Jockeys' Guild, the Kentucky Horsemen's Benevolent and Protective Association, and the Kentucky Thoroughbred Association—Kentucky Thoroughbred Owners and Breeders.

(b) The necessity of the amendment to this administrative regulation: Kentucky currently has among the lowest mount fees in the nation, and the fees have not been increased since 2011. Representatives from the relevant stakeholder organizations met and negotiated the increases.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 230.215 grants the Kentucky Horse Racing Commission the authority to promulgate regulations governing the conduct of horse racing in Kentucky. KRS 230.260 specifically grants the Kentucky Horse Racing Commission the authority to establish minimum fees for jockeys.

(d) How the amendment will assist in the effective administration of the statutes: The amendments provide increased mount fees for jockeys.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: All licensed jockeys and owners will be affected by this administrative regulation. In 2015, the KHRC licensed over 200 jockeys and over 6500 owners.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: Owners will be required to pay the increased jockey mount fees.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): No costs will be imposed on the commission to comply with this amendment. Owners will be required to pay the increased jockey mount fees.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Jockeys will benefit from the increased mount fees. The increased mount fees will benefit owners and Kentucky by helping attract and keep qualified, competitive jockeys in the state.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: No costs associated with the amendments.

(b) On a continuing basis: No costs associated with the amendments.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No costs associated with the amendments.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No additional fees or funding will be necessary to implement this administrative regulation.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This amendment increases jockey mount fees based upon an

agreement reached between the Jockeys' Guild, the Kentucky Horsemen's Benevolent and Protective Association, and the Kentucky Thoroughbred Association—Kentucky Thoroughbred Owners and Breeders.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied. All aspects of this regulation will be applied equally to the affected parties.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No. 810 KAR 1:009

Contact Person:

(859) 246-2040

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Kentucky Horse Racing Commission.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 230.215, KRS 230.260.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. The regulation will not impose additional costs upon any government agency.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This regulation will not result in revenue generation.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This regulation will not result in revenue generation.

(c) How much will it cost to administer this program for the first year? This regulation will not result in revenue generation.

(d) How much will it cost to administer this program for subsequent years? This regulation will not result in revenue generation.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

MATTHEW G. BEVIN
GOVERNOR



DAVID A. DICKERSON
SECRETARY

PUBLIC PROTECTION CABINET

FRANKLIN S. KLING, JR.
CHAIRMAN

KENTUCKY HORSE RACING COMMISSION

MARC A. GUILFOIL, EXECUTIVE DIRECTOR
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511

TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEB SITE: [HTTP://KHRC.KY.GOV](http://khrc.ky.gov)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: May 17, 2016

Re: 2016 License Application for Sportech Racing, LLC

In November 2015, Sportech Racing LLC ("Sportech") submitted an initial application for 2016 licensure to provide totalizator services in the Commonwealth of Kentucky. For your review, please find an attached redacted copy of the license application, along with some additional information. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members have reviewed the application. Sportech has been cooperative and forthcoming with requests for additional information.

Among other things, the Sportech application states as follows:

- It was organized in Delaware in 1980 as a limited liability company and is 100% owned by Sportech, Inc., and its principal business office is currently located in New Haven, Connecticut.
- It is currently good standing and authorized to do business in Kentucky with the Secretary of State and is also in good standing and authorized to do business in Delaware.
- It is currently licensed in 26 states and in every jurisdiction in which the organization operates that currently requires a license to perform totalizator services.
- It currently does not provide totalizator services to any Kentucky racetracks.
- It has had an SOC 1 Type II Report audit (formerly SAS 70 audit) of its internal controls completed in the past 12 months. The independent auditors, Grant Thornton, LLP, issued a satisfactory opinion and noted no major exceptions.
- It has had several minor disciplinary actions in other racing jurisdictions. Sportech has given assurances that the issues related to the disciplinary actions have been addressed to prevent future occurrences.

- It has operational systems in place that will maintain compliance with the Kentucky Horse Racing Commission Totalizator Standards. Sportech has also signed an affidavit indicating that the organization will abide by the Kentucky Horse Racing Commission Totalizator Standards.

Probationary approval is recommended.

COMMISSION ACTION

_____ Approved

_____ Denied

_____ Deferred

KHRC 150-01 (6/11)

KENTUCKY HORSE RACING COMMISSION
4063 Iron Works Parkway, Bldg. B
Lexington, Kentucky 40511
Telephone (859) 246-2040 / Facsimile (859) 246-2039
WEBSITE: www.khrc.ky.gov



**KENTUCKY HORSE RACING COMMISSION
INITIAL/RENEWAL LICENSE APPLICATION TO PROVIDE
TOTALIZATOR SERVICES**

(Original and 6 copies must be submitted)

This application must be completed before consideration will be given to the issuance of a license. Refer to 810 KAR 1:150, 811 KAR 1:290, or 811 KAR 2:200, as applicable. If the Applicant has any questions regarding the application, please contact the Kentucky Horse Racing Commission (the "Commission") for assistance at (859) 246-2040.

This document presumes the Applicant is a corporation. If the Applicant is a business entity other than a corporation (a limited liability company, partnership, sole proprietorship, or other entity), all questions within the application referring to the management personnel of a corporation (e.g. officers, directors, etc.) should be considered as applicable to similar management personnel of the business entity applying. This application must be completed by the individual or business entity desiring to obtain a license from the Commission to provide totalizator services to racing associations, simulcast facilities, advanced deposit wagering entities or secondary pari-mutuel organizations located in or conducting business in Kentucky. If the applicant is a business entity, the chief executive officer, managing partner, or equivalent official shall complete and sign the application.

Be certain to answer every question. If a question does not apply to the business entity submitting the application, indicate that the question is not applicable ("N/A") and briefly state the reason(s) why. If space available is insufficient to answer a particular question, attach a separate sheet of paper to the application and precede each answer with a reference to the appropriate question. Take care not to misstate or omit any material fact(s), as each statement made herein is subject to verification. The person completing this form on behalf of the Applicant must initial each page in the blank in the lower left-hand corner. By placing his or her initials on each page, the person completing the application is attesting to the accuracy and completeness of the information contained on that page.

All Applicants are advised that the information reported in this form, along with other information required by law, will be used to evaluate the Applicant for possible licensure by the Commission. Any misrepresentation or failure to reveal information requested may be deemed to be sufficient cause to deny the Applicant a license.

The Applicant is hereby advised that issuance of a license is a privilege and not a right, and the burden of proving that the Applicant is qualified to receive a license is at all times upon the Applicant.

OPEN RECORDS ACT – KRS 61.878(1)(c)(2) exempts from disclosure under the Kentucky Open Records Act records confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary, which are compiled and maintained for the grant or review of a license to do business. The Commission considers tax returns, copies of contracts, financial documents, and similar information to be confidential and proprietary and exempt from disclosure, to the extent permitted by law. IT IS IMPORTANT THAT ANY INFORMATION SUBMITTED WITH THIS APPLICATION THAT THE APPLICANT CONSIDERS CONFIDENTIAL AND/OR PROPRIETARY BE MARKED, STAMPED, OR OTHERWISE IDENTIFIED AS CONFIDENTIAL AND/OR PROPRIETARY.

Initials of Person Completing Application

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ATTACHMENTS: Please attach the following along with any other documents requested in the application.

Certificate of good standing in state of incorporation and in Kentucky. Please refer to attached Exhibit B-6

Attach a certified copy of the Applicant's articles of incorporation, bylaws, partnership agreement, articles of organization, operating agreement, or other organizational documents, and any amendments to the document(s), as applicable.

Please refer to attached Exhibit B-17

Audited financial statements for each of the three (3) fiscal years immediately preceding the application, or for the period of organization if less than three (3) years. If the Applicant has not completed a full fiscal year since its organization, or if it acquires or is to acquire the majority of its assets from a predecessor within the current fiscal year, the financial information shall be given for the current fiscal year. All financial information shall be accompanied by an unqualified opinion of a licensed certified public accountant, or if the opinion is given with qualifications, the reasons for the qualifications must be stated. Please refer to website: www.sportechplc.com/investercentre and Attachment 1.

A Type II SAS 70 report, or replacement report as approved from time to time by the Auditing Standards Board of the American Institute of Certified Public Accountants, or other report in a form acceptable to the Commission, completed within the preceding twelve (12) months to ensure adequate control objectives, control activities, and control processes are in place.

Please refer to Attachment 2

An affidavit documenting compliance with the general management standards, personnel standards, hardware standards, software standards, report and log requirements, and facility standards, all as set forth in the Kentucky Horse Racing Commission Totalizator Standards. Please refer to attached Affidavit

Certified check or cashier's check in the amount of ten thousand dollars (\$10,000.00) payable to the Kentucky Horse Race Commission.

Attached

DEFINITIONS – The following definitions are provided for your assistance in preparing the application. Other applicable definitions may be provided in KRS Chapter 230 and 810 KAR Chapter 1, 811 KAR Chapter 1 or 811 KAR Chapter 2, as applicable.

"Totalizator licensee" means an individual, person or entity licensed by the Commission to provide totalizator services to any licensed racing association, simulcast facility, advanced deposit wagering licensee or secondary pari-mutuel organization doing business in the Commonwealth of Kentucky.

"Applicant" refers to the individual, person or business entity applying for the license.

"Investors" means investors owning a five percent (5%) or greater share in the Applicant.

"Principal" means any of the following individuals associated with a partnership, trust, association, limited liability company, or corporation that is applying for the license:

- a) The chairman and all members of the board of directors of a corporation;
- b) All partners of a partnership and all participating members of a limited liability company;
- c) All trustees and trust beneficiaries of an association;
- d) The president or chief executive officer and all other officers, managers, and employees who have policy-making or fiduciary responsibility within the organization;
- e) All stockholders or other individuals who own, hold, or control, either directly or indirectly, five percent (5%) or more of stock or financial interest in the collective organization; and
- f) Any other employee, agent, guardian, personal representative, or lender or holder of indebtedness who has the power to exercise a significant influence over the Applicant's or licensee's operation.

"Relative" includes spouse, parents, children, siblings, mother-in-law, and father-in-law.

"Shares" refers to any type of ownership interest in the Applicant, whether the Applicant is a corporation, partnership, limited liability company, or other business entity.

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Please provide complete answers to all questions. If this is a renewal application, you may indicate if there has been no change in a previously submitted response by noting "N/C" and referring to the date of and provision in the previous application where the information can be found.

Failure to respond to all questions will result in an incomplete determination which will delay processing of this application, or result in the denial of the license.

A. INDIVIDUAL COMPLETING THE APPLICATION

- 1. Name of individual completing the application: Andrew I. Gaughan
- 2. Occupation: President
- 3. Relationship to Applicant: Executive
- 4. Date on which relationship with Applicant commenced: 2013
- 5. Address: 555 Long Wharf Dr., 11th Floor, New Haven, CT 06511
- 6. Telephone: (678) 710-2959
- 7. Date of birth: Sex: M
- 8. Place of birth (City, County, State/ZIP, Country): Toronto, Canada
- 9. Driver's License Number: State: Ontario, Canada
- 10. A citizen of the United States? Yes No
If alien, registration number: N/A
If naturalized, certificate number: N/A
Date: N/A
Place: N/A (If naturalized, document must be verified.)

B. ORGANIZATIONAL AND FINANCIAL INFORMATION:

- 1. Name of Applicant (see definition of Applicant on page 2 of this application): Sportech Racing, LLC
- 2. Address of Applicant's principal business office and telephone number: 555 Long Wharf Dr., 11th Floor, New Haven, CT 06511

Initials of Person Completing Application

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3. Trade or Corporate Name of Applicant: Same

Address: Same

If the application is for a license to replace a license obtained under another trade or corporate name, please provide the former name below.

Former Trade or Corporate Name: N/A

Address: N/A

4. All other names, business addresses, and telephone numbers under which the Applicant does business: None
5. Check if Applicant is:

An Individual Partnership Limited Liability Company Association Corporation

Other (please describe): _____

If the Applicant is other than an individual, in what year was the Applicant organized? 1980

If the Applicant is other than an individual, in what state was the Applicant organized? Delaware

6. Attach certificates of good standing in the state of organization and in Kentucky. Please refer to attached Exhibit B-6

7. Provide the name, business address and telephone number of the Applicant's representative for:

Legal services, including in-house attorneys and all attorneys retained in connection with Commission matters;
Accounting services, including all outside auditors and accountants;
Banking and financing; and
Lobbyists.

Please refer to attached Exhibit B-7

8. List all racing associations, simulcast facilities, advanced deposit wagering entities, secondary pari-mutuel organizations and jurisdictions inside and outside of the United States within which Applicant offers totalizator services. Please indicate whether Applicant holds a license to conduct totalizator services in each jurisdiction. Please refer to attached Exhibit B-8

9. What amount of capital is Applicant investing in offering totalizator services within the Commonwealth? \$62,400/annual

10. Identify any failed or abandoned business projects in the last five (5) years, in which the Applicant or any of its investors was an investor owning an interest of five percent (5%) or greater. None

11. Has the Applicant, its parent, or any Principal ever held a financial interest in a gambling venture, including but not limited to a horse race track, dog race track, lottery, casino, bookmaking operation, or pari-mutuel operation in the last ten (10) years? Yes No If yes, please:

Identify the name of the gambling venture(s);

State when and where the interest was held and give names and locations of the businesses involved and the names and addresses of all partners or investors owning an interest of five percent (5%) or more in the gambling venture; and

State whether there are any pending or past investigations or disciplinary actions taken against the gambling venture and describe the nature of those investigation(s) and/or disciplinary action(s).

N/A
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12. Will Applicant have sole decision making authority, or will such authority be shared with any other entity or person, including investors? Yes No If yes, please any persons or entities that will share in the decision making. Day to day operational decisions will be made by Sportech Racing, LLC. Top level decisions may be shared with parent.

13. If the Applicant is a corporation, limited liability company, partnership, or other organization, complete the following:

Membership interest

TYPE OF OWNERSHIP INTEREST (e.g. common stock, preferred stock, membership interest, partnership interest)

Sportech Racing, LLC is owned 100% by Sportech, Inc.
Authorized

Issued

Unissued

In Treasury

14. If the Applicant is an individual, partnership, or limited liability company, please give the full name, residence, address, and nature and amount of investment of the individual or all members therein; if the Applicant is a corporation, furnish the same information for all corporate officials*, directors, and shareholders (including other corporations or business organizations owning Shares) owning or holding directly, indirectly, or beneficially five percent (5%) or more of the Shares of the Applicant. PLEASE USE A SEPARATE SHEET IF NECESSARY AND ATTACH IT TO THIS APPLICATION.

