

KENTUCKY HORSE RACING COMMISSION

November 1, 2016

AGENDA

**Location: Rolex Hospitality Room
4089 Iron Works Parkway
Lexington, KY 40511**

Time: 1:30 pm

I. Call to Order and Roll Call

II. New Business

- 1. Keeneland Backside Improvement Request**
- 2. Turfway Park 2016 Holiday Meet & 2017 Winter Spring Meet KTDF Allotments**
- 3. Turfway Park 2016 Holiday Meet & 2017 Winter Spring Meet Race Officials**
- 4. Amendments to Regulations Approved by the Rules Committee on 08/24/16**
 - a. 810 KAR 1:004**
 - b. 810 KAR 1:007**
 - c. 810 KAR 1:008**
 - d. 811 KAR 1:055**
- 5. Approval of Additional Wagering Types and Pools at Kentucky Downs**
- 6. Tote Company Applications**
- 7. Reports**
 - a. Thoroughbred Rulings**
 - b. Standardbred Rulings**
 - c. Veterinary Division**
 - d. Pari-Mutuel Wagering Division**
 - e. Litigation and Regulations**

III. Other Business

Presentation – Fayette Alliance

IV. Adjournment



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

TO: ALL COMMISSION MEMBERS

FROM: Jamie H. Eads, KHRC

DATE: October 19, 2016

RE: BACKSIDE IMPROVEMENT FUND: Keeneland Association

On October 12, 2016, the KHRC received the attached letter from Keeneland Association seeking permission from the Commission to approve expenditures from the Backside Improvement Fund for the following projects:

- Training center shed row panel repair
- Training center stall screen replacement
- Keeneland barn/roof framing & repair
- Paint for barn/roof repairs
- Electrical tack room heaters for barn #38
- Gas wall furnace heaters for tack rooms

These updates are necessary to improve the conditions of the backside for Keeneland. Keeneland has included photographs and bids for each project. KHRC has inspected the areas in the proposal and confirms the work is necessary. Keeneland respectfully requests the ability to have discretion with the amount allocated to each project and the time to complete each project.

KHRC staff confirms Keeneland Association has \$335,476.47 in the Backside Improvement Fund and the above projects are estimated to cost \$173,508.54. Upon completion of the project, KHRC staff will inspect the renovations and confirm the project has been completed. All invoices, photographs and communication will remain on file for Commission review.

COMMISSION ACTION

_____ **Approved**

_____ **Deferred**

_____ **Denied**





Keeneland Association, Inc.

4201 Versailles Road
Lexington, KY 40510
P.O. Box 1690
Lexington, KY 40588-1690
859 254-3412 Tel.
800 456-3412
859 288-4347 Fax
www.keeneland.com

October 6, 2016

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

Dear Marc,

Enclosed please find a schedule of proposed backside improvements requested by Keeneland pursuant to your administration of the Backside Improvement Fund (KRS 230.218). All of these expenditures are to improve conditions of the backside for Keeneland Association. We have supplied photographs and copies of itemized estimates.

Keeneland currently has \$335,476.47 in available funds contributed to the Backside Improvement Fund for fiscal years 2015 and 2016. We would like to request pre-approval for \$173,508.54 for the projects enclosed, and be allowed to have some discretion with when they are completed and the amount allocated to each project. When we seek reimbursement upon completion, we will provide the Commission with written documentation, final photographs, and copies of all final invoices on completed projects. This process will allow us to utilize the funds in the most economical and beneficial manner for enhancing our backside.

Thank you for your consideration, and please let me know if you have any questions regarding our request.

Sincerely,

A handwritten signature in blue ink, appearing to read "V. Gabbert".

Vince Gabbert
Vice President and Chief Operating Officer



Enclosures



Backside Project

10/3/2016

Available Funds for this period \$ **173,508.54**

Proposed

- | | | |
|--|----|--------------|
| 1) Training Center Shed Row Panel Repair | \$ | (10,000.00) |
| 2) Training Center Stall Screen Replacement | \$ | (28,322.56) |
| 3) Keeneland Barn Roof/Framing Repair | \$ | (123,946.00) |
| Barns 20 thru 46 | \$ | (6,795.00) |
| 4) Paint as required for Barn Roof Repairs | \$ | (2,222.49) |
| 5) Electrical Tack Room Heaters for Barn #38 | \$ | (2,222.49) |
| 6) Gas Wall Furnace Heaters for Tack Rms | \$ | (2,222.49) |

Available Funds remaining for this period \$ **0.00**

Total Requested \$ **173,508.54**

Item #1

**Keeneland Training Center
Shed Row Closure Panel Repair**



B & W AWNING MFG. CO., INC.
SINCE 1885
219 WALTON AVE LEXINGTON, KY 40502
(859) 254-0973 FAX (859) 233-4354

Proposal Submitted To	Date	Phone
Keeneland	8/3/16	859-259-3412
Street	Job Name	Fax
P.O. Box 1690	Custom Closure Panels	859-288-4343
City, State, Zip Code	Job Location	E-mail
Lexington, KY 40568	Training Facility	
Architect	Date of Plans	

ATTN: Brad

- 1) We propose to repair existing closure panels, with material of like size, quality and description.

Our price per panel is \$250.00 each.

40 units @ \$250 ea. = \$10,000.00

50% Deposit with signed acceptance of proposal. Balance due on completion.

TERMS AND CONDITIONS:

PAYMENTS TO BE MADE AS FOLLOWS:

IF THE PURCHASER CANCELS THE ORDER, PURCHASER AGREES TO PAY FOR COSTS INCURRED IN MANUFACTURING THE ORDER PRIOR TO CANCELLATION. ALL CANCELLATIONS MUST BE IN WRITING. THIS PROPOSAL FORMS THE ENTIRE AGREEMENT. ANY CHANGES, DELETIONS OR ADDITIONS MUST BE MADE AND AGREED TO IN WRITING. ANY QUESTIONS CONCERNING WORKMANSHIP MUST BE REPORTED WITHIN 10 DAYS AFTER COMPLETION OR WILL BE SUBJECT TO A SERVICE CHARGE. ANY ALTERATION OR BEHAVIOR FROM ABOVE SPECIFICATIONS INVOLVING EXTRA COSTS WILL BE EXECUTED ONLY UPON WRITTEN ORDERS. OWNER IS TO CARRY FIRE, TORNADO, AND OTHER NECESSARY INSURANCE. OUR WORKERS ARE COMPANY EMPLOYEE'S, NOT CONTRACT LABORERS AND ARE FULLY COVERED BY LIABILITY AND WORKMAN'S COMPENSATION INSURANCE. ALL AGREEMENTS ARE CONTINGENT UPON STRIKES, ACCIDENTS, OR DELAYS BEYOND OUR CONTROL.