*"Corporate officials" includes the president, vice president, secretary, treasurer and any other executive, official, manager, or other person who performs policymaking or managerial functions for the Applicant.

a) Please refer to attached Exhibit B-14

Name Address

Title Shares Issued

Nature and/or % Of Interest

b) _____

Name Address

Title Shares Issued

Nature and/or % Of Interest

c) _____

Name Address

Initials of Person Completing Application

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Title Shares Issued

Nature and/or % Of Interest

d) Name

Address

Title

Shares Issued

Nature and/or % Of Interest

15. List below the names and addresses of any persons or organizations that have issued loans, advances or guarantees that are still outstanding to the Applicant to finance any part of its operations. Include the terms of any agreements creating a security interest. Loan documents, including any security agreement, shall be made available for inspection by the Commission upon request. Please refer to attached Exhibit B-15

a)

Name

Address

Amount of Loan, Advance or Guaranty

b)

Name

Address

Amount of Loan, Advance or Guaranty

c)

Name

Address

Amount of Loan, Advance or Guaranty

d)

Name

Address

Amount of Loan, Advance or Guaranty

Is Applicant current on payment obligations to the lenders listed above? If no, please explain the circumstances.

16. Briefly summarize any ownership interest allowing a debt holder to convert debt to equity and assert financial or managerial control over Applicant. Please refer to attached Exhibit B-15

17. Outline briefly all ownership interests, whether issued or authorized to be issued, including any options, dividend rights, voting rights, liquidation rights, pre-emptive rights, conversion rights, and redemption provisions relating to issued stock as well as treasury stock. Please refer to attached Exhibit B-17

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18. May the rights of holders of shares be modified otherwise than by a vote of majority or more of the shares outstanding, voting as a class? Yes No If yes, explain briefly. _____

19. Other registrations with the Commonwealth of Kentucky.

a) Kentucky Department of Revenue tax identification number: To be applied for

b) If the Applicant is a corporation or other entity, have all Kentucky laws relating to corporations or an entity of that type been complied with? Yes No (If not, please explain). _____

Name of registered agent: Corporation Service Company

Address: 421 West Main St., Frankfort, KY 40601

20. Applicant's Federal Identification Number: XXXXXXXXXX

C. OWNERSHIP INTERESTS:

1. List any corporation, partnership, proprietorship, trust, joint venture and every other business interest, including land used for profit or not for profit, which the Applicant, has owned within the preceding five (5) years as a legal or equitable interest exceeding two hundred fifty thousand dollars (\$250,000) or five percent (5%), whichever is less. If the Applicant is a subsidiary, only provide the requested information for the subsidiary, unless otherwise requested by the Commission. The value or percentage of a business interest is to be determined as of the time of the filing of this application. The value assigned to a holding is the fair market value. A business interest includes ownership of mineral rights. The address reported for land should include the rural route, town and state or township, county, and state. Use a separate sheet of paper, if necessary.

BUSINESS NAME AND ADDRESS	TYPE OF BUSINESS	DESCRIPTION OF INTEREST, INCLUDING PERCENTAGE OF OWNERSHIP IN BUSINESS	HELD BY WHOM
NAME Please refer to attached Exhibit D ADDRESS			
NAME ADDRESS			
NAME ADDRESS			

Initials of Person Completing Application

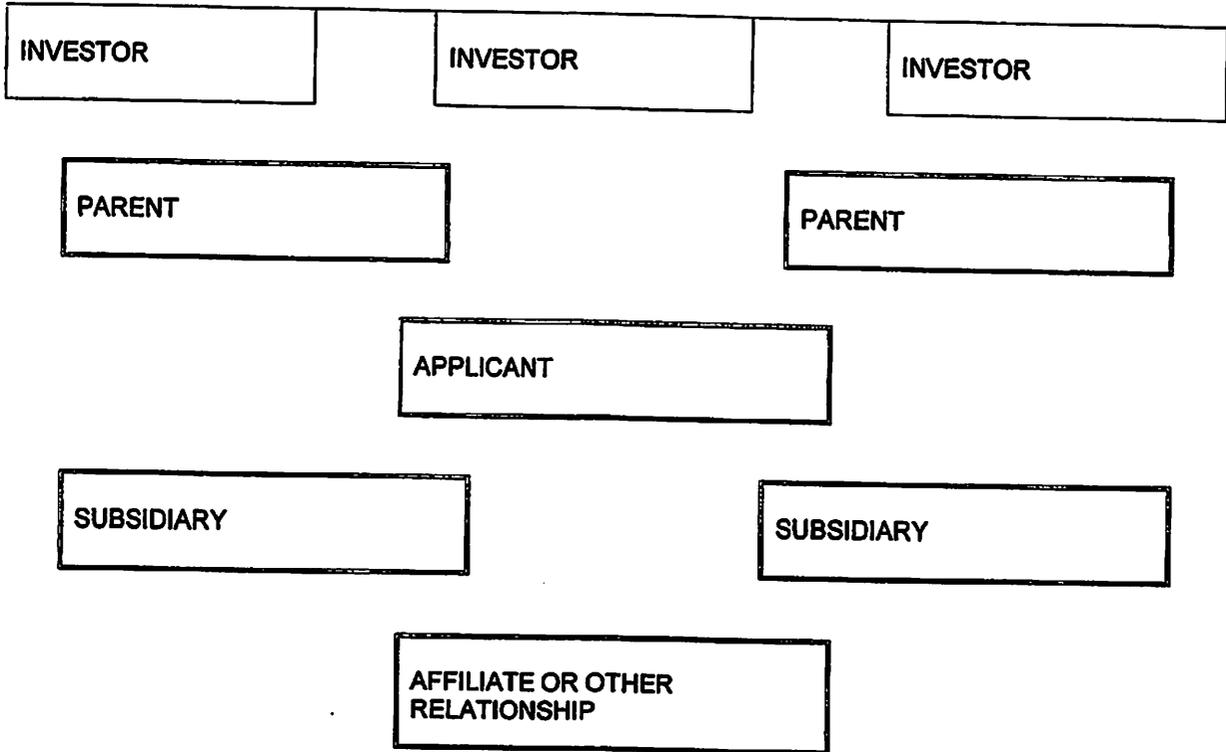
Ab.



D. DIRECT BUSINESS ORGANIZATIONAL CHART:

Attach a **DIAGRAM** of corporate or other business relationships. Include all relationships with Investors, parent companies, subsidiaries, or other affiliated companies involving an ownership or control interest of five percent (5%) or more. Please refer to attached Exhibit D

EXAMPLE



E. ANNUAL REPORT AND SEC REPORT:

Please make available the most recent annual reports and Securities and Exchange Commission ("SEC") reports of the Applicant, its parent, any of its subsidiaries, and affiliates. Please refer to website: www.sportechplc.com/investercentre

F. FEDERAL AND STATE INCOME TAX RETURNS:

Please make available to the Commission Executive Director or his or her designee Federal and State Tax Returns annually. Please refer to attached Exhibit F

G. RELATIVES EMPLOYED BY THE COMMONWEALTH OF KENTUCKY: None

On a separate sheet of paper, list any Principal(s) or Relatives of Principals of the Applicant who are employed by the Commonwealth of Kentucky, or who serve on any board, committee, or commission for the Commonwealth of Kentucky. This request also applies to the agent, officer, or employee completing the application on behalf of the Applicant. Please

Initials of Person Completing Application

Ab.



indicate whether the agent, officer, or employee information presented applies to the Applicant or the person completing the application.

H. CRIMINAL HISTORY:

Does the Applicant perform background checks on its employees? Yes No
On its vendors? Yes No

1. Has the Applicant, its parent, or any Principal ever been convicted of any crime of moral turpitude, embezzlement, theft, or larceny, or any violation of any law pertaining to horse racing, pari-mutuel wagering, gaming or gambling, or any crime that is inimical to the declared policy of the Commonwealth of Kentucky with regard to horse racing and pari-mutuel wagering thereon? Yes No If yes, furnish details on a separate page.

2. Has the Applicant, its parent, or any Principal ever been convicted in any jurisdiction inside or outside of the United States within the ten (10) year period preceding January 1 of the calendar year in which the license application is completed of any crime that is or would be a felony or misdemeanor in the Commonwealth of Kentucky? Yes No If yes, furnish details on a separate page.

3. Has the Applicant, its parent, or any Principal ever been arrested, indicted, or the subject of any current or ongoing criminal investigation for any criminal activities in any jurisdiction inside or outside of the United States? Yes No

Please refer to attached Exhibit H-3

If yes, give details on a separate sheet of paper attached to the application as to the criminal charge(s) involved, name(s) address(es) and telephone number(s) of federal, state, or local agency(ies) and individual(s) which investigated and/or prosecuted, and disposition of the investigation(s)/charge(s). List all cases without exception.

4. Has a criminal indictment, information, or complaint ever been returned against the Applicant, its parent, or any Principal for which no one was arrested, or in which any of these entities or individuals were named as an un-indicted co-defendant? Yes No If yes, furnish details on a separate page.

5. Has the Applicant, its parent, or any Principal ever received a pardon for any criminal offense? Yes No

If yes, when? N/A

List City, County, and State/ZIP: N/A

If yes, give details on a separate sheet of paper attached to the application as to the criminal charge(s) involved, any sentence received, any sentence served, and the circumstances of the pardon.

6. Has the Applicant, its parent, or any Principal ever been identified in the published reports of any federal or state legislative or executive body as being a member or associate of organized crime, or of being of notorious or unsavory reputation? Yes No If yes, furnish details on a separate page.

I. CIVIL COURT RECORDS AND ADMINISTRATIVE PROCEEDINGS:

1. Has the Applicant, its parent or any Principal ever had a license to offer totalizator services, or participate in pari-mutuel horse racing in any other way in any jurisdiction inside or outside of the United States denied, revoked, suspended, withdrawn, or otherwise subject to disciplinary action? Yes No If so, please identify the jurisdiction and explain the circumstances. Please refer to attached Exhibit I-1

2. Has the Applicant, its parent, or any Principal ever had any other professional license in any jurisdiction inside or outside the United States denied, revoked, suspended, withdrawn, or otherwise subject to disciplinary action,

Yes No

If so, please identify the type of license, the jurisdiction and explain the circumstances. N/A

Initials of Person Completing Application

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3. List all occasions in the ten (10) year period preceding January 1 of the calendar year in which the license application is completed when the Applicant, its parent, or any Principal(s) has/have been a party in a court action regarding violation of any government regulations, including regulations pertaining to horse racing or gaming laws.

Please refer to attached Exhibit I-3

Date: _____ City: _____ State/ZIP: _____

Court: _____

Nature and disposition of case: _____

Date: _____ City: _____ State/ZIP: _____

Court: _____

Nature and disposition of case: _____

4. List all occasions in the ten (10) year period preceding January 1 of the calendar year in which the license application is completed when the Applicant, its parent, or any Principal(s) has/have been a party in any corporate or personal bankruptcy proceeding. None

Date: _____ City: _____ State/ZIP: _____

Court: _____

Nature and disposition of case: _____

Date: _____ City: _____ State/ZIP: _____

Court: _____

Nature and disposition of case: _____

5. List all occasions in the ten (10) year period preceding January 1 of the calendar year in which the license application is completed when the Applicant, its parent, or any Principal(s) has/have failed to satisfy any judgments, orders or decrees. None

Date: _____ City: _____ State/ZIP: _____

Court: _____

Nature and disposition of case: _____

Date: _____ City: _____ State/ZIP: _____

Court: _____

Nature and disposition of case: _____

6. List all occasions in the ten (10) year period preceding January 1 of the calendar year in which the license application is completed when the Applicant, its parent, or any Principal(s) has/have been delinquent in filing tax reports or remitting taxes. None

J. SERVICES RENDERED

Please list the name and address of each individual, person, or other entity that provides (or will provide) contractual services, equipment, or property related to providing totalizator services within the Commonwealth of Kentucky. Indicate the nature of the service (to be) rendered and equipment or property (to be) provided. NONE

K. OPERATIONS:

1. Provide an Operations Manual or similar document or documents that demonstrate that the Applicant is in compliance with the Kentucky Horse Racing Commission Totalizator Standards.

Please refer to attached Exhibit K-1

2. On a separate sheet, describe in detail the disaster recovery plan that will ensure that, in the event of a breakdown, pari-mutuel wagering will be able to resume within a reasonable period of time.

Please refer to attached Exhibit K-2

Initials of Person Completing Application

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3. On a separate sheet, describe in detail the security plans for the totalizer rooms housing the Central Processing Units that process wagers made at each facility to which the Applicant provides totalizer services.

Please refer to attached Exhibit K-3

4. Provide a detailed description of the equipment used to record transactions. Please refer to attached Exhibit K-4

5. Provide the names and positions of all individuals who are assigned to work on totalizer operations in the Commonwealth of Kentucky. Please refer to attached Exhibit K-5

L. LOCATION AND PHYSICAL PLANT:

1. Location of principal office: 555 Long Wharf Dr., 11th Floor, New Haven, CT 06511

2. Location of satellite offices: 1095 Windward Ridge Pkwy., Suite 170, Alpharetta, GA 30005; 815 East Gate Dr., Suite 101, Mt. Laure, NJ 08054

3. Location of any other types of facilities: None

4. Will any facilities be located in Kentucky? No

If yes, please describe: N/A

If yes, how many employees will be required to operate the Kentucky facility? N/A

5. Mortgage and Security Interests in Real Property (provide a listing of the name and address of interest holders and make available upon request the document evidencing such interest): None

M. ADDITIONAL INFORMATION

On a separate sheet, include any other information the Applicant believes would be helpful to the Commission in evaluating the application.

Initials of Person Completing Application

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SWORN STATEMENT ENDORSING APPLICATION

I, Andrew I. Gaughan, under penalty of perjury being duly sworn, depose and say that the above statements are true and correct and that this application and accompanying documents are executed with the knowledge that misrepresentations or failure to reveal information requested may be deemed sufficient cause for denial of a license and any other penalties permitted by law. I understand that the application for a license, which I have submitted, is a matter of public record, subject to any exceptions permitted by KRS 61.878. Furthermore, I understand that the Commission may conduct an investigation of my personal and financial background, and/or that of the Applicant, and I hereby authorize the appropriate background checks. I understand that I will be required to pay the cost of any background checks. I understand that I may be asked to answer questions in open public meetings of the Commission.

I further understand that in the event of the denial or withdrawal of this application, any application fees submitted by the Applicant shall not be refunded except to the extent that the fees have not been expended in the application process.

I hereby expressly waive, release and forever discharge the Commonwealth of Kentucky, and its agents, from any and all manner of action and causes of action whatsoever, which I, my administrators or executors can, shall, or may have against the Commonwealth of Kentucky, or its agents, as a result of my applying for a license to offer totalizator services within the Commonwealth of Kentucky.



Signature
Subscribed and sworn to before me this 18 day of Nov, 2015.

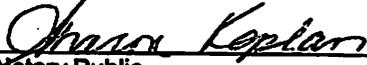


Notary Public
My Commission Expires: 11-26-17

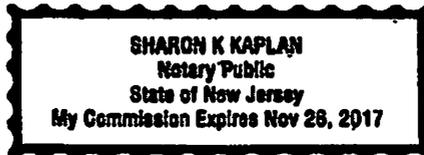
I, Andrew I. Gaughan, under the penalty of perjury being duly sworn, deposes and says that the above statements are true and correct to the best of his/her knowledge and belief and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the refusal to issue or revocation of a state horse racing license and criminal prosecution.