***NOTE: FIRST (3) RENDERING NO CHARGE, ADD'L RENDERINGS \$75 PER**

Larry Gillespie

ACCEPTANCE OF PROPOSAL- THE ABOVE PRICES, SPECIFICATIONS & CONDITIONS ARE SATISFACTORY AND ARE HEREBY ACCEPTED. YOU ARE AUTHORIZED TO DO THE WORK AS SPECIFIED. PAYMENT WILL BE MADE AS OUTLINED ABOVE.

Note: This proposal may be withdrawn by us if not accepted in 30 days.

DATE OF ACCEPTANCE: _____

SIGNATURE _____

SIGNATURE _____

(* APPLICABLE)



Before Replacement



After Replacement

Date	Estimate #
8/4/2016	08-387

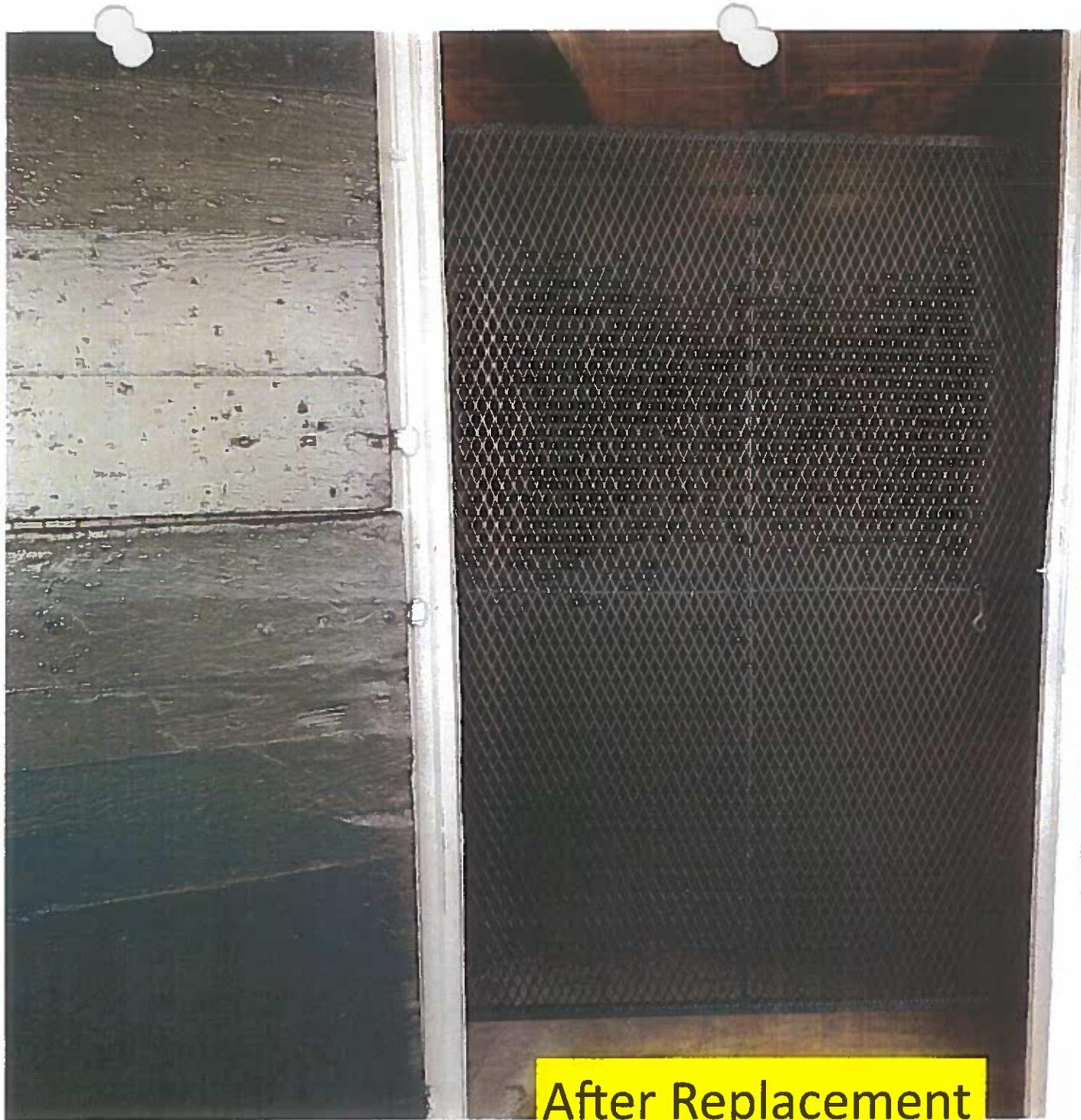
Name / Address
Keeneland Walter S.D. Wallace, II Director of Maintenance P.O. Box 1690 Lexington, KY 40588-1690

Item #2
Stall Screen Replacement

Description	Qty	Cost	Project
			Total
FABRICATE STEEL STALL DOORS			
Fabrication Labor for Stall Screens	10	90.00	900.00T
Material needed: 3/4 #9 flat expanded metal screen 1" square tubing frame and cross pieces Hinges - 1/2" solid round 1/2" schedule 40 pipe 1/4" x 1" flat 1/2" solid square	10	102.75	1,027.50T
(2) steel hinges per door	20	8.00	160.00T
PRICE SHOWN FOR FABRICATION AND DELIVERY OF (10) STALL SCREENS			
128 units @ \$221.27 ea. = \$28,322.56			
Sales Tax (6.0%)			\$125.25
Total			\$2,212.75



Before Replacement



After Replacement

Item #3

Barn Roof and Framing Repair



John Howard

From: Mike Thorp <mike@sullivancozart.com>
Sent: Wednesday, September 07, 2016 11:43 AM
To: John Howard
Subject: Keeneland Barn Dormer Repair

John,

We propose to repair the main entrance dormers on Barns 20 thru 46 for the sum of \$123,946. After examining each dormer for visual damage, our proposal consists of the following work:

1. Remove all the necessary metal roof panels (756 ea) to expose the valley rafters to enable the installation of new ice & water shield and flashing at each valley;
2. Replace (136) 2/12 valley rafters and associated blocking that appear to be deteriorated;
3. Remove additional metal roofing to replace damaged framing members in addition to the valleys;
4. Replace (59) 2/8 roof rafters;
5. Replace (16) 2/8 wood beams and (9) 4/4 wood beams;
6. Replace (30) 2/4 purlins;
7. Replace (14) stub columns;
8. Replace (10) dormer closure wall plates;
9. Replace (816) sf of siding at the dormer closure side walls and gable panels;
10. Reinstall existing metal roofing panels that were removed;
11. Shore sprinkler piping as required during demolition;
12. Replace eave, cap, sill flashings as required;
13. We have not included painting nor electrical;
14. Replace (1430) lf of 1x fascia.

We anticipated a duration of (2) months utilizing (2) separate crews working in two barns simultaneously.

Thank you for this opportunity to provide this proposal.

Mike



Item #4

From: Art <art@cooperpainting.com>
To: John Howard
Cc:
Subject: RE: Barn repair painting quote

John

Price to prime all wood before installation, then finish after installed.
\$6,795.00

Any questions please contact me.