Signatory for Applicant
Subscribed and sworn to before me this 18 day of Nov, 2015.



Notary Public
My Commission Expires: 11-26-17



Initials of Person Completing Application

AG



AUTHORIZATION FOR EXAMINATION AND RELEASE OF INFORMATION

I, Andrew I. Gaughan, hereby authorize a review, full disclosure and release of any and all records concerning myself to any agent or independent contractor of the Commission, whether the records are of a public, private, or confidential nature, with the following understanding:

1. The information reviewed, disclosed, and/or released may be used by the Commission, its officers, agents, employees, and independent contractors for any lawful purpose and/or to determine suitability for licensure, appointment, or employment.
2. I specifically authorize review, full disclosure, and release of any and all records pertaining to any present or past credit, employment, medical treatment (physical or emotional), state, federal, and local taxation, professional licensure and discipline, education, criminal history, bankruptcy, civil lawsuit (as plaintiff or defendant), administrative proceeding or pertaining to my character or integrity.
3. I release the providers and users of the information collected pursuant to this authorization from any liability under state or federal laws and further release the Commission, its officers, agents, employees, and independent contractors from any liability which may be incurred as a result of the collection and use of the information.
4. If this authorization is not sufficient to obtain access to certain records, it is understood that I may be requested to execute other appropriate authorization or release, and that any failure to do so may be taken into consideration.
5. I understand that I may revoke this authorization in writing at any time. Such revocation of this authorization may be taken into consideration by the Commission in the course of reviewing this application.
6. This authorization will automatically expire one year from the date it is signed by me.

DATE: 11/18, 20 15

Date of Birth: [REDACTED]

Social Security Number: [REDACTED]

Signature

Applicant's Name: Andrew I. Gaughan

Subscribed and sworn to before me on this the 18 day of Nov, 20 15.

Sharon Kaplan
Notary Public in and for Burlington
County, State of New Jersey
My Commission Expires: 11-26-17



Initials of Person Completing Application

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Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SPORTECH RACING, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-SIXTH DAY OF OCTOBER, A.D. 2015.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "SPORTECH RACING, LLC" WAS FORMED ON THE SEVENTEENTH DAY OF SEPTEMBER, A.D. 1980.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



899406 8300

SR# 20150643350

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Authentication: 10299825

Date: 10-26-15

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary of State

Alison Lundergan Grimes
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Authorization

Authentication number: 169354
Visit <https://app.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Alison Lundergan Grimes, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

SPORTECH RACING, LLC

, a limited liability company authorized under the laws of the state of Delaware, is authorized to transact business in the Commonwealth of Kentucky, and received the authority to transact business in Kentucky on April 30, 2004.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that an application for certificate of withdrawal has not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 26th day of October, 2015, in the 224th year of the Commonwealth.



Alison Lundergan Grimes
Alison Lundergan Grimes
Secretary of State
Commonwealth of Kentucky
169354/0585040

Exhibit B-14

**Applicant: Sportech Racing, LLC
Officer Information**

Andrew I. Gaughan – President and Director

[REDACTED]
[REDACTED]

DOB : [REDACTED]

**0% interest
Shares Issued: 0**

James D. Birney – Treasurer and Director

[REDACTED]
[REDACTED]

DOB: [REDACTED]

**0% interest
Shares issued: 0**

Louis D. Skelton

[REDACTED]
[REDACTED]

DOB : [REDACTED]

**0% interest
Shares issued: 0**

Frank J. Chesky III – Secretary

[REDACTED]
[REDACTED]

DOB: [REDACTED]

**0% interest
Shares issued: 0**

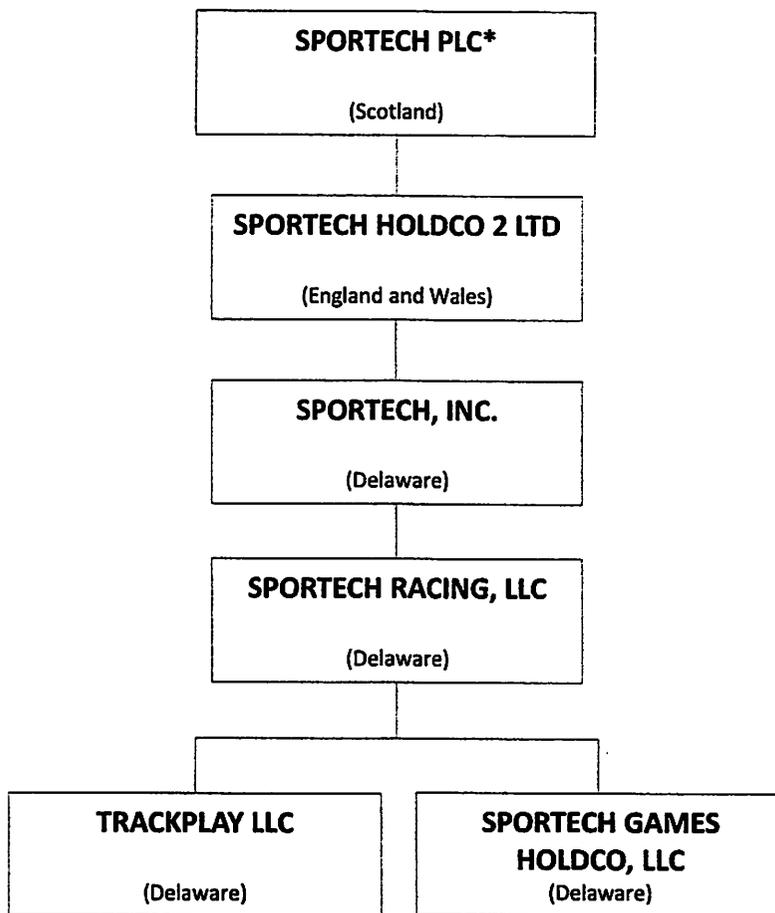
**Sportech, Inc.
555 Long Wharf Dr., 11th Floor
New Haven, CT 06511**

**Date of Formation:
02/08/2010**

**100% Owner
Shares issued: 100**

ORGANIZATION CHART

SPORTECH RACING, LLC



*Sportech PLC (SPO) is publicly traded on the London Stock Exchange

(as of 05/28/2015)

Exhibit B-8

Pari-Mutuel Wagering Licenses:

Arizona Racing Commission:

1110 W. Washington #260
Phoenix, AZ 85007

Vendor Business License No. 10251

Submitted: 01/2014 Granted

Expires: 1/31/16

Birmingham Racing Commission:

1000 John Rogers Dr., Ste. 102
Birmingham, AL 35210

Vendor License Permit No. 201110168

Submitted: 11/2014 Granted

Expires: 12/31/15

California Horse Racing Board:

1010 Hurley Way, Ste. 190
Sacramento, CA 95825

Contractor Licenses No. TC-01

Submitted: 05/2015 Granted

Expires: 7/2/16

Connecticut Department of Consumer Protection

165 Capitol Ave., Room 110
Hartford, CT 06106

Totalisator License No. 42-117

Submitted: 08/2015 Renewal Pending

Florida Division of Pari-Mutuel Wagering

1940 N. Monroe St.
Tallahassee, FL 32399-1037

Slot Combo License No. 6495836

Submitted: 05/2013 Granted

Expires: 6/30/16

Forest County Potawatomi Gaming Commission

313 N. 13th Street
Milwaukee, WI 53233

Vendor License No. 27

Submitted: 02/2014 Granted

Expires: 4/1/16

Illinois Racing Board:

100 West Randolph St., Ste. 700
Chicago, IL 60601

Totalisator System Operator License No. 15-401

Submitted: 10/2014 Granted

Expires: 12/31/15 Renewal Pending

Iowa Racing and Gaming Commission:

1300 Des Moines St., Ste. 100
Des Moines, IA 50309

Vendor License No. 9951483

Submitted: 12/2015 Granted

Expires: 12/31/2016

Louisiana Racing Commission:

320 N. Carrollton Ave., Ste. 2-B
New Orleans, LA 70119

Vendor Services license

Submitted: 06/2015 Granted

Expires: 06/30/2016

Maine State Harness Racing Commission:

28 State House Station
Augusta, ME 04333-0028

Vendor License No. 20710A

Submitted: 11/2014 Granted

Expires: 12/31/2015

Exhibit B-8

Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109

Vendor License
Submitted: 11/5/2014 Temp License Granted
License Pending

Minnesota Racing Commission:
444 Cedar St., Ste. 133
St. Paul, MN 55101

Pari-Mutuel License No. 731145
Submitted: 10/2014 Granted
Expires: 12/31/15

Mobile County Racing Commission:
Theodore Dawes Rd.
Theodore, AL 36582

License No. 17590
Submitted: 12/2014 Granted
Expires: 12/31/15

Mohegan Sun Tribal Gaming Commission:
1 Mohegan Sun Blvd.
Uncasville, CT 06382

Vendor gaming license no. 807988
Submitted: 06/2015 Granted
Expires: 6/08/2016

Nebraska Gaming Commission
c/o Horseman's Park
6303 "Q" St.
Omaha, NE 68117

Tote Service Provider No. 180537
Submitted: 11/2014 Granted
Expires: 12/31/15

New Jersey Div. of Gaming Enforcement:
Tennessee Ave. & Boardwalk
Atlantic City, NJ

CSI License No. 337-50
Submitted: 12/2014
Expires: 4/30/2020

New Jersey Racing Commission:
140 E. Front St., 3rd Floor
Trenton, NJ 08625-0088

Vendor License No. 5348682
Submitted: 11/2014 Granted
Expires: 12/31/2015 Renewal Pending

New Mexico Racing Commission:
4900 Alameda Blvd. NE
Albuquerque, NM 87113

Totalisator Company License No. 85611015
Submitted: 1/25/15 Granted
Expires: 01/31/2016

New York State Gaming Commission:
1 Broadway, Ste. 600
Schenectady, NY 12305-2553

Application for Totalisator & Service Provider License
Submitted: 11/2014 Granted
Expires: 12/31/15 Renewal Pending

North Dakota Racing Commission:
500 North 9th St.
Bismarck, ND 58501-4509

Simulcast Totalisator Provider License No. 2015-003
Submitted: 09/2014 Granted
Expires: 12/31/15 Renewal Pending

Ohio State Racing Commission:
77 S. High Street, 18th Floor
Columbus, OH 43215

Totalisator Company License No. 1
Submitted: 11/2014 Granted
Expires: 12/31/15

Exhibit B-8

Oregon Racing Commission:
800 NE Oregon St., Ste. 300
Portland, OR 97232

Totalisator License No. 0212
Submitted: 04/2015 Granted
Expires: 06/30/2016

Pennsylvania State Horse Racing Commission:
2301 N. Cameron St., Room 304
Harrisburg, PA 17110

Vendor – Grandstand License
Submitted: 2007 Granted
Expires: Perpetual

Pennsylvania Harness Racing Commission:
2301 N. Cameron St., Room 304
Harrisburg, PA 17110

Vendor Corporate Tote License No. 1121716
Submitted: 2007 Granted
Expires: Perpetual

Rhode Island Division of Racing
& Athletics
1511 Pontiac Ave., Bldg. 69-1
Cranston, RI 02920

Vendor License No. 7812T
Submitted: 12/2013 Granted
Expires: 12/31/2016

Texas Racing Commission:
8505 Cross Park Dr., Ste. 110
Austin, TX 78754-4591

Vendor/Concessionaire License No. 149745
Submitted: 10/2014 Granted
Expires: 11/30/2015 Renewal Pending

Exhibit I-1

Connecticut Department of Consumer Protection – On October 20, 2012, betting on Race 8 at Bluffs Run was mistakenly reopened on the Connecticut OTB system and remained opened for approximately 13 minutes resulting in past post wagering. Race 8 was refunded on the Connecticut system at the direction of the Connecticut Department of Consumer Protection ("DCP"). Sportech Racing, LLC ("SPR") entered into a Consent Decree ("Decree") with the DCP on March 12, 2013. Pursuant to the Decree, SPR paid an administrative fee in the amount of \$2,500 and submitted for DCP approval protocols and procedures that shall prevent the recurrence of an event similar to the event at Bluffs Run or any other facility where pari-mutuel wagering is conducted through the CT OTB System.

New York Racing and Wagering Board (Duplicate Ticket Printing) – On or about April 17, 2012, Sportech Racing, LLC ("Sportech") settled a matter with the New York State Racing & Wagering Board ("NYSRWB") arising from a January 9, 2009 incident at Yonkers Raceway in which duplicate tickets were printed. On or about August 26, 2009, the NYSRWB assessed a \$1,000 fine against Scientific Games Racing, LLC ("SGR," the predecessor of Sportech) as a result of that incident. Thereafter, SGR and the NYSRWB held discussions regarding the issuance of the fine with no further action until early 2012. In February 2012, the NYSRWB issued a hearing notice to adjudicate the fine. To resolve the matter expeditiously, Sportech entered into a settlement agreement with the NYSRWB agreeing to pay the fine in exchange for an acknowledgement from the NYSRWB that Sportech was making no admission of fault, liability or wrongdoing. Sportech promptly paid the fine incurred by SGR. The matter is now closed.

Tri-State Racetrack – This matter involved the claim by a customer at Tri-State Racetrack ("Racetrack") that Scientific Games Racing, LLC ("SGR," the predecessor of SGR) owed the customer \$20,100 as a result of an alleged theft from the Racetrack's patrons relating to "bill stringing" of a bill acceptor module from a wagering terminal. SGR denied any liability as the contract with the Racetrack expressly disclaimed any liability from bill stringing. SGR negotiated with the Racetrack on a resolution and the matter is now closed.

New Jersey Racing Commission – This matter involves various citations by the New Jersey Racing Commission ("NJRC") against Scientific Games Racing, LLC ("SGR," the predecessor of Sportech Racing, LLC) for violation of certain regulations as a result of pari-mutuel operations, including stop-wagering and ticket-purge incidents, that occurred from March 2003 to March 2009. In March 2010, SGR and NJRC entered into a settlement agreement wherein the parties agreed on a complete settlement and release in exchange for payment to NJRC by SGR of a fine in the amount of \$40,000 to benefit the New Jersey Backstretch Benevolent Program and reimbursement to NJRC in the amount of \$13,500 for the cost of investigations relating to the incidents. In addition, SGR agreed to conduct specialized in-person training with all New Jersey operators regarding existing and new procedures implemented as a result of the settlement agreement. The matter is now closed.