Art



Cooper Painting, Inc.

Art Gekling - VP

PO Box 11835

Lexington, KY 40578

Office: 859-252-3521

Fax: 859-252-3492

Cell: 859-338-7557

John Howard

From: Art <art@cooperpainting.com>
Sent: Thursday, September 08, 2016 7:45 AM
To: John Howard
Subject: RE: Barn repair painting quote

John
Price to prime all wood before installation, then finish after installed.
\$6,795.00

Any questions please contact me.

Art



Cooper Painting, Inc.
Art Gehling - VP
PO Box 11835
Lexington, KY 40578
Office: 859-252-3521
Fax: 859-252-3492
Cell: 859-338-7557

From: John Howard [mailto:jhoward@keeneland.com]
Sent: Wednesday, September 07, 2016 12:12 PM
To: Art Gehling (art@cooperpainting.com) <art@cooperpainting.com>
Subject: Barn repair painting quote

Need a price to paint the material below on some barns thru out Keeneland.
Approx. 26 locations

(1430) lf of 1x fascia.

(816) sf of siding

KEENELAND 

John Howard | Keeneland Association Inc | Project Administrator
4201 Versailles Rd. | Lexington, KY 40510 USA | PO Box 1690 | Lexington, KY 40588-1690 USA
Direct Line 859-288-4232 | Fax 859-288-4247 | <http://www.keeneland.com>



#5

John Howard

From: Mark Snow
Sent: Sunday, September 25, 2016 10:31 AM
To: John Howard
Subject: backsaide funds
Attachments: old barn heater 2.jpg; new barn heater-berko.jpg

Good morning,

I am proposing to buy 8 240Volt, 3kw berko heaters for \$2222.49. The heaters will be installed in barn 38. I have attached a picture of what the old heater looks like as well as what a new one will look like.

Thanks,

Mark



BERKO





#6

Eric Soard

From: Charlie Brinegar <cbrinegar@brockmcvey.com>
Sent: Wednesday, September 14, 2016 8:55 PM
To: Eric Soard
Subject: Empire heaters



Eric,

Your price on the Empire DV25SGNAT is \$626 plus FOB.

Thanks for the opportunity to quote.

Just let me know if you have any other questions.

Thanks,

Charley Brinegar
Brock McVey Co. | Territory Manager
1100 Brock McVey Drive | Lexington, KY 40509
O: (859) 244-4162 | M: (859) 333-9996
Fax: (859) 963-0162
Email: cbrinegar@brockmcvey.com



Sent from my iPhone.



Gas Wall Furnace Heater Type Gravity Gas Type LP BtuH Input 25 000 BtuH Output 17 500 Ignition Type Standing Pilot Vent Type Direct Voltage 750mV Vent 7-1/2 In. Wall Type Exterior Gas Connection 3/8 In. NPT Width 37 In. Depth 11-1/2 In. Height 27-3/4 In. Floor to Center of Vent 19-3/4 In. Built-In Features Removable Panels for Easy Cleaning Finish Beige Powder Coated Manufacturers Warranty Length 10 yr. Limited on Combustion Chamber 1 yr. Parts Standards CSA

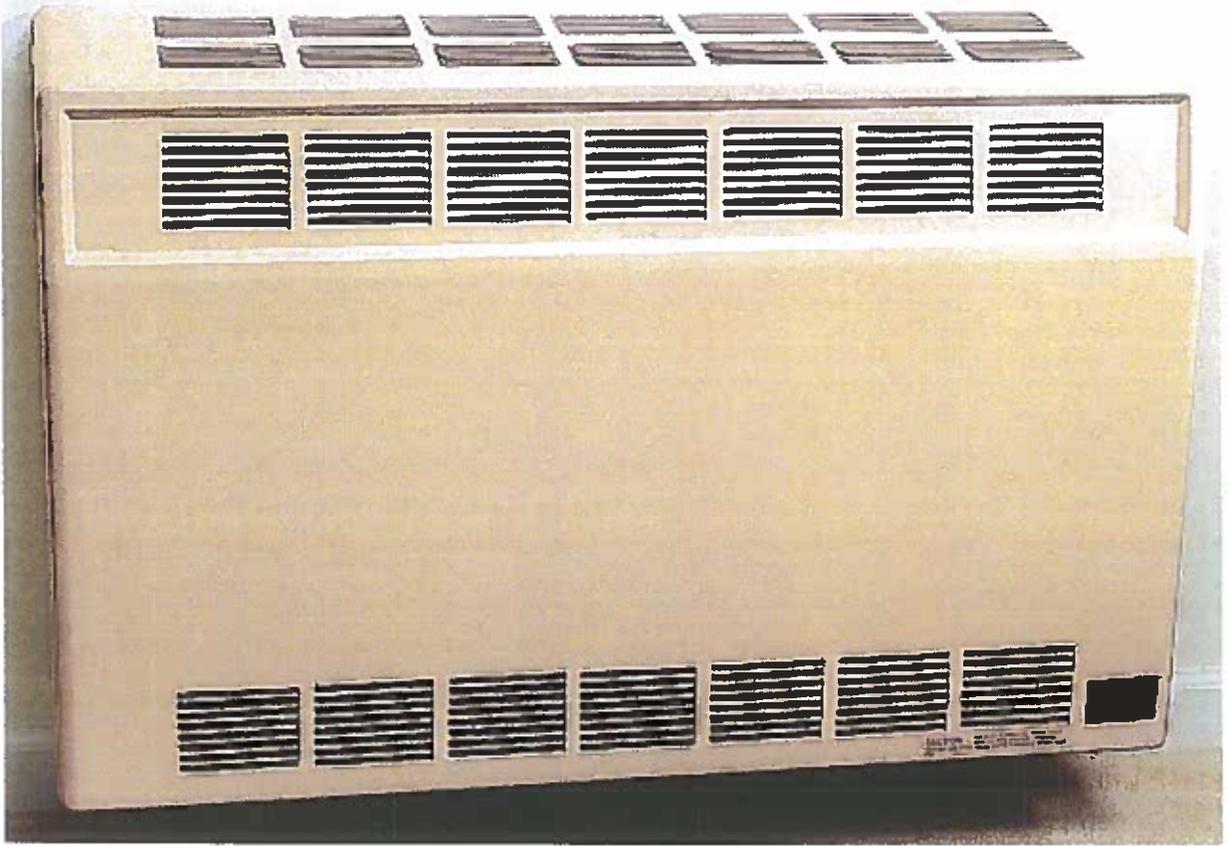
Features:

BtuH Input : 25 000
Depth : 11-1/2
Finish : Beige Powder Coated
Gas Type : LP
Height : 27-3/4

Less ^

Product Specifications

Manufactured By	Empire
Sold By	Varouj Appliances
Size/Weight	W 37" / D 11.5" / H 27.75" / 70 lb.
Color	Sandy
Materials	Metal
Assembly Required	No
Category	Space Heaters
Style	Traditional



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

TO: ALL COMMISSION MEMBERS
FROM: Jamie H. Eads, Director, Division of Incentives & Development
DATE: October 24, 2016
SUBJECT: KTDF PURSE STRUCTURE – TURFWAY PARK 2016 HOLIDAY MEET & 2017 WINTER SPRING MEET

On October 21, 2016 the KHRC received the attached letter from Turfway Park with its KTDF purse structure requests for the upcoming 2016 Holiday meet & 2017 Winter Spring meet.

Turfway Park proposed KTDF purses in the amount of \$1,172,082. Turfway Park's projections are based on a payout of approximately 65% of the amount carded.

The KTDF Advisory Committee met & reviewed the proposal on October 25, 2016 and approval is recommended.

COMMISSION ACTION

_____ Approved
_____ Deferred
_____ Denied





October, 20th 2016

Kentucky Horse Racing Commission
Attn: Marc Guilfoil
4063 Iron Works Parkway
Lexington, Kentucky 40511



Mr. Guilfoil,

At the end of our 2016 Winter/Spring meet, Turfway Park had a KTDF surplus of **\$70,202**. We are requesting that the Commission approve payments from our account of **\$1,172,082** for our 2016 Holiday and 2017 Winter/Spring meets. This would leave an anticipated surplus in our account of roughly **\$23,000** at the conclusion of the meet.

This request includes **\$50,000** KTDF funds to be allocated to our stakes program.

Please allow us to exceed the 85% ceiling since funds are available. Our current request assumes a payout of approximately 100% of association purses and an expectation to payout 65% of KTDF funds as presented in the condition book.

Consistent with other thoroughbred tracks, Turfway will pay out KTDF funds through last place as follows: 1st place – 60%; 2nd place – 20%; 3rd place – 10%; 4th place – 5%; 5th place – 3%; Remaining 2% divided evenly among starters.

Should we determine that more or less funds will actually be available than our current estimates, we would like the latitude to notify the Commission and adjust accordingly. In no event will we exceed the funds available to us.

Respectfully submitted,

Daniel "Chip" Bach
General Manager



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: ALL COMMISSION MEMBERS

From: Barbara Borden, Chief State Steward

Date: October 19, 2016

RE: Request for Approval of Roster of Racing Officials & Date Preference System for Turfway Park's 2016 Holiday Meet & 2017 Winter Spring Meet

By letter dated October 15, 2016, Tyler B. Picklesimer, Director of Racing/Racing Secretary at Turfway Park, request the Kentucky Horse Racing Commission's approval of the attached Roster of Racing Officials scheduled to preside over the conduct of racing, as well as their Date Preference System during the 2016 Holiday Meet and 2017 Winter Spring Meet. Please be advised all Stewards have been accredited by ROAP (Racing Officials Accreditation Program) and will be licensed by the meet opening.

Approval is recommended.

COMMISSION ACTION

_____ **Approved**

_____ **Deferred**

_____ **Denied**





October 15, 2016

Kentucky Horse Racing Commission
Attn: Mr. Guilfoil
4063 Iron Works Parkway
Lexington, Kentucky 40511

Mr. Guilfoil:

Turfway Park is nominating the following racing officials for approval by the Kentucky Horse Racing Commission for the 2016 Holiday Meet and 2017 Winter Spring Meet.

Association Stewards	Ronald Herbstreit*
Director of Racing and Racing Secretary	Tyler B. Picklesimer*
Assistant Racing Secretary	Tia M. Murphy
Placing Judges / Entry Clerks	Tim Day* Jean Chalk* Randy Wehrman John Veitch* Bill Holtman William D. Troilo* To be determined – Conducting Interviews in early Nov.
Paddock Judge / Entry Clerk	Robbie T. Jones, Sr.
Clocker	Kathy Lowry
Clerk of Scales / Entry Clerk	Albert Russell
Starter	Kim Martin
Jockey Room Custodians	John Lee Wells
Outriders	Jackie Herbstreit
Claims Clerk	Melinda A. Vest
Identifier	Jackie Herbstreit
Program Coordinator	Arthur J. Zeis
Stall Superintendent	James McNerney
Announcer	Austin Kresser
Director of Security	Aaron Spurlock
Mutuel Manager	Terry Moore
Horsemen's Bookkeeper	Jeff Chapman
Track Superintendent	Art Tearl
Paddock Blacksmith	Ed Meyer
Teletimer and Photo Finish / Entry Clerk	Daniel P. Bork
Alternate Official	

(*Accredited – Stewards Accreditation Program)

Respectfully submitted,

Tyler B. Picklesimer
Director of Racing / Racing Secretary



Date Preference System

The following date system of preference is used at Turfway Park:

Foal certificates no longer are required to be on file in the racing office to enter or start at Turfway Park; however, foal certificates must be on file to obtain a preference date and to have a horse tattooed.

Each day's overnight will list the dates of horses in and on the also-eligible list to enable trainers to see what dates are getting horses into over-filled races.

1. In over-filled races, preference will be given to horses in order of their assigned preference dates, earliest date first. Horses having identical dates will be chosen by lot; however, where entry and running dates are the same, the horse with the entry date will have preference.
2. All horses intended for racing at Turfway Park will be assigned a preference date. A horse can have only one date at any particular time. Dates assigned will be of two types:

E-Date

This date will correspond to: (a) the date on which a horse's foal papers and name card are submitted to the Identifier (the earliest date being the day when entries are first taken for the meeting); (b) the day on which a horse is first entered if his papers are not on file with the Identifier. To qualify for the latter E-Date, a horse must have been excluded from a race that appears on the overnight or he must have been entered in a condition book race that failed to fill through insufficient entries.

R-Date

This date will correspond to the day of a horse's most recent race at Turfway Park. An R-Date will also be assigned to a horse that scratches.

3. A horse retains his R-Date until he receives a newer R-Date. No horse with an established R-Date may receive an E-Date. A horse whose papers are removed from the Identifier's office will lose his date and must subsequently re-establish a date in order to receive preference. A horse with an E-Date cannot receive a newer E-Date. Horses starting at another racetrack will forfeit any date they may have at Turfway Park. Additionally, horses racing at Turfway Park without foal papers on site will not retain their R-Date.
4. Preference dates are good for any type of race or distance (other than maiden dates).
5. Maiden dates will be kept separately and will not have preference in winners' races.
6. No E-Date will be assigned to the second choice of an un-split same-owner entry.
7. A horse that has been placed on a list (Veterinarian, Steward, Starter, or Paddock Judge) will lose his date and be assigned an R-Date corresponding to the day he is removed from the list.
8. Horses on the Also-Eligible list shall be permitted to draw into races and will be assigned post positions in the order of their dates, earliest dates first.
9. A horse that is a scheduled starter in a canceled race will not receive an R-Date for that race but will retain his previous date.
10. The draw of stake and handicap races is not subject to date preference.
11. Preference dates are transferred through change in ownership and changes in trainer only after the proper transfer procedures have been completed through the Stewards' Office and delivered to the Racing Secretary's Office.
12. Date preference rules will not supercede KHRC rules regarding preference, eligibility, or scratches.