Exhibit I-1

California Horse Racing Board (Lance Ku and Theodore Rodriguez) – This matter involved Messrs. Ku and Rodriguez, Scientific Games Racing, LLC ("SGR," the predecessor of Sportech Racing, LLC) employees located in California. On November 14, 2008, Mr. Rodriguez purportedly scratched the wrong horse on one race at Los Alamitos racetrack in California. The California Horse Racing Board ("CHRB") subsequently brought a complaint against Mr. Rodriguez for the inadvertent scratch and Mr. Ku because he was a supervisor to Mr. Rodriguez who communicated to CHRB regarding the incident. CHRB referred the case to the Stewards for a hearing on December 11, 2008, who determined the scratch was inadvertent and was immediately corrected. The Stewards and SGR mutually agreed no fines, penalties or determinations of violations would be assessed against SGR or Mr. Ku. With respect to Mr. Rodriguez, he was personally assessed a \$300 fine for the inadvertent scratch. The matter is now closed.

New York State Racing and Wagering Board Power Failure Incident – This matter involves an investigation by NYSRWB relating to the closing of pools at 0 minutes to post on a race at Saratoga Racecourse on September 5, 2008. An unexpected power failure at the Quantum Data Center in New Jersey then-operated by Scientific Games Racing, LLC ("SGR," the predecessor of Sportech Racing, LLC) occurred on that date causing the failure. NYSRWB did not issue any fine or other punitive measure against SGR.

New Mexico Racing Commission – On August 13, 2008, the New Mexico Racing Commission ("NMRC") informed Scientific Games Racing, LLC ("SGR," the predecessor of Sportech Racing, LLC) that it was investigating the malfunctioning of a field-tote board at Zia Park in 2007. On November 13, 2008, SGR received a Pre-NCA Settlement Offer to resolve the matter with NMRC for a \$30,000 fine, \$30,000 charitable donation to a charity designated by the Commission and to settle the dispute with the track owner, Penn Gaming. In addition, Penn Gaming made a demand of \$60,000 pursuant to the contract claiming damages resulting for various alleged breaches, including the malfunctioning tote board. On December 3, 2008, SGR entered into a settlement agreement with Zia Park, wherein the parties agreed on a complete settlement and release in exchange for \$30,000. On January 31, 2009 NMRC dismissed the matter with approval of the settlement agreement with Zia Park and issued no fines or other punitive measure against SGR.

Exhibit I-1

Quick Pick Matter – On July 3, 2008, Scientific Games Racing, LLC ("SGR," the predecessor of Sportech Racing, LLC) finalized a settlement of a regulatory inquiry by CHRB into a software glitch affecting a type of wager known as "Quick Pick" offered on certain of SGR's pari-mutuel wagering terminals. As part of the settlement, SGR reimbursed CHRB \$50,000 for the costs of its investigation and agreed to make a voluntary payment of \$150,000 to charities benefiting retired racehorses, disabled jockeys and backstretch working family funds. SGR also agreed to: (i) provide refunds to people who placed Quick Pick wagers on the affected terminals in California between July 1, 2007, and June 2, 2008, as long as the person could establish through legitimate proof, including but not limited to a ticket stub, that they placed such a wager; and (ii) provide status updates to CHRB for one year. The matter is now closed.

On May 16, 2008, SGR received a cease and desist letter from the Arizona Department of Racing ("ADR") regarding the aforementioned software glitch, which was subsequently lifted by ADR. ADR did not issue any fine or other punitive measure against SGR.

On June 4, 2008, SGR received a notification via email from the New Jersey Racing Commission ("NJRC") regarding its intention to open an investigation of the aforementioned software glitch. On June 13, 2008, NJRC investigators performed tests on the software and subsequently approved the installation of upgraded software. NJRC did not issue any fine or other punitive measure against SGR.

New Jersey Division of Gaming Enforcement – The New Jersey Division of Gaming Enforcement ("NJDE") opened up an investigation on four incidents of not closing wagering after a race started: (i) Aqueduct, February 13, 2009; (ii) Beulah Park, March 3, 2009; (iii) Hollywood Park, May 16, 2009; and (iv) Penn National, June 5, 2009. In three of those instances, Scientific Games Racing, LLC ("SGR," the predecessor of Sportech Racing, LLC) was not the host totalisator provider. In the fourth, Hollywood Park, CHRB did not assess any fine or penalty against SGR. SGR met with NJDE in September, 2009 and sent letters to NJDE dated September 23, 2009 and October 8, 2009 stating it believed the matter to be resolved.

Exhibit I-3

1. Sportech Racing, LLC ("Sportech") was served with a Civil Summons on April 17, 2012, in the matter of *Cargiulo v. Sportech Racing, LLC, et al.*, Case No. 11CV-2363, in the Superior Court of Forsyth County, Georgia. Mr. Cargiulo seeks monetary damages resulting from Sportech's alleged breach of contract and promissory estoppels. The parties reached a settlement and the action was withdrawn. The matter is now closed.
2. Sportech Racing, LLC ("Sportech") was served with a Civil Summons on December 23, 2014, in the matter of *Robelyn Platon v. Sportech Racing, LLC*, Case No. 30-2014-00762988-CU-WT-CJC, in the Superior Court of Orange County, California. Ms. Platon, a former Sportech employee alleged, among other things, that as a result of injuries sustained by her while in Sportech's employ, Sportech failed to accommodate her purported disabilities and work restrictions and terminated her employment in retaliation for the work-related injuries. The parties have reached a settlement and the action will be withdrawn.
3. Sportech Racing, LLC ("Sportech") was served with a Civil Summons on September 15, 2011 in the matter of *River Downs Investment Company v. Sportech Racing, LLC* in the Court of Common Pleas for Hamilton County, Ohio. Plaintiff River Downs Investment Company ("River Downs") sought damages for alleged contractual interference by Sportech and declaratory judgment against Sportech's claim for payment by River Downs of unpaid interface fees during the period from 2001-2011. By Opinion and Order dated February 14, 2013, the Court denied River Downs claim of contractual interference and Sportech's claim for unpaid interface fees. The matter is now closed.



April 18, 2016

Mr. Steve May
Director of Pari-Mutuel Wagering and Compliance
Kentucky Horse Racing Commission
4063 Iron Works Pkwy., Bldg. B
Lexington, KY 40511

Dear Mr. May:

Below please find the responses of Sportech Racing, LLC ("Sportech") to the Kentucky Horse Racing Commission's ("KHRC") request for additional information with regard to the license application submitted by Sportech in November 2015.

Question:

- 1. How will the daily reports from Sportech be delivered to the Kentucky Horse Racing Commission?**

Response: During previous testing with KHRC staff, KHRC staff instructed Sportech to send the KHRC reports to Chrims, and Chrims would then provide the reports to KHRC staff. If the KHRC prefers to have Sportech provide the reports directly to the KHRC, Sportech can submit the reports via a secure ftp server wherein the KHRC staff can obtain them as needed. Sportech will provide sign-on credentials to the KHRC staff for this purpose.

Question:

- 2. If approved for licensure, when will how soon will training on Sportech equipment be offered to Kentucky Horse Racing Commission staff?**

Response: Sportech can schedule training for the KHRC staff at a mutually convenient time prior to the commencement of service.

555 Long Wharf Drive, 11th Floor
New Haven, Connecticut 06511
+1 (203) 361-3425

Sportech.net

Staying ahead of the action.™

Question:

- 3. Exhibit I-1 has two pages, one numbered "Page 1 of 3" and one numbered "Page 3 of 3". Was this an error in page numbering or was "Page 2 of 3" inadvertently omitted from the application?**

Response: Enclosed is a complete Exhibit I-1.

Question:

- 4. Question I-1 pertains to disciplinary action against the applicant. After the application was submitted by Sportech in November 2015, a fine was levied against Sportech and a Sportech employee by the California Horse Racing Board in relation to an incorrect scratch and subsequent re-entry of the horse into the betting pools (Ruling LATS #087 (2016)). How has Sportech addressed this occurrence to prevent similar occurrences at racing associations under the jurisdiction of the Kentucky Horse Racing Commission?**

Response: In the matter mentioned above, the on-site remote operator is responsible for entering scratched runners. In the case of the two-week live meet offered by Kentucky Downs, the responsibility to scratch runners will also be that of the remote operator. To date, a remote operator for the Kentucky Downs two-week live meet has not yet been identified. However, Sportech provides training to all operators. Additional training/instruction is performed on an 'as needed' basis. Sportech will assign an experienced operator to work the Kentucky Downs live meet.

Question:

- 5. Has any Sportech employee that is planned to operate the tote system racing associations under the jurisdiction of the Kentucky Horse Racing Commission had any similar occurrences to the occurrence that resulted in Ruling LATS #087 (2016) by the California Horse Racing Board?**

Response: As of the date of this response, Sportech has not identified the operator who will work at the Kentucky Downs live meet but, will provide an experienced operator with

no such similar occurrence.

Please let me know if you have any further questions regarding these responses, or if any additional information is required. We look forward to a favorable decision by the KHRC on Sportech's pending license application.

Sincerely,



Andrew I. Gaughan
President
Sportech Racing//Digital

Encl.

cc: Marc Guilfoil – KHRC
Susan Speckert – KHRC
Margi Wintz – KHRC
Frank J. Chesky, III – Executive Vice President & General Counsel, Sportech, Inc.



May 10, 2016

Mr. Marc Guilfoil
Executive Director
Kentucky Horse Racing Commission
4063 Iron Works Parkway, Building B
Lexington, KY 40511

Mr. Guilfoil

Ellis Park Race Course, Inc. respectfully submits the following requests to be placed on the agenda of the Kentucky Horse Racing Commission for approval at your next scheduled meeting.

1. Attached please find the list of Officers, Track Staff and Racing Officials that Ellis Park will utilize for our 2016 race meet.

Your assistance in the expedition of these requests would be greatly appreciated. Should you require any additional information, please do not hesitate to contact me.

Respectfully yours,

A handwritten signature in cursive script that reads "Ronald G. Geary".

Ronald G. Geary
Owner / President

Cc: Dan Bork
Barb Borden

RECEIVED

MAY 10 2016

KENTUCKY HORSE
RACING COMMISSION

Ellis Park Executive Officers and Staff for 2016

Officers:	Ron Geary	Owner/President
Staff:	Bryan Johnson	Mutuel Manager
	Christina Nellis	Group Sales Manager
	Mick Schnell	Security Manager
	Jack Williams	Food & Beverage Manager
	Cara McCarty	Admissions Manager
	Glenn Thompson	Track Superintendent
	James McNerney	Announcer
	Carrie Young	Controller
	Carol Renn	Horsemen's Bookkeeper
	Bret Birkhead	Bugler
	Photo Finish & Timing Operator	American Teletimer Mark Skaags
	Film Patrol & Closed Circuit Television	International Sound Corporation

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MAY 10 2016

KENTUCKY HORSE
RACING COMMISSION

Ellis Park Racing Officials for 2016

The following is a list of Racing Officials that Ellis Park will utilize during our 2016 race meet.

Association Steward - Brooks Becraft

Racing Secretary – Dan Bork

Assistant Racing Secretary – Tia Murphy

Horse Identifier – Melinda Vest

Assistant Horse Identifier – Marie Ostendorf

Program Coordinator – Bailey Hare

Claims Clerk – John Veitch

Clerk of Scales – Darrell Foster

**Placing Judges – Jackie Herbstreit
Randy Wehrman
Vicki Tomlinson**

Entry Clerks – Marie Ostendorf Tia Murphy

Stakes Coordinator – Dan Bork

Jockey Room Custodian – Joe York

Stall Superintendent – James Gloria

Clocker – William Pettingill

Starter – Scott Jordan

**Outriders – John Wells
Eric Russell**

Backside Security Manager – Gary Busby

Announcer – James McNerney

RECEIVED

MAY 10 2016

KENTUCKY HORSE
RACING COMMISSION



150 Downs Drive
Paducah, KY 42001

Phone: 270-444-7117 • Fax: 270-442-1993

4/12/16

Mr. Mark Guilfoil
Kentucky Horse Racing Commission
4063 Iron Works Parkway
Building B
Lexington, KY 40511

Mr. Guilfoil:

Players Bluegrass Downs seeks the approval of the KHRC for the following officials for the 2016 harness meet.

Race Secretary.....Rodney Newhart
Associate Judge.....Mike Davis
Associate Judge.....Jim Mitchell
Paddock Judge.....Marilyn Lanier
Identifier.....Pam Coleman
Announcer.....
Photo Finish.....Nick Coleman
Starter.....Mike Moss
Program/Charter.....April Neafus
Timer.....Nick Coleman
Security Director.....Gary Collier
Paddock Blacksmith...Marvin Pryor
Track Superintendent...Lawrence Cooper
Mutuel Manager.....Phil Vance

Please include this item of business in the agenda of the next KHRC meeting.

Sincerely,

Jerry D. Bradley
General Manager,
Bluegrass Downs.

JDB/jre

RECEIVED

APR 14 2016

KENTUCKY HORSE
RACING COMMISSION

2016 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG	FINE OR	Suspension (days)			
					PENALTY CLASS	WRITTEN WARNING	STATUS			
16-0001	1/1/2016	12/27/2015	Carlos Villasana	Careless riding					Suspended 3 racing days (January 2, January 3 and January 7, 2016)	
16-0002	1/7/2016	1/2/2016 & 1/3/2016	Robert Joe Woodard	Failure to conduct business in a proper manner		\$ 500	Paid			
16-0003	1/8/2016	12/11/2015	Charlie Lawson	Flunixin 23.3 ng/ml (Sample #0086280)	C	\$ 250	Paid			
16-0004	1/9/2016	1/7/2016	Dick Cardenas	Careless riding					Suspended 3 days (January 15 -January 17, 2016, inclusive)	
16-0005	1/17/2016	11/28/2015	Neil J. Howard	Phenylbutazone 13 ug/ml (Sample #0086018)	C	\$ 1,000	Paid		Suspended 5 days (January 25 -January 29, 2016, inclusive). DREAM DANCE disqualified and all purse money forfeited.	
16-0006	1/22/2016	11/28/2015	James L. Stone (Owner)	Phenylbutazone 13 ug/ml (Sample #0086018)	C				DREAM DANCE disqualified and purse redistributed. All purse monies must be returned to the association.	
16-0007	1/24/2016	11/2/2015	Dr. John M. Watt	Treatment Error		\$ 1,000	Paid		Suspended 5 days (January 27 -January 31, 2016, inclusive).	
16-0008	1/29/2016	1/24/2016	Julie Burke	Careless riding					Suspended 3 days (February 4 -February 6, 2016, inclusive)	
16-0009	1/29/2016	12/31/2015	Henry D. Miller, Jr.	Hydrocortisone Succinate (Sample #0082599)	C	\$ 750	Paid		Suspended 5 days (January 30 -February 3, 2016, inclusive). ZENZELDA disqualified and all purse money forfeited.	