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 IRON WORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEB SITE: HTTP://KHRC.KY.GOV

CONFIDENTIAL ATTORNEY/CLIENT PRIVILEGED COMMUNICATION

TO: COMMISSION MEMBERS

FROM: John L. Forgy
General Counsel

DATE: October 26, 2016

SUBJECT: 810 KAR 1:004 Stewards; 810 KAR 1:007 Owners; 810 KAR 1:008 Trainers;
and 811 KAR 1:055 Declaration to start; drawing horses

Attached are proposed amendments to the above-referenced KHRC regulations. The proposed amendments to these regulations eliminate outdated language and terms and modify the responsibilities of the stewards, judges, owners, and trainers to current needs and methods of operation at Kentucky racetracks.

The Rules Committee met, considered and approved the proposed amendments at its public meeting held on August 24, 2016.

Staff recommends approval.

COMMISSION ACTION

_____ Approved

_____ Denied

_____ Deferred



1 PUBLIC PROTECTION CABINET

2 Kentucky Horse Racing Commission

3 (Amendment)

4 810 KAR 1:004. Stewards.

5 RELATES TO: KRS 230.215(2), 230.260(1)~~[EO 2009-535]~~

6 STATUTORY AUTHORITY: KRS 230.215(2), 230.240(1), 230.260(8)~~[EO 2009-535]~~

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215(2) and 230.260(8) authorize
8 ~~[authorizes]~~ the commission~~[authority]~~ to promulgate administrative regulations prescribing
9 conditions under which all horse racing shall be~~[is]~~ conducted in Kentucky. ~~[EO 2009-535,~~
10 ~~effective June 12, 2009, established the Kentucky Horse Racing Commission and transferred all~~
11 ~~functions of the Kentucky Horse Racing Authority to the commission.]~~ This administrative
12 regulation establishes the qualifications, duties, powers, and responsibilities of the stewards.

13 Section 1. Qualifications for a Steward. A person shall not qualify for employment or
14 approval by the commission to serve as a steward unless:

15 (1)(a) He has attended the University of Louisville Steward/Judge Accreditation School,
16 the University of Arizona National Steward/Judge Accreditation Program, or any other
17 accreditation school or program approved by the commission;

18 (b) He has satisfactorily passed a written and oral examination given by the school; and

19 (c) He is not under suspension or ejection by any racing jurisdiction;

1 (2) He has served as a steward, racing secretary, assistant racing secretary, starter, placing
2 judge, horse identifier~~[patrol judge]~~, paddock judge, or clerk of scales, at one (1) or more
3 recognized race meetings for a period of not less than sixty (60) racing days per year during at
4 least three (3) of the five (5) preceding calendar years;~~[or]~~

5 ~~[(b)1. He has engaged in racing as an owner, trainer, jockey, veterinarian, or breeder for at
6 least five (5) years; and]~~

7 ~~(3)[2.]~~ Has been an observer in the stewards stand for a period of at least thirty (30) days;

8 ~~(4)[3.]~~ He has satisfactorily passed an optical examination within one (1) year prior to
9 approval as a steward evidencing corrected twenty-twenty (20-20) vision and ability to
10 distinguish colors correctly; and

11 ~~(5)[4.]~~ The commission is satisfied that income, other than salary as a steward, which
12 may accrue to a person under consideration for appointment as a steward is independent of
13 and unrelated to patronage of or employment by any licensee under the supervision of the
14 steward, so as to avoid the appearance of any conflict of interest or suggestion of preferential
15 treatment of a licensee.

16 Section 2. Employment of Stewards. (1) In accordance with KRS 230.240(1), there shall be
17 three (3) stewards for each race meeting.

18 (a) Two (2) of the stewards, including the chief steward, shall be employed and
19 compensated by the commission.

20 (b) The third steward shall be nominated by the association for approval by the
21 commission.

1 (c) The name of the association nominee for steward shall be submitted when an
2 association applies for a license if possible, but no later than thirty (30) days before
3 commencement of a race meeting.

4 (d) The nomination shall be accompanied by biographical data describing the experience
5 and qualifications of the nominee.

6 (e) The association shall submit successive nominees until one (1) person is approved by
7 the commission as qualified to serve as a steward.

8 (f) A steward shall not serve until approved by the commission.

9 (2) Stewards shall serve from one (1) minute after midnight on the day before the first
10 racing day until one (1) minute before midnight on the day after the last racing day of the race
11 meeting for which they are employed. If a dispute or controversy arises during a race meeting
12 which is not settled at the conclusion of the race meeting, then ~~the power of the stewards~~
13 ~~shall be extended over the period necessary to resolve]the matter shall be adjudicated by the~~
14 Board of Stewards at a successive race meeting in Kentucky, or until the matter is referred or
15 appealed to the commission.

16 (3) Stewards shall be responsible only to the commission and may be replaced by the
17 commission at any time for failure to perform their duties to the satisfaction of the commission.

18 (4) If a steward becomes ill, resigns, or is unable to serve for any reason, then the
19 remaining stewards shall nominate a successor or temporary steward to the commission for
20 approval. In emergencies, a single member of the commission by telephone may approve
21 employment of a successor steward.

1 Section 3. General Powers of Stewards. The stewards shall exercise immediate
2 supervision, control, and regulation of racing at each licensed race meeting on behalf of and
3 responsible only to the commission. The powers of the stewards shall include:

4 (1) Authority over all horses and all persons, licensed or unlicensed, on association
5 grounds and at locations under the jurisdiction of the commission during a race meeting as to
6 all matters relating to racing;

7 (2) Determining all questions, disputes, protests, complaints, or objections concerning
8 racing which arise during a race meeting and enforcing the determinations;

9 (3) Suspending the license of a participant in racing or ejecting or excluding from
10 association grounds or locations under the jurisdiction of the commission~~[any part thereof]~~
11 licensed or unlicensed persons, upon reasonable belief that a violation of 810 KAR Chapter 1
12 has or is about to occur;

13 (4) Interpreting and enforcing 810 KAR Chapter 1 and determining all questions pertaining
14 to a racing matter not specifically covered by these administrative regulations;

15 (5) Issuing decisions or rulings pertaining to racing which shall supersede orders of the
16 officers, directors, and officials of the association and which shall, if the stewards deem proper,
17 vary any arrangement for the conduct of a race meeting, to include postponing or canceling a
18 race, or ruling a race run as "no contest."