2016 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG	FINE OR	Suspension (days)			
					PENALTY CLASS	WRITTEN WARNING	STATUS			
16-0010	1/29/2016	12/31/2015	Henry D. Miller, Jr. (Owner)	Hydrocortisone Succinate (Sample #0082599)	C				ZENZELDA disqualified and purse redistributed. All purse monies must be returned to the association.	
16-0011	2/5/2016	1/31/2016	Albin Jimenez	Disorderly conduct and lapse in good judgement		\$ 500	Paid		Fined for an incident that occurred in the winners' circle at Turfway Park	
16-0012	2/6/2016	1/14/2016	Olivo I. Inirio	Multiple NSAIDS (Sample #81888)	NSAIDS	\$ 250	Paid		Suspended 5 days (February 13-February 17, 2016, inclusive)	
16-0013	2/12/2016	1/1/2016	Tammi S. Faber	Hydrocortisone Succinate (Sample #0082632)	C	\$ 500	Paid		Suspended 5 days (February 13 -February 17, 2016, inclusive). ALREADY RED disqualified and all purse money forfeited.	
16-0014	2/12/2016	1/1/2016	Tammi S. Faber (Owner)	Hydrocortisone Succinate (Sample #0082632)	C				ALREADY RED disqualified and purse redistributed. All purse monies must be returned to the association.	
16-0015	2/20/2016	1/28/2016	David K. Cook	Multiple NSAIDS (Sample #83621)	NSAIDS	\$ 250	Paid		Suspended 5 days (February 27-March 2, 2016, inclusive)	
16-0016	2/20/2016	1/23/2016	Olivo I. Inirio	Phenylbutazone 3.1 ug/ml (Sample #0083557) (2nd offense in 365 days)	C	\$ 500	Paid			
16-0017	8/1/1998	2/21/2016	Alvin Alex	Restored to good standing after hearing before the Board of Stewards and Ellis Park ejection lifted						

2016 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG	FINE OR	Suspension (days)			
					PENALTY CLASS	WRITTEN WARNING	STATUS			
16-0018	3/4/2016	2/7/2016	Vickie L. Foley	Phenylbutazone 2.6 ug/ml (Sample #0096382)	C	\$ 250	Not Paid			
16-0019	3/6/2016	2/5/2016	William R. Helmbrecht	Methylprednisolone 244 pg/ml (Sample #96313)	C	\$ 500	Not Paid	Suspended 5 days (March 14 -March 18, 2016, inclusive). THE RIGHT THING disqualified and all purse money forfeited.		
16-0020	3/6/2016	2/5/2016	Jon Jazdzewski (Owner)	Methylprednisolone 244 pg/ml (Sample #96313)	C			THE RIGHT THING disqualified and purse monies must be returned to the association.		
16-0021	3/17/2016	3/12/2016	Gabriel Lagunes	Failure to fulfill riding engagement		\$ 100	Paid			
16-0022	3/17/2016	3/11/2016	Azael De Leon	Failure to fulfill riding engagements		\$ 200	Paid	Failed to ride at Turfway Park on 3/11/2016 and 3/12/2016		
16-0023	3/17/2016	3/12/2016	Carson Sullivan	Failure to fulfill riding engagements		\$ 100	Paid			
16-0024	3/18/2016	2/26/2016	Manny Perez	Dexamethasone 39 pg/ml (Sample #0078373)	C	\$ 500	Paid	Suspended 5 days (March 20-March 24, 2016, inclusive). ALYCZARA disqualified and all purse money forfeited.		
16-0025	3/18/2016	2/26/2016	Antonio Meraz(Owner)	Dexamethasone 39 pg/ml (Sample #0078373)	C			ALYCZARA disqualified and purse redistributed. All purse monies must be returned to the association.		

2016 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG	FINE OR	STATUS	Suspension (days)	
					PENALTY CLASS	WRITTEN WARNING			
16-0026	3/18/2016	2/19/2016	Christi M. Flores	Clenbuterol (Sample #0078259)	B	\$ 500	Not Paid	Suspended 30 days (March 19 -April 17, 2016, inclusive). RANGER ANNIE disqualified and all purse money forfeited.	
16-0027	3/18/2016	2/19/2016	Christi M. Flores (Owner)	Clenbuterol (Sample #0078259)	B			RANGER ANNIE disqualified and purse redistributed. All purse monies must be returned to the association.	
16-0028	3/20/2016	3/19/2016	Orlando Mojica	Failure to fulfill riding engagement		\$ 100	Not Paid		
16-0029	3/25/2016	1/21/2016	Olivo I. Inirio	Dexamethasone 64 pg/ml (Sample #0083517)	C	\$ 1,000	Paid	Suspended 10 days (March 27 -April 5, 2016, inclusive). WILD CARD HIT disqualified and all purse money forfeited.	
16-0030	3/25/2016	1/21/2016	Olivo I. Inirio (Owner)	Dexamethasone 64 pg/ml (Sample #0083517)	C			WILD CARD HIT disqualified and purse redistributed. All purse monies must be returned to the association.	
16-0031	3/26/2016	3/24/2016	Raquel Aguilar	Suspended pending appearance				Formally ejected from Churchill Downs for drug trafficking and gun possession.	
16-0032	3/31/2016	3/5/2016	Charlie G. Livers	Dexamethasone 44 pg/ml (Sample #0079502)	C	\$ 500	Not Paid	Suspended 5 days (April 4 - April 8, 2016, inclusive). TAKIDDM disqualified and all purse money forfeited.	

2016 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG	FINE OR	Suspension (days)			
					PENALTY CLASS	WRITTEN WARNING	STATUS			
16-0033	3/31/2016	3/5/2016	Kevin J. Bowman (Owner)	Dexamethasone 44 pg/ml (Sample #0079502)	C				NYQUIST disqualified and purse redistributed. All purse monies must be returned to the association.	
16-0034	4/6/2016	4/2/2016	Corey J. Nakatani	Failure to conduct business in a proper manner		\$ 500	Not Paid		Did not report overweight in a timely manner	
16-0035	4/6/2016	4/2/2016	Robby J. Albarado	Failure to conduct business in a proper manner		\$ 500	Paid		Did not report overweight in a timely manner	
16-0036	4/8/2016	4/8/2016	Hugo Andrade	Void Trainer license					Does not qualify for Trainer license at this time - Owner license remains valid	
16-0037	4/13/2016	1/9/2016	Michael J. Maker	Dextrorphan (Sample #0081813)	B	\$ 750			Suspended 40 days (April 24 - June 2, 2016, inclusive). HARLAN'S HOWLING disqualified and all purse money forfeited.	APPEALED
16-0038	4/13/2016	1/9/2016	Mark D. Breen (Owner)	Dextrorphan (Sample #0081813)	B				HARLAN'S HOWLING disqualified and purse redistributed. All purse monies must be returned to the association.	APPEALED
16-0039	4/14/2016	4/8/2016	Jose L. Lopez	Arrived late		\$ 100	Not Paid		Was not on Keeneland grounds at the time designated.	
16-0040	4/18/2016	4/16/2016	Tyler S. Gaffalione	Careless riding					Suspended 3 racing days (April 24, April 27 and April 28, 2016)	

2016 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG	FINE OR	STATUS	Suspension (days)	
					PENALTY CLASS	WRITTEN WARNING			
16-0041	4/19/2016	11/19/2015	Sebastian Saez	Apprentice allowance extension granted				An extension of 56 days granted (June 14, 2016 through and including August 8, 2016) due to an injury sustained at Churchill Downs November 19, 2015	
16-0042	4/28/2016	4/8/2016	Wayne W. Rice	Multiple NSAIDS (Sample #0080507)	NSAIDS	\$ 250	Paid	Suspended 5 days (May 9 through May 13, 2016, inclusive)	
16-0043	5/3/2016	5/2/2016	Otabek Umarov	Suspended by the Board of Stewards for having been formally ejected and excluded from racing association grounds at a location under the jurisdiction of the KHRC.				Ejected and excluded from Churchill Downs on May 2, 2016, a location under the jurisdiction of the KHRC.	

2016 STANDARD BRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG PENALTY CLASS	FINE OR WRITTEN WARNING	STATUS	Suspension (days)	Stewards Notes	
J2016-001	01/07/16	01/07/16	Arthur E. Gregory, Jr	Restored to good standing as of 1/7/2016						
J2016-002	01/14/16	01/14/16	Daniel N. Noble	Restored to good standing as of 1/14/2016						

KHRC Veterinary Report

Turfway Spring 2016

Total Starts 3626

Post Race Samples 828

tCO₂ 712

Veterinary Scratches 32

Pre-Race 20

On-Track 12

Soundness related 4

Gate/paddock Injury 8

KHRC Veterinary List 55

Scratches 32

Race Injuries 11

Post-Race Lameness 8

EIPH 4

Ambulance Runs 17

Racing Fatalities 2

2 musculo-skeletal

***Post-parade fatality** 1

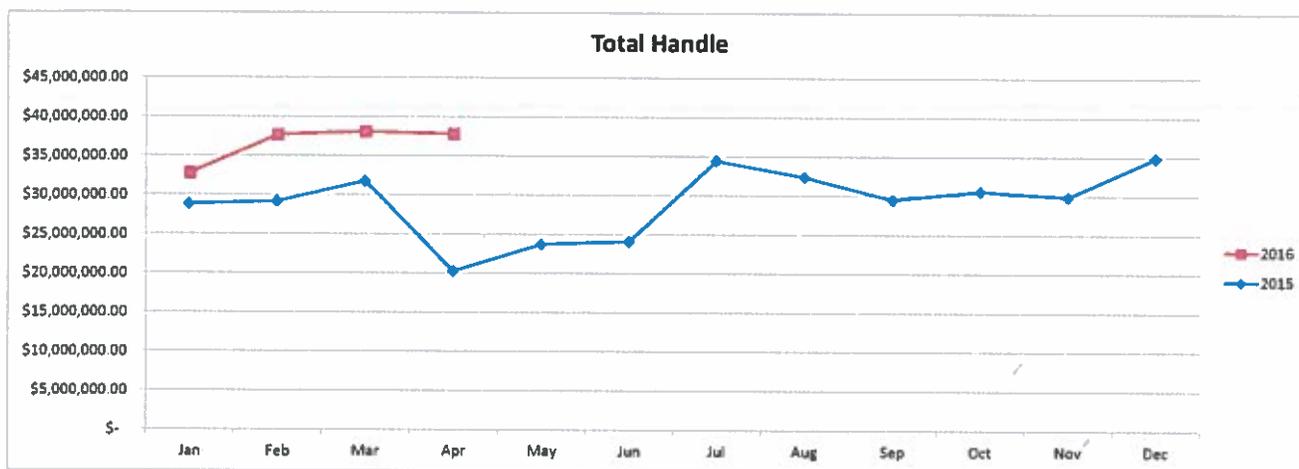
Training Fatalities 2

1 EIPH

1 musculo-skeletal

KENTUCKY DOWNS

Opened : September 1, 2011



Handle Information:

April: \$37,845,551
 YTD 2016: \$146,528,912
 Since Inception: \$1,332,512,909

Number of Machines in Use: 498 (625 beginning 4/29)

Average Daily Handle: \$1,261,518.37

Average Handle per Machine: \$75,995

	Current Month	YTD 2016	Since Inception
Total Excise Tax:	\$567,683	\$2,197,934	\$19,987,694
Thoroughbred Development Fund (Note 1)	\$283,842	\$1,098,967	\$9,993,990
Standardbred Development Fund (Note 2)	N/A	N/A	N/A
Equine Industry Fund (Note 3)	\$0	\$72,456	\$2,444,462
Equine Drug Fund (Note 4)	\$0	\$33,463	\$1,219,447
Higher Education Fund (Note 4)	\$0	\$33,463	\$1,219,447
General Fund	\$283,842	\$959,585	\$5,110,529
Return to the Public	\$34,820,301	\$134,877,463	\$1,226,955,891

Note 1: Thoroughbred Development Fund receives .75% of total wagered at Ky Downs and Ellis Park. The rate is applied to HALF of the total wagered at KRM.

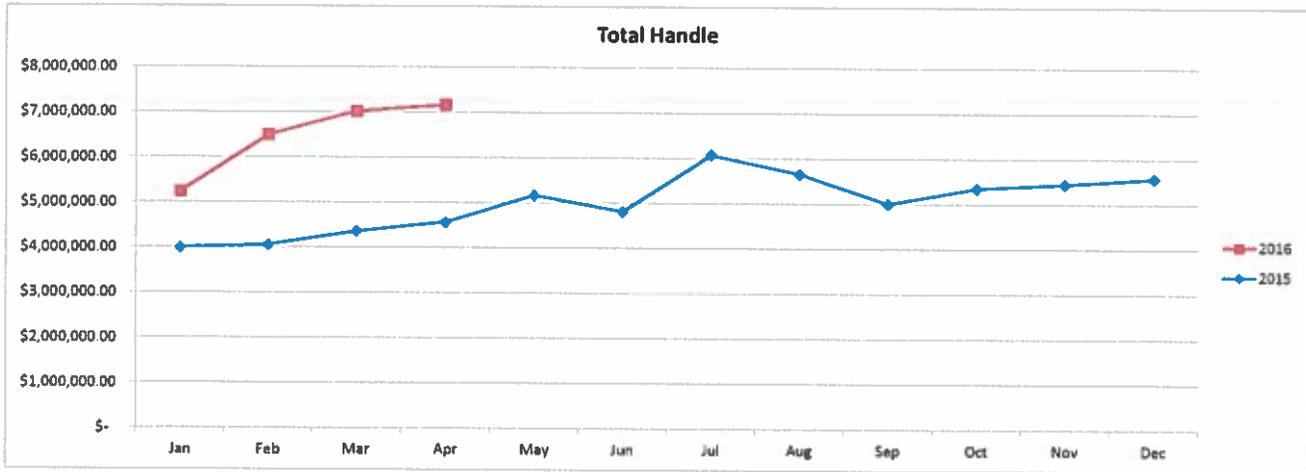
Note 2: The Standardbred Development Funds receives 1.0% of HALF of the total wagered at KRM.

Note 3: Combined fiscal year cap of \$650,000 reached on February 4

Note 4: Combined fiscal year cap of \$320,000 reached on February 1

ELLIS PARK

Opened : August 31, 2012



Handle Information:

April: \$7,177,121
 YTD 2016: \$25,960,386
 Since Inception: \$161,842,251

Number of Machines in Use: 179
Average Daily Handle: \$239,237.37
Average Handle per Machine: \$40,096

	Current Month	YTD 2016	Since Inception
Total Excise Tax:	\$107,657	\$389,406	\$2,427,634
Thoroughbred Development Fund (Note 1)	\$53,828	\$194,703	\$1,213,793
Standardbred Development Fund (Note 2)	N/A	N/A	N/A
Equine Industry Fund (Note 3)	\$0	\$12,244	\$284,008
Equine Drug Fund (Note 4)	\$0	\$5,392	\$141,274
Higher Education Fund (Note 4)	\$0	\$5,392	\$141,274
General Fund	\$53,828	\$171,675	\$647,285
Return to the Public	\$6,639,629	\$23,991,624	\$149,104,135

Note 1: Thoroughbred Development Fund receives .75% of total wagered at Ky Downs and Ellis Park. The rate is applied to HALF of the total wagered at KRM.