19 (6) Requesting assistance from commission employees, racing officials, members of the
20 Thoroughbred Racing Protective Bureau, track security police, or state or local police, in the
21 investigation of possible rule infractions;

1 (7) Conducting hearings on all questions, disputes, protests, complaints, or objections
2 concerning racing matters;

3 (8) Selecting a substitute, if a regularly named rider~~[-trainer,]~~ or racing official other than
4 a steward is unable for any reason to perform. Upon suspicion of fraud or misconduct, the
5 stewards may excuse a horse or replace any rider~~[-trainer,]~~ or racing official other than a
6 steward; and

7 (9) All other powers and duties established for stewards in 810 KAR Chapter 1.

8 Section 4. Duties and Responsibilities of Stewards. In addition to the duties and
9 responsibilities necessary and pertinent to general supervision, control, and regulation of race
10 meetings, and without limiting the authority of the stewards to perform these and other duties
11 enumerated in these administrative regulations, the stewards shall have the following specific
12 duties and responsibilities:

13 (1) To take appropriate action on all misconduct or administrative regulation infractions,
14 to cause investigations to be made of all instances of possible infractions, and to take
15 appropriate action to prevent an administrative regulation infraction;

16 (2) To have at least one (1) steward on association grounds from scratch time or if not a
17 racing day, when entries are first taken until entries are closed. At least two (2) stewards~~[one~~
18 ~~(1) steward]~~ shall be present for the scheduled viewing of race replays~~[regular showing of~~
19 ~~racing films or video tapes]~~. All three (3) stewards shall be on association grounds no less than
20 ninety (90) minutes before post time until conclusion of the last race. All three (3) stewards
21 shall be present in the stewards' stand during the running of each race;

1 (3) To have at least one (1) steward, or a designated representative of the stewards,
2 present in the paddock at least twenty (20) minutes before each race. The steward may~~shall~~
3 remain there until the horses leave for the starting gate, to observe the conduct of all persons
4 in and around the paddock and inspect, with the paddock judge and commission veterinarian,
5 all horses for fitness;

6 (4) To inspect~~and~~ applications for licenses to participate in racing, and administer, or
7 cause to be administered by technically qualified persons, standard examinations to all first-
8 time applicants for a trainer, jockey, apprentice jockey, veterinarian, dental technician, or
9 farrier license, and make recommendations to the commission as to the qualifications of all
10 applicants for licenses to participate in racing;

11 (5)(a) To review~~and~~ licenses and registration certificates, and~~and~~ contracts, papers, and
12 other documents pertaining to the sale or ownership of a horse, payment of purse money,
13 jockey and apprentice jockey contracts, appointments of agents, and adoptions of racing colors
14 or stable name; and

15 (b) To determine the eligibility and appropriateness for participation in racing under
16 supervision of the stewards;

17 (6) To call for proof of eligibility of a horse or person to participate in a race, if eligibility is
18 in question and in absence of sufficient proof to establish eligibility, the stewards may rule that
19 horse or person ineligible;

20 (7) To review stall applications and advise the association of undesirable persons, if any,
21 among owners and trainers applying for stalls and provide the association with information
22 pertaining to the undesirable persons;

1 (8) To supervise the taking of entries and receive all declarations and scratches and
2 determine all questions arising and pertaining to declarations and scratches. The stewards may
3 in their discretion refuse the entry of any horse by any person, refuse to permit a declaration or
4 scratch, or may limit entries;

5 (9) To lock all pari-mutuel betting machines not later than the moment the starting gate is
6 opened for the commencement of a race, to cause the "inquiry" sign to be posted [~~on the~~
7 ~~infield odds board~~] immediately after the horses have crossed the finish line in a race if any
8 doubt is held by any steward or any other racing official[~~patrol judge~~] as to the fairness of the
9 running of that race, to cause the objection sign to be posted [~~on the infield odds board~~] upon
10 the lodging of an objection, and to cause the "official" sign to be posted [~~on the infield odds~~
11 ~~board~~] after determining the official order of finish for purposes of pari-mutuel payoff;

12 (10) To [~~review the patrol films or video tapes of each day's races before commencement~~
13 ~~of the successive day's races and to~~] draw up a list of riders including all apprentice jockeys
14 whom the stewards feel should review the race replays[~~films~~] for instructional purposes and
15 post that list in the jockey's room[~~The patrol judges shall assist in making up the film list and~~
16 ~~attend all film showings if their other duties permit~~];

17 (11) To maintain a daily Stewards Report recording[~~log, reporting~~] all actions taken by the
18 stewards on all controversies which arise during the day. The report shall show name of track,
19 date, weather, track condition, claims, rulings issued, and any other circumstance or condition
20 regarded as unusual. The reports shall be signed by all three (3) stewards and filed with[~~within~~
21 ~~twenty four (24) hours at~~] the commission[~~general office~~];

1 (12) To make periodic inspections of the barn area and check track security and to make
2 occasional, informal visits to the jockeys' room and observe weighing out and check security.
3 Inspections and observations made pursuant to this section shall be noted in the stewards'
4 report;

5 (13) To maintain a written record of all questions, disputes, protests, complaints, or
6 objections brought to the attention of the stewards and which, in the discretion of the
7 stewards, warrant investigation and the creation of a written record. The record shall be
8 available to the commission for inspection at all times~~[minute book which shall contain a~~
9 ~~detailed written record of all questions, disputes, protests, complaints, or objections brought to~~
10 ~~the attention of the stewards, summary of interviews taken, reports of investigations, and~~
11 ~~rulings issued. If a ruling is not unanimous, the dissenting steward shall record reasons for his~~
12 ~~dissent. The stewards' minute book shall be available to the commission for inspection at all~~
13 ~~times]; and~~

14 (14) If deemed necessary,~~[Within seven (7) days]~~ after the conclusion of a race meeting,
15 to submit to the commission a written report setting out the condition of the meeting and
16 association grounds, and any recommendations for improvement.

1 PUBLIC PROTECTION CABINET

2 Kentucky Horse Racing Commission

3 (Amendment)

4 810 KAR 1:007. Owners.

5 RELATES TO: KRS 230.215(2), 230.260(1)~~[230.210-230.360]~~

6 STATUTORY AUTHORITY: KRS 230.215(2), 230.260(8), 230.320(1), 230.290(2)~~[Chapter 13A]~~

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215(2) and 230.260(8) authorize the
8 commission to promulgate administrative regulations prescribing~~[To regulate]~~ conditions under
9 which all horse~~[thoroughbred]~~ racing shall be conducted in Kentucky. This~~[The function of this]~~
10 administrative regulation establishes~~[is to outline]~~ the requirements for owners.

11 Section 1. License Required. No horse may be entered or raced in this state unless the
12 owner or each of the part owners has been granted a current owner's license; except that, the
13 commission~~[authority]~~ may, through its licensing committee as provided by 810 KAR 1:025,
14 Section 17~~[810 KAR 1:003, Section 8]~~, issue a temporary license which shall be valid for entering
15 and racing pending administrative processing and final action by the commission~~[authority]~~ on
16 the owner's license application. No temporary license shall be considered valid later than thirty
17 (30) days after the license application was submitted. A temporary license shall not be valid for
18 claiming.