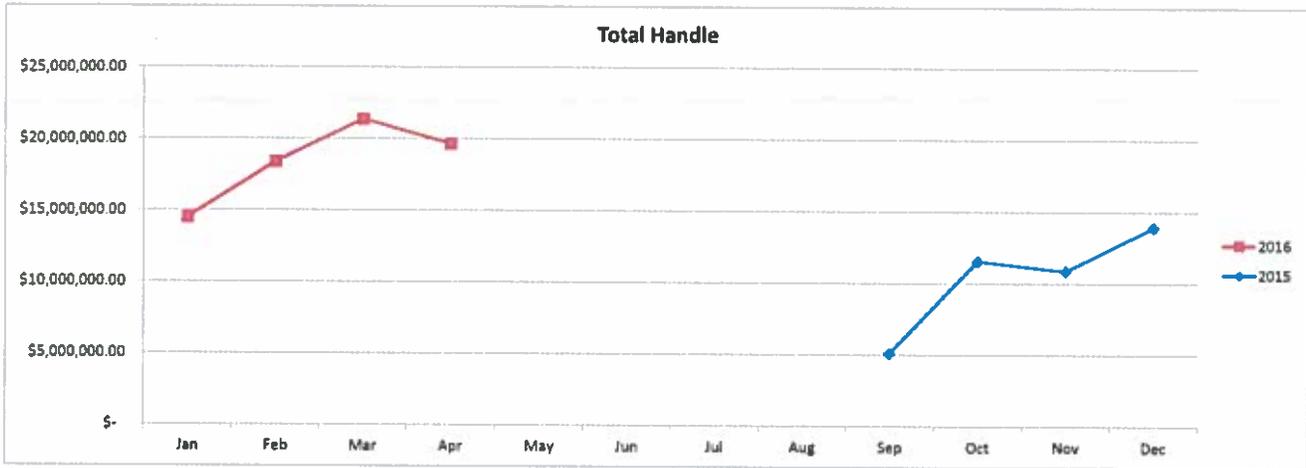
Note 2: The Standardbred Development Funds receives 1.0% of HALF of the total wagered at KRM.

Note 3: Combined fiscal year cap of \$650,000 reached on February 4

Note 4: Combined fiscal year cap of \$320,000 reached on February 1

KRM

Opened : September 8, 2015



Handle Information:

April: \$19,698,439
 YTD 2016: \$74,046,047
 Since Inception: \$115,518,540

Number of Machines in Use: 902
Average Daily Handle: \$656,614.65
Average Handle per Machine: \$21,839

	<u>Current Month</u>	<u>YTD 2016</u>	<u>Since Inception</u>
Total Excise Tax:	\$ 295,476.59	\$1,110,691	\$ 1,732,778.10
Thoroughbred Development Fund (Note 1)	\$73,869	\$277,673	\$433,198
Standardbred Development Fund (Note 2)	\$98,492	\$370,230	\$576,486
Equine Industry Fund (Note 3)	\$0	\$32,733	\$115,678
Equine Drug Fund (Note 4)	\$0	\$14,862	\$56,335
Higher Education Fund (Note 4)	\$0	\$14,862	\$56,335
General Fund	\$123,115	\$400,331	\$493,645
Return to the Public	\$18,106,494	\$68,292,553	\$106,339,041

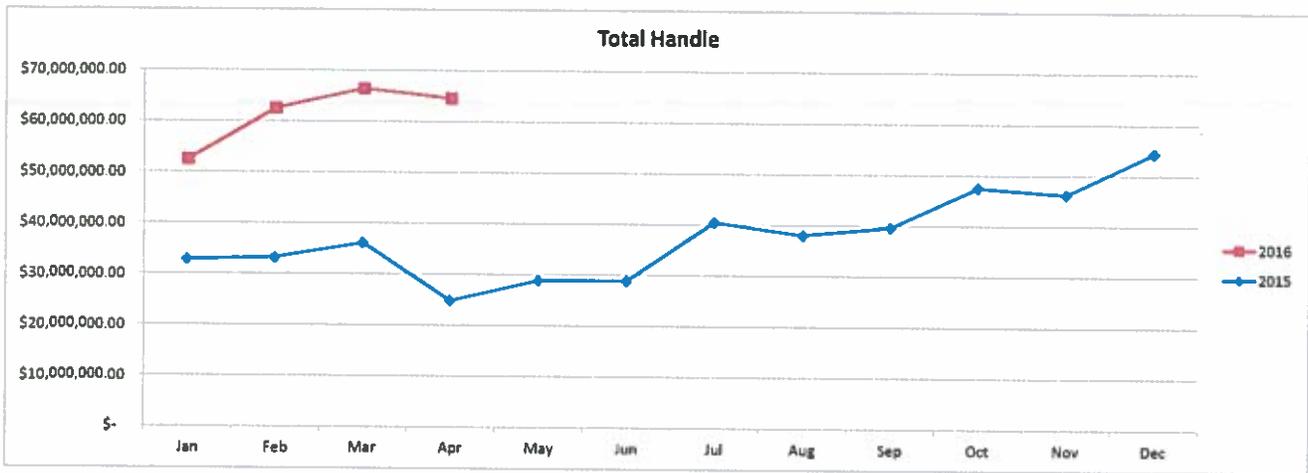
Note 1: Thoroughbred Development Fund receives .75% of total wagered at Ky Downs and Ellis Park. The rate is applied to HALF of the total wagered at KRM.

Note 2: The Standardbred Development Funds receives 1.0% of HALF of the total wagered at KRM.

Note 3: Combined fiscal year cap of \$650,000 reached on February 4

Note 4: Combined fiscal year cap of \$320,000 reached on February 1

COMBINED ALL HISTORICAL RACING LOCATIONS



Handle Information:

April: \$64,721,112
 YTD 2016: \$246,535,344
 Since Inception: \$1,609,873,700

Number of Machines in Use: 1,579
Average Daily Handle: \$2,157,370.39
Average Handle per Machine: \$40,989

	Current Month	YTD 2016	Since Inception
Total Excise Tax:	\$970,817	\$3,698,030	\$24,148,105
Thoroughbred Development Fund (Note 1)	\$411,539	\$1,571,342	\$11,640,980
Standardbred Development Fund (Note 2)	\$98,492	\$370,230	\$577,593
Equine Industry Fund (Note 3)	\$0	\$117,433	\$2,844,148
Equine Drug Fund (Note 4)	\$0	\$53,717	\$1,417,055
Higher Education Fund (Note 4)	\$0	\$53,717	\$1,417,055
General Fund	\$460,785	\$1,531,591	\$6,251,460
Return to the Public	\$59,566,424	\$227,161,640	\$1,482,399,067

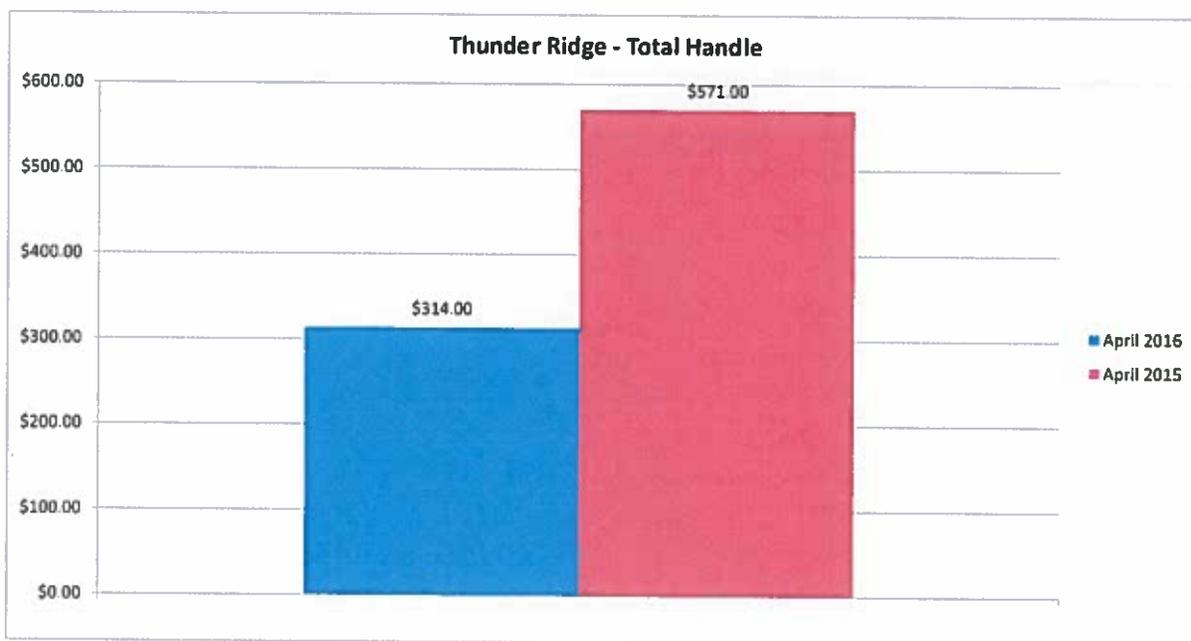
Note 1: Thoroughbred Development Fund receives .75% of total wagered at Ky Downs and Ellis Park. The rate is applied to HALF of the total wagered at KRM.

Note 2: The Standardbred Development Funds receives 1.0% of HALF of the total wagered at KRM.

Note 3: Combined fiscal year cap of \$650,000 reached on February 4

Note 4: Combined fiscal year cap of \$320,000 reached on February 1

Live Racing Analysis - April 2016



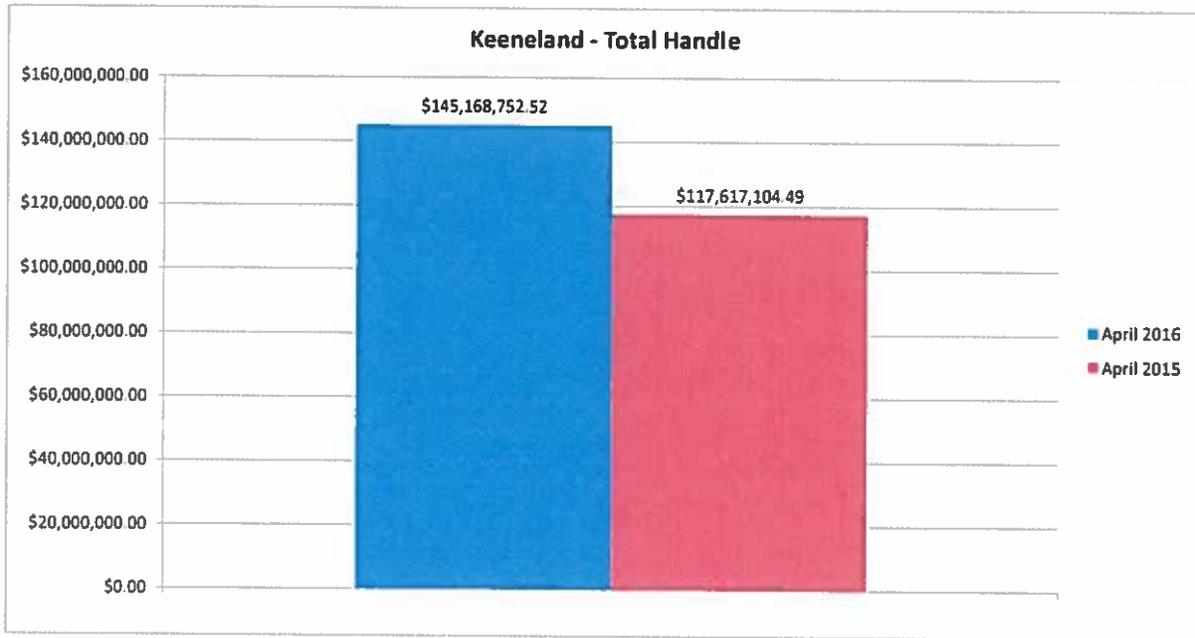
	2016	2015	Difference	% Change
Total Handle:	\$314.00	\$571.00	-\$257.00	-45.0%
Race Days:	9	5	4	80.0%
Avg Daily Handle:	\$34.89	\$114.20	-\$79.31	-69.4%
Meet Status:	In Process			

2016 Summary

(Includes current month)

	Total Handle	Race Days	Avg Daily Handle
Churchill Downs	\$6,279,457	1	\$6,279,457
Ellis Park			
Keeneland	\$145,168,753	16	\$9,073,047
KY Downs			
Turfway	\$68,624,500	47	\$1,460,096
Bluegrass Downs			
Red Mile			
Thunder Ridge	\$314	9	\$35
Totals:	\$220,073,023	73	\$16,812,634

Live Racing Analysis - April 2016



	2016	2015	Difference	% Change
Total Handle:	\$145,168,752.52	\$117,617,104.49	\$27,551,648.03	23.4%
Race Days:	16	15	1	6.7%
Avg Daily Handle:	\$9,073,047.03	\$7,841,140.30	\$1,231,906.73	15.7%
Meet Status:	Complete			

2016 Summary

(Includes current month)

	<u>Total Handle</u>	<u>Race Days</u>	<u>Avg Daily Handle</u>
Churchill Downs	\$6,279,457	1	\$6,279,457
Ellis Park			
Keeneland	\$145,168,753	16	\$9,073,047
KY Downs			
Turfway	\$68,624,500	47	\$1,460,096
Bluegrass Downs			
Red Mile			
Thunder Ridge	\$314	9	\$35
Totals:	<u>\$220,073,023</u>	<u>73</u>	<u>\$16,812,634</u>



Bradford Cummings
2853 Belle Haven Place
Lexington, KY 40511
May 9, 2016

Chairman Frank Kling
Kentucky Horse Racing Commission
4063 Iron Works Parkway
Building B
Lexington, KY 40511

Dear Chairman Frank Kling:

I am respectfully requesting the opportunity to present EquiLottery, our lottery game based on the excitement of live horse racing, at the May 17th Kentucky Horse Racing Commission meeting. We have been working on the development of this new opportunity to bring mass market exposure and new revenues to the horse racing industry in Kentucky and beyond since 2009. Tote systems leader AmTote International has partnered with us in this development and we have recently announced the signing of an agreement with global lottery systems leader IGT to bring this innovative lottery game one step closer to reality.

I would like to present to the KHRC background information on EquiLottery, including how the game works and the research we conducted in Kentucky last year with market research leader Ipsos Reid, and answer any questions the commission may have. If any action needs to be taken by the commission, I would request that be considered at a later date. We look forward to working with the KHRC to further promote Kentucky horse racing.

Sincerely,

Bradford Cummings

RECEIVED

MAY 09 2016

KENTUCKY HORSE
RACING COMMISSION

EquiLottery, LLC

2853 Belle Haven Place
Lexington, KY 40511

PH: (502) 644-1454
EM: brad@equilottery.com



154A.065 Contests involving horses may be basis for a lottery.

The corporation may utilize horse racing or contests involving horses for any purpose including, but not limited to, advertising, promoting, conducting a lottery, or as a basis for a lottery, after obtaining the necessary permission from the horse racing track or sponsoring authority involved.