19 Section 2. Requirements for Owner's License. (1) In addition to administrative regulations
20 applicable to licensees under 810 KAR 1:025~~[810 KAR 1:003]~~, a holder of an owner's license:

1 (a) Shall be a person, eighteen (18) years or older; provided, however, the
2 commission[authority] may grant an owner's license to a person less than eighteen (18) years of
3 age who is a son or daughter of a licensed owner in this state, if the parent thereof holding an
4 owner's license in this state files with the license application of the minor an agreement whereby
5 the parent assumes responsibility for meeting all financial, contractual, or other obligations
6 relating to racing of the applicant son or daughter.

7 (b) Shall carry workers' compensation insurance covering employees in connection with
8 racing as required by Kentucky law.

9 (c) Shall own or have under lease a horse eligible to race, and be prepared to prove same
10 upon call of the stewards.

11 (d) Shall not engage in an activity directly or indirectly involving the racing performance of
12 horses on association grounds owned by others.

13 (2) The commission[authority] may deny, suspend, or revoke an owner's license for the
14 spouse or any member of the immediate family or household, of a person ineligible to be licensed
15 as an owner, unless there is a showing on the part of the applicant or licensed owner, and the
16 commission[authority] so finds, that his participation in racing as an owner shall in no way
17 circumvent the intent of the administrative regulation by permitting a person, under the control
18 or direction of a person ineligible for an owner's license, to serve in essence as a substitute for the
19 ineligible person.

20 (3) A licensed owner or trainer may personally serve as a farrier or jockey for horses he
21 owns or are registered as in his care, provided he has received from the stewards a certification
22 of the licensee's fitness as a competent farrier or jockey.

1 Section 3. Ownership Disclosure. (1) Licensed owners and licensed trainers shall be held
2 jointly responsible for making a full disclosure of the entire ownership of each horse in their care.

3 (2) Disclosure under this section shall identify in writing all persons who directly, or
4 indirectly through a lien, lease partnership, corporate stockholding, syndication, or other joint
5 venture, hold any present or reversionary right, title, or interest in and to such horse, and those
6 persons who by virtue of any form of interest may exercise control over or benefit from the
7 racing of the horse. The degree and time of such ownership held by each person shall also be
8 designated.

9 (3) Disclosure under this section shall be made when registering each horse with the racing
10 secretary upon arrival on association grounds or at time of entry whichever event occurs first and
11 shall be revised immediately upon any subsequent change in the ownership.

12 (4) Disclosure under this section together with all written agreements, and affidavits setting
13 out oral agreements, pertaining to the ownership of or rights to a horse, shall be attached to the
14 registration certificate for the horse and filed with the racing secretary, who shall be responsible
15 for the care and security of all papers while the horse is located on association grounds.

16 (5) Disclosure under this section is made for the benefit of the public and all documents
17 pertaining to the ownership or lease of a horse filed with the racing secretary shall be available
18 for public inspection.

19 (6) The stewards shall review the ownership of each horse entered to race to insure that
20 each registration certificate is properly endorsed by the transferor to the present owner. The
21 stewards may determine the validity for racing purposes of all leases, transfers, and agreements
22 pertaining to ownership of a horse and may call for adequate evidence of ownership at any time.

1 The stewards may declare ineligible to race any horse, the ownership or control of which, is in
2 question.

3 Section 4. Joint Ownership. (1) No more than five (5) individual persons may be licensed as
4 owners of a single horse.

5 (2) If more than five (5) individual persons own interests in a single horse, through a
6 partnership, corporation, syndication, or other joint venture, then those individual persons may
7 designate in writing a member of the partnership, corporation, syndicate, or joint venture to
8 represent the entire ownership of and be responsible for the horse as the licensed owner.

9 (3) An agreement under this section or lease, shall accompany the application for an
10 owner's license. Each person designated as representing the entire ownership of a horse shall be
11 licensed.

12 (4) The commission~~[authority]~~ may deny, suspend, or revoke the license of any owner
13 whose ownership of a horse is qualified or limited in part by rights or interests in or to the horse
14 being held or controlled by any other individual person or persons who would be ineligible to be
15 licensed as an owner under 810 KAR 1:025~~[810 KAR 1:003]~~.

16 Section 5. Program Listing of Owners. Names of all persons licensed as owners of each horse
17 shall be listed in the daily program. If space limitations preclude listing of first names, then at
18 least two (2) initials shall precede surnames. Stable names, or corporate names, registered in
19 other racing jurisdictions may be shown parenthetically, if program space limitations permit.
20 Lessees licensed as owners shall be designated on the program as lessees of each leased horse.

21 Section 6. Leases. A horse may be raced under lease, provided the lease agreement is
22 provided to~~[annexed to the horse's registration certificate]~~ and~~[is]~~ approved by the stewards.

1 Validity of a lease for the purposes of racing a horse in this state may be suspended temporarily
2 or voided by the stewards at any time. No lease may be approved by the stewards for racing
3 purposes unless:

4 (1) Lessee is licensed as an owner;

5 (2) Each of the signatures of the lessors and lessees on the lease agreement is subscribed
6 and sworn to before a notary public;

7 (3) Term of the lease is no less than one (1) year, unless sooner terminated by claim or
8 retirement of the horse;

9 (4) Conditions of the lease specify, as to parties to the lease, whether the horse can be
10 entered in a race to be claimed. If agreeable to lessor that the horse may be entered to be
11 claimed conditions of the lease shall specify the minimum price for which the horse may be
12 entered and the name of the payee of claiming price;

13 (5) Conditions of the lease specify that upon claim of the horse the lease shall terminate and
14 all rights in and to the horse shall pass to claimant as a bona fide purchaser;

15 (6) After reviewing the full ownership of the leased horse, and the interests of all persons
16 involved in the lease and the term and conditions of the lease, the stewards in their discretion
17 find that the lease:

18 (a) Completely divests lessors or sublessors of further control or direction of the racing
19 performance of the horse while under lease; and

20 (b) The resultant program-listing of lessee would not mislead the betting public by reason of
21 the absence in the program-listing of the name of a person or persons possessing a beneficial
22 interest in the leased horse.