Effective: July 1, 1990

History: Created 1990 Ky. Acts ch. 470, sec. 76, effective July 1, 1990.





The Next Generation of
Lottery Draw Games

Research conducted by



What Is EquiLottery?

A daily \$2 draw game based on the results of a live horse race.

Each ticket represents a 3 number bet with horse numbers and names listed.



What Is EquiLottery?

Quick Pick game play to simplify
player and retailer experience.

Game of chance using well
established state lottery laws.



What Is EquiLottery?

Daily race videos delivered through mobile app, website and retailer monitors.

A link to the mobile app and website available on each printed ticket.



What Is EquiLottery? Cash Prizes

Variable top prize
\$300 - \$1,700

Box prize
\$5 - \$40

Any two numbers
Free Ticket

Scratched horse/cancelled race
Free Ticket



What Is EquiLottery? Second Chance Raffle

Triple Crown Dream Trip

VIP Racetrack Experience

Exclusive Stallion Farm Tours

Horse Ownership

Retail Gift Cards



What Is EquiLottery? Every Ticket is a Winner

Registered tickets receive voucher for free racetrack offer including:

General Admission

Food or Beverage

Betting Voucher

Track Program



Systems Providers

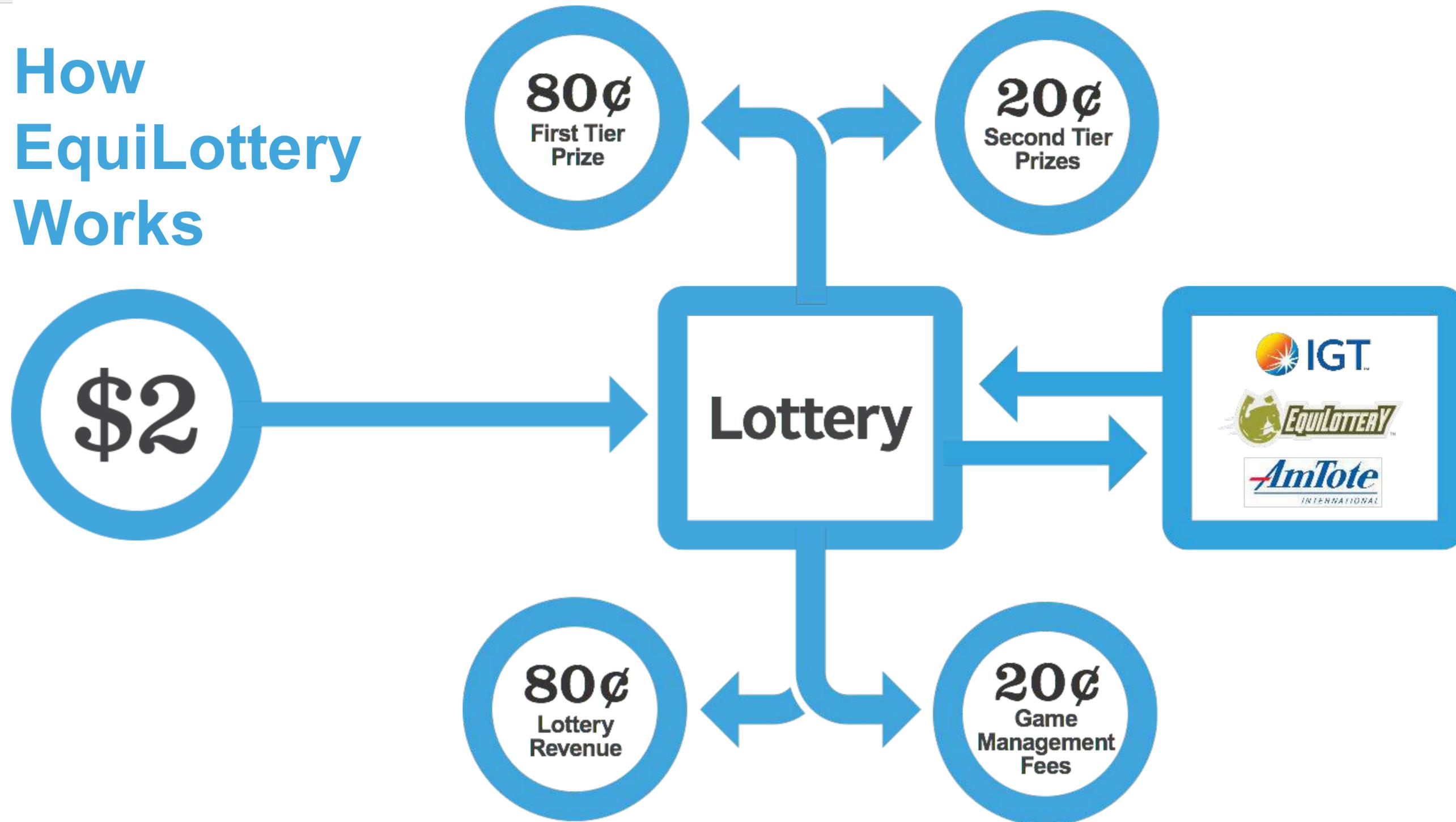


Lottery Systems
Provider



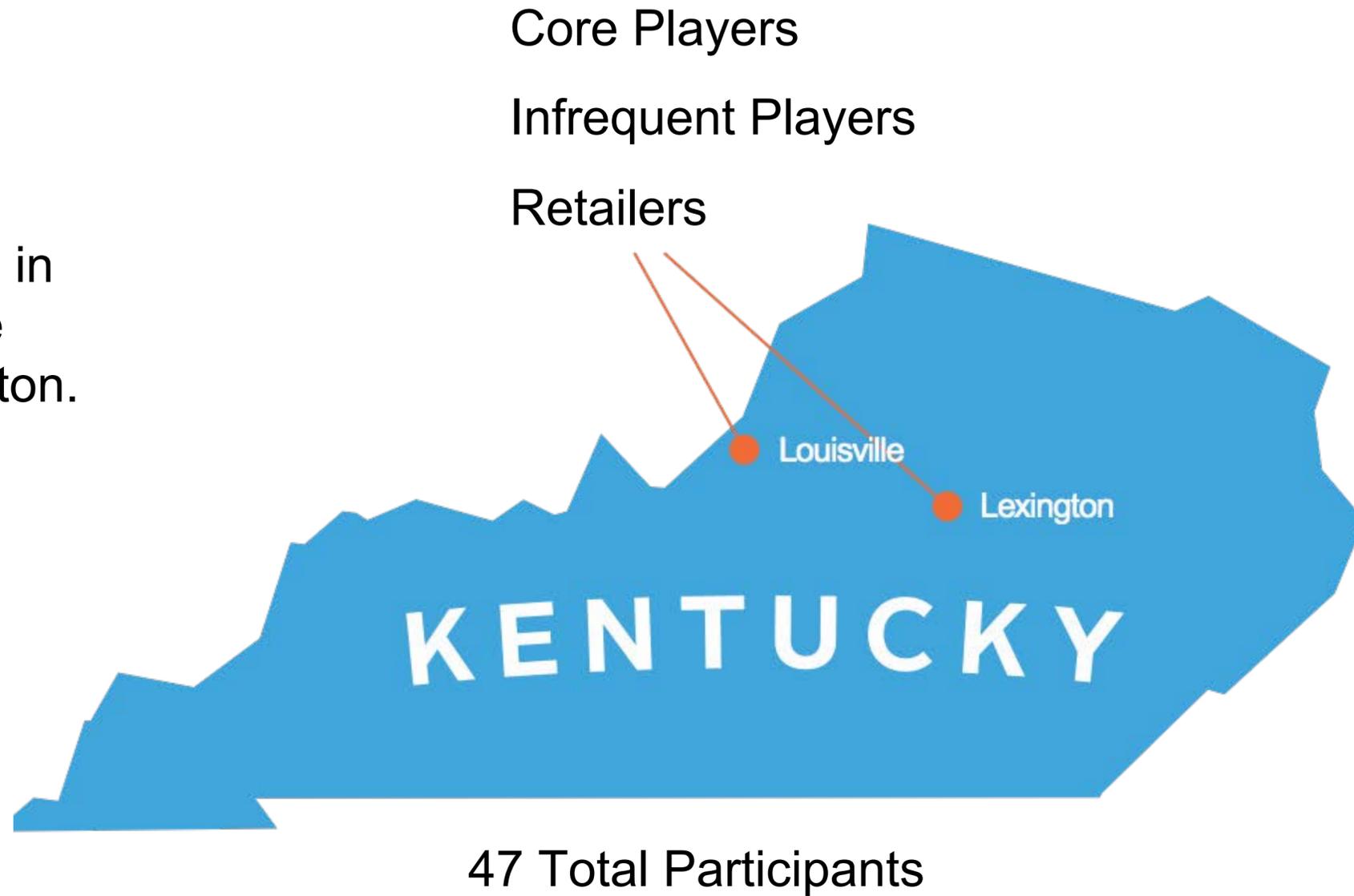
Tote Systems
Provider

How EquiLottery Works



Qualitative Study Methodology

A qualitative study was performed in May of 2015. 3 focus groups were recruited for Louisville and Lexington.



Qualitative Study Findings: Excitement of Live Horse Race

“More exciting than watching three ping pong balls coming out of a machine.”

– Study Participant

Players loved the excitement of a 2 minute horse race.

Live event felt more authentic than traditional lottery games.

Shorter event time made horse racing more accessible than other sports.

Retailers celebrated the idea of playing races in their stores.



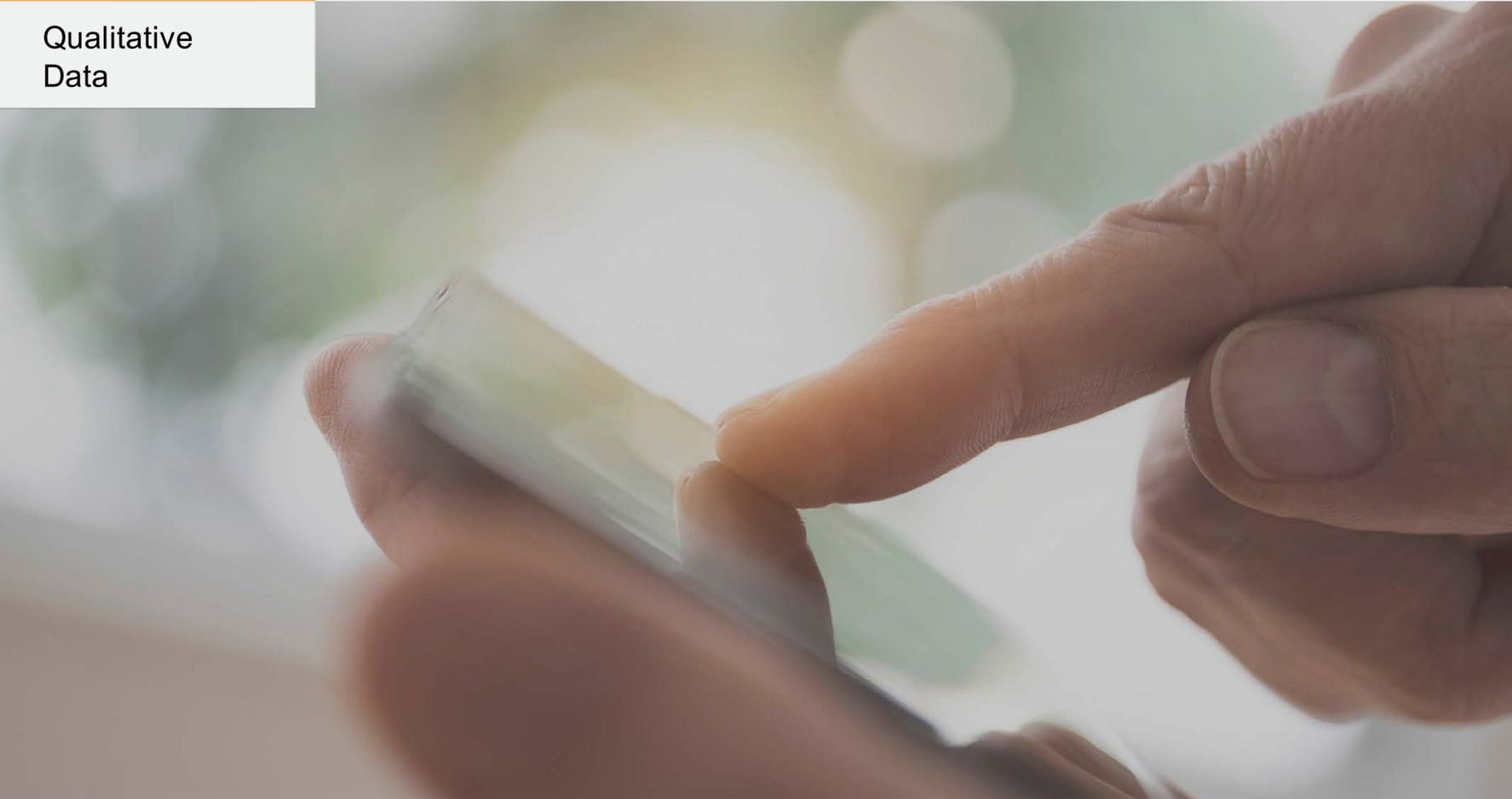
Qualitative Study Findings: \$2 Price Point

\$2 price point appealing and good value for the money.

Retailers believed Quick Pick approach without play slip easier to sell.

“If you could spend \$2 and have a chance to win a minimum of \$300, what’s wrong with that?”

– Study Participant



Qualitative Study Findings: Convenience of Mobile App

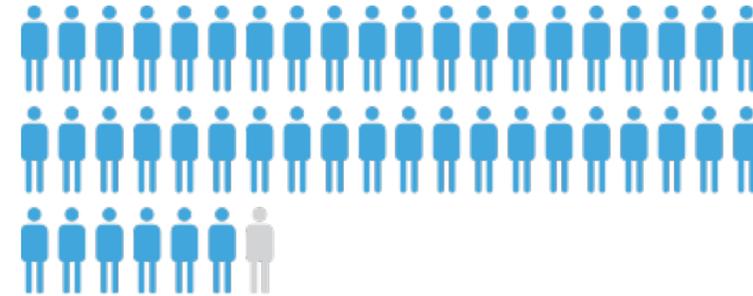
Players and retailers found mobile app appealing and convenient.

More relevant to daily lives, especially millennial participants.

**“Awesome to have
race offered on
mobile device!”**

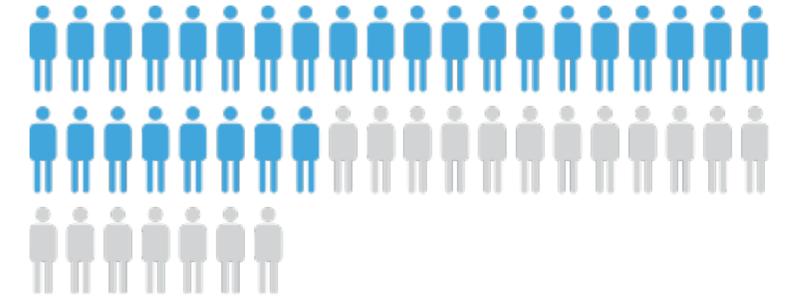
– Study Participant

Qualitative Study Findings: Anticipated Behavior



46 out of 47

participants indicated they would play game.



28 out of 47

would increase overall lottery spend.

“May become my new favorite!”

– Study Participant

Overall Impression and Understanding



4.4 out of 5

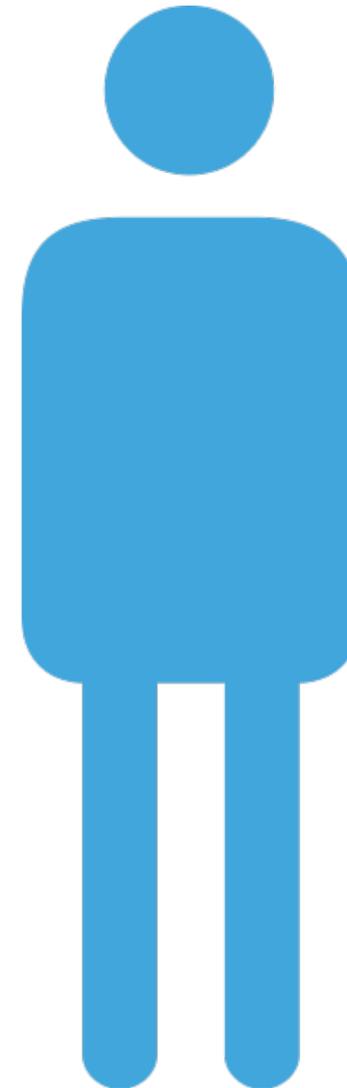
Quantitative Study Methodology

An online quantitative study evaluated Kentucky residents who were:

18 years or older.

Not employed in the gaming, advertising or media industries.

Not morally opposed to playing the lottery.



1,853 interviews collected

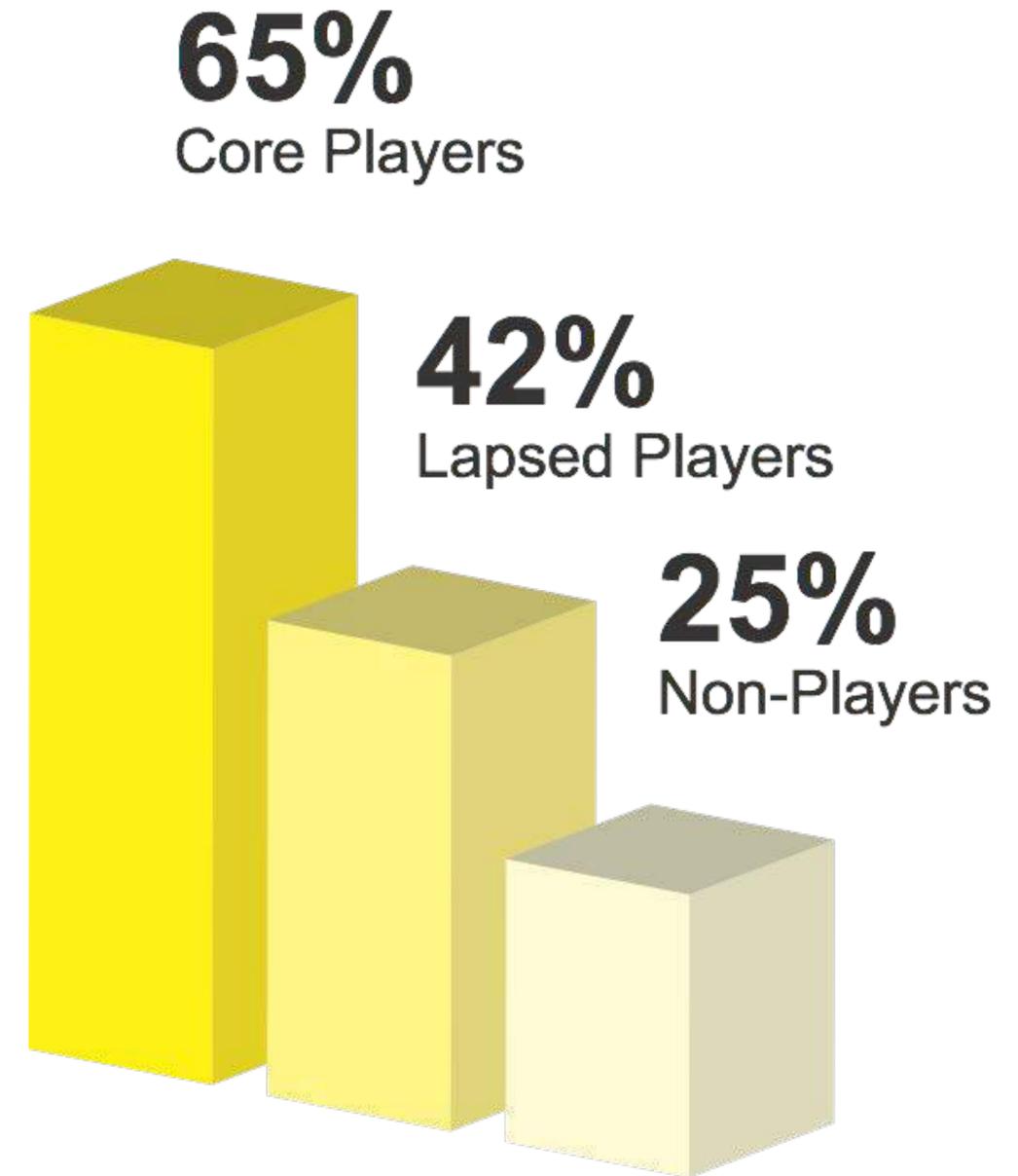
1,200 identified lottery players

Results weighted by age, gender and region.

Quantitative Study Findings: Game Appeal and Player Spend

Overall appeal scores 15% higher than average.

Adds 300,000+ new players to lottery from state population of 4.4m.

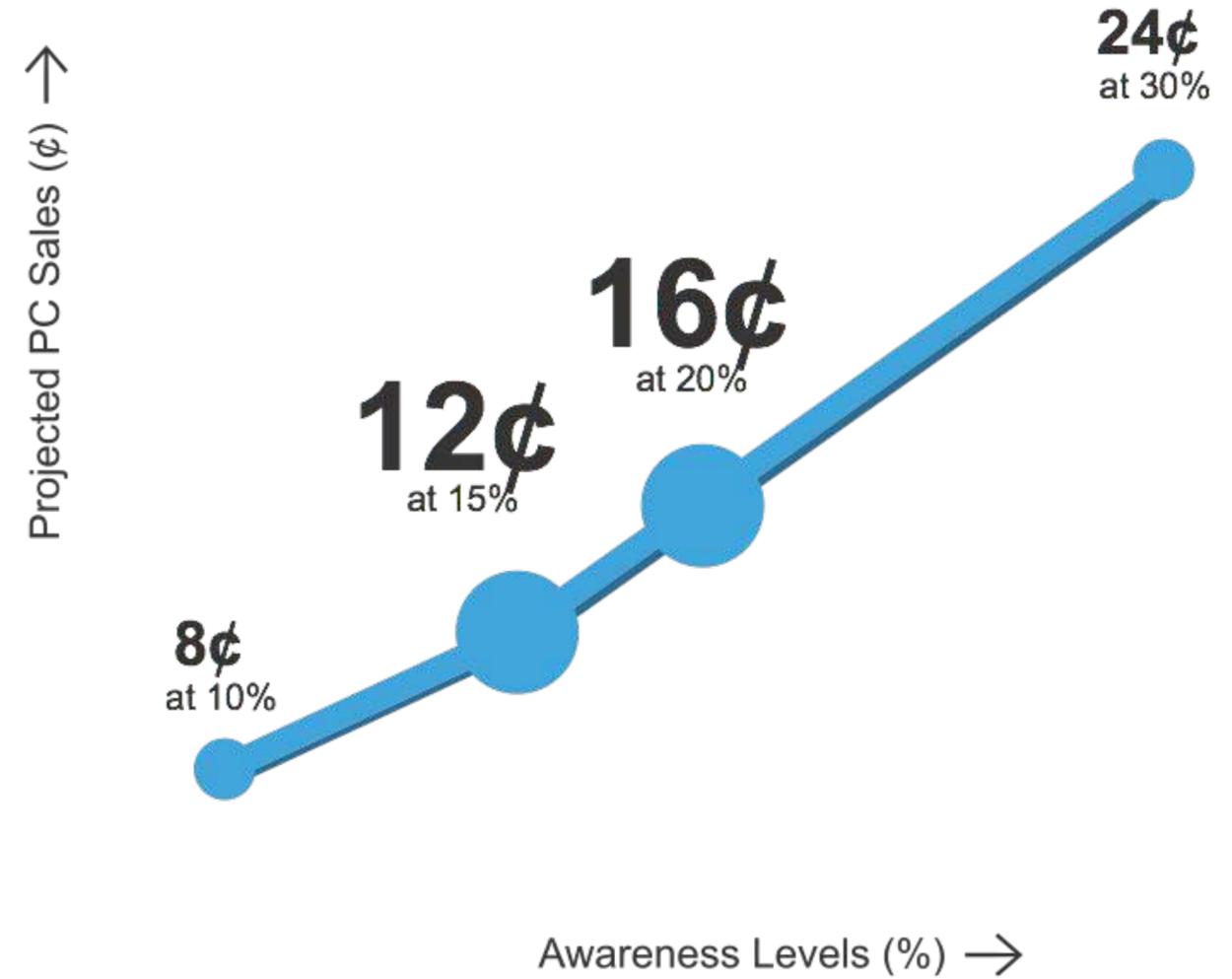


Percent of players planning to spend money on Equilottery.

Quantitative Study Findings: Annual Player Spend

Based on awareness levels, first year projections range from \$18m to \$54m.

Increases profits with low cannibalization rates ranging from 0.55% to 1.64%.



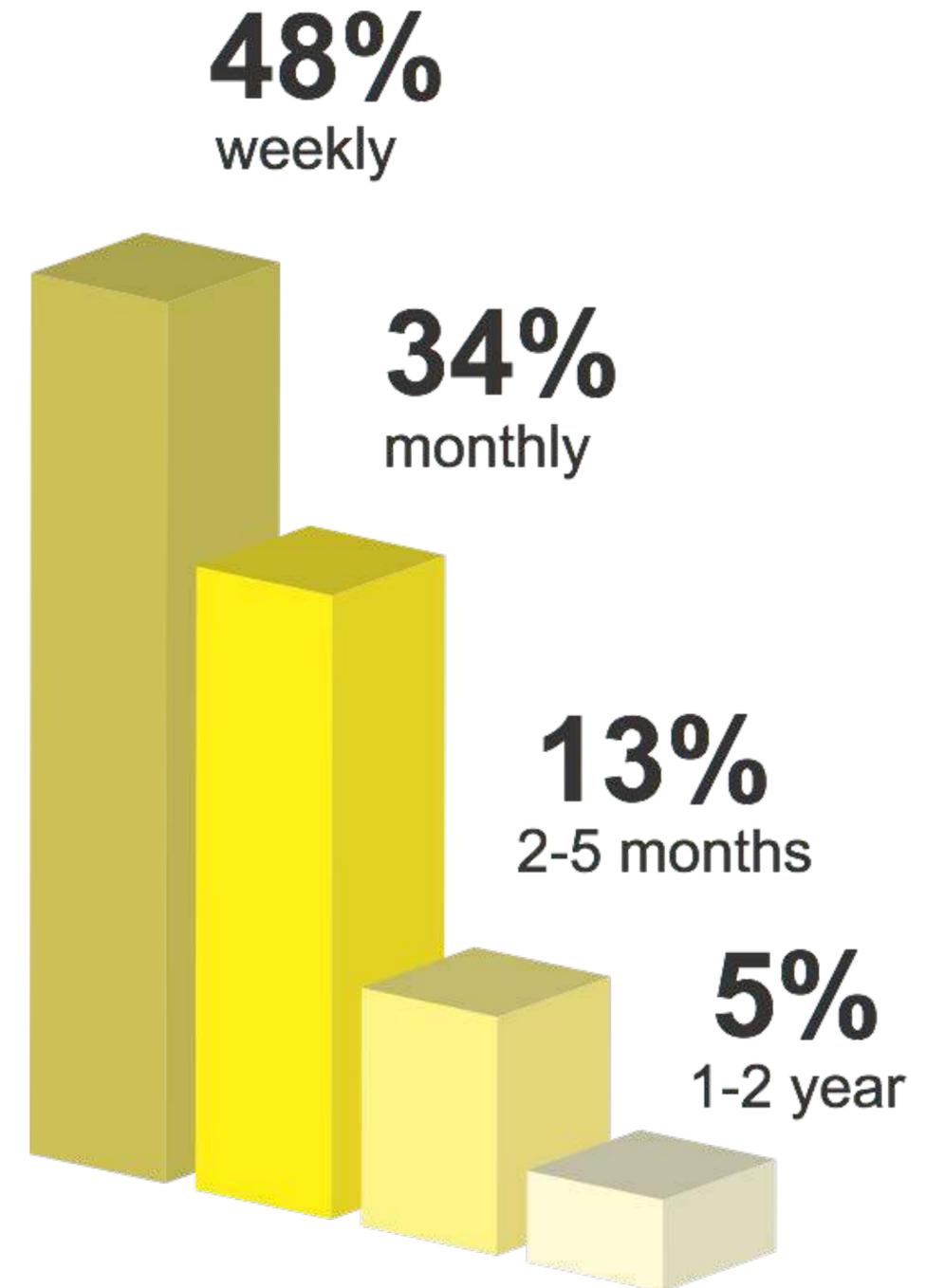
*PC sales based on game being offered once a day.

Quantitative Study Findings: Stickiness

Players average purchasing 2.2 tickets per race.

“...the initial indications demonstrate that EquiLottery presents high potential for stickiness.”

– Ipsos Study



Percent of players planning to spend money on EquiLottery.

Quantitative Study Findings: Positive Game Attributes

Many measures performed above the average for games tested.



+23%

“Watching the draw is exciting.”

+18%

“Is different from other lottery games.”

+8%

“I feel like I have a good chance of winning a prize.”



+7%

“Appealing secondary prizes.”

+6%

“Provides good entertainment value.”



+5%

“I would recommend this game to my friends.”

Quantitative Study Findings: Demographics



Millennials found many of the game features more appealing than the general population.

There was no discernible difference in regional, gender or age player interest.

+19% “I like the idea of using a mobile app to find out whether I won.”

+16% Impression of the game if races were offered from outside the state.

+11% “I would purchase more tickets until I got the horses I like.”

+11% “Having some of the proceeds of the game directed to the Kentucky horse racing industry is appealing.”



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