1 Section 7. Racing Colors. (1) Owners shall be responsible for designing and providing
2 individual racing colors, consisting of jackets and caps of distinctive color and pattern to be worn
3 by jockeys during a race. [~~Racing colors shall be registered with the authority.~~]

4 (2) The commission may refuse to permit the use of racing colors that include[~~Racing colors~~
5 ~~may be registered for the life of an owner upon payment of a thirty (30) dollar fee. Upon death of~~
6 ~~a registrant of lifetime racing colors, no application for the same colors shall be accepted by the~~
7 ~~authority for twelve (12) months, except from members of the family of the deceased owner.~~

8 ~~— (3) Racing colors other than those registered for life must be registered annually. An~~
9 ~~application for racing colors shall accompany application for an owner's license.~~

10 ~~— (4) Registration of racing colors shall be at the discretion of the authority. Disputes as to~~
11 ~~rights to particular racing colors shall be determined by the authority. The authority may refuse to~~
12 ~~accept for registration racing colors which:~~

13 ~~— (a) Are not readily distinguishable by color and pattern from racing colors currently~~
14 ~~registered in this state or with the Jockey Club of New York;~~

15 ~~— (b) include] advertising, or promotions, symbols or words, or which otherwise, in the~~
16 ~~opinion of the commission[~~authority~~], are not in keeping with the traditions of the turf.~~

17 (5) No horse may be raced in racing colors other than those registered in the name of the
18 horse's owner without special permission of the stewards. If an owner races two (2) or more
19 horses in the same race, jackets shall be identical while caps may[~~shall~~] be varied in color or
20 design. [~~Any deviation from registered colors granted by the stewards shall be immediately~~
21 ~~posted on the public notice board.~~]

1 (6) Owners and trainers shall be jointly responsible for the condition of racing colors;
2 insuring that they are neat, clean, and in good repair: and that an adequate number of sets of
3 racing colors are placed in the care of the clerk of scales.

4 (7) The clerk of scales, and the valet serving a jockey, shall be jointly responsible for having
5 the correct jacket and cap on each rider when leaving the jockey room for the paddock.

6 ~~[(8) Racing colors shall not be assignable and registration of racing colors shall be cancelled
7 automatically upon the death or license suspension of an owner.]~~

8 Section 8. Employees Licensed. No owner or trainer may employ or contract with an
9 unlicensed person to perform an activity on association grounds for which a license is required.
10 An owner shall immediately notify the stewards upon change of trainer during a race meeting.

11 Section 9. Authorized Agent. A licensed owner may, as a principal, authorize any person, as
12 an agent, to act in the owner's behalf in all matters pertaining to racing in this state and
13 ownership of horses on association grounds, provided by 810 KAR 1:010. A licensed owner, as a
14 principal, shall be jointly liable and responsible with his licensed authorized agent for all acts and
15 omissions of the authorized agent serving in the owner's behalf in a racing matter, until written
16 notification from the owner revoking the agency is received by the commission[~~authority~~].

17 Section 10. Suspension. If the license of an owner is suspended or revoked, no horse owned
18 wholly or in part by the owner shall be permitted to race during such suspension unless the horse
19 is transferred to a licensed owner, and the transfer is approved by the stewards as completely
20 divesting the suspended former owner of control of or benefit from the subsequent racing of the
21 horse.

1 Section 11. Partnerships. (1) Partnerships shall be registered with the
2 commission[authority]. Partnership papers shall set forth the following:

3 (a) The name and address of every person having an interest in the horse involved;

4 (b) The relative proportion of the interests;

5 (c) To whom the winnings are payable;

6 (d) In whose name the horse shall run;

7 (e) With whom the power of entry and declaration rests;

8 (f) The terms of any contingency, lease, or any other arrangement; and

9 (g) The names of the horse involved.

10 (2) ~~[Any partner transacting business on behalf of a partnership shall own an interest~~
11 ~~therein at least equal to that owned by any other partner.~~

12 ~~—(3)—~~ All partnership registrations shall be signed by the principal partner or by his authorized
13 agent.

14 ~~(3)~~~~(4)~~ Any alteration in a recorded partnership shall be reported in writing to the
15 commission[authority] and signed by all the partners, or their authorized agent.

16 ~~(4)~~~~(5)~~ All the parties in a partnership and each of them shall be jointly and severally liable
17 for all stakes, fees, and other obligations.

1 PUBLIC PROTECTION CABINET

2 Kentucky Horse Racing Commission

3 (Amendment)

4 810 KAR 1:008. Trainers.

5 RELATES TO: KRS 230.215(2), 230.260(1)~~[230.210-230.360]~~

6 STATUTORY AUTHORITY: KRS 230.215(2), 230.260(8), 230.320(1), 230.290(2)~~[Chapter 13A]~~

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215(2) and 230.260(8) authorize the

8 commission to promulgate administrative regulations prescribing conditions under which all

9 horse~~[To regulate conditions under which thoroughbred]~~ racing shall be conducted in Kentucky.

10 This~~[The function of this]~~ administrative regulation establishes~~[is to outline]~~ the requirements for

11 trainers.

12 Section 1. License Required. No horse may be raced in this state unless the trainer thereof
13 has been granted a current trainer's license.

14 Section 2. Requirements for Trainer's License. (1) In addition to administrative regulations
15 applicable to licensees under 810 KAR 1:025~~[810 KAR 1:003]~~, a holder of a trainer's license:

16 (a) Shall be a person eighteen (18) years of age or older. No trainer may be licensed to train
17 under an assumed or stable name;

18 (b) Shall be qualified by experience or competence to care for and train race horses as
19 determined by a standard examination prescribed and given at any time by the stewards;

20 (c) Shall have in his charge a horse eligible to race;

- 1 (d) Shall not engage in an activity directly or indirectly involving the racing performance of
- 2 horses on association grounds other than those registered as being in his charge.

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1 (2) A licensed trainer shall not also be currently licensed to participate in racing in this state
2 as a jockey, apprentice jockey, jockey's agent, veterinarian, assistant veterinarian, dental
3 technician, farrier, apprentice farrier, or as an association racing department employee, except as
4 provided by 810 KAR 1:009.

5 (3) The commission~~[authority]~~ may deny, suspend, or revoke the~~[a]~~ trainer's license of~~[for]~~
6 the spouse, or any member of the immediate family or household, or a licensee ineligible to hold
7 a trainer's license under subsection (1)(d) of this section, unless there is a showing on the part of
8 the applicant or licensed trainer, and the commission~~[authority]~~ so finds that his participation in
9 racing as a trainer shall in no way circumvent the intent of this administrative regulation by
10 permitting a person, under the control or direction of a licensee ineligible to hold a trainer's
11 license to serve in essence as a substitute for the ineligible person.

12 Section 3. Duties and Responsibilities. A licensed trainer shall bear primary responsibility for
13 the proper care, health, training condition, safety, and protection against the administration of
14 prohibited drugs or medication of horses in his charge. A licensed trainer:

15 (1) Shall register with the racing association security~~[secretary]~~ all persons in his employ and
16 insure that those persons are duly licensed within twenty-four (24) hours after the employees
17 arrive on association grounds, or are employed. Upon discharge of an employee, a trainer shall
18 promptly notify~~[the Thoroughbred Racing and Protective Bureau and]~~ track security and the
19 commission~~[authority]~~ license administrator.

20 (2) Shall carry workers' compensation insurance covering his employees in connection with
21 racing as required by KRS Chapter 342.

1 (3) Shall register with the racing secretary all horses in his charge in accordance with 810
2 KAR 1:007. No licensed trainer may take or keep in his charge a horse owned wholly or in part, or
3 controlled by, a person unlicensed as an owner. No licensed trainer shall assume responsibility for
4 a horse not under his active care and supervision, except as provided by subsection (6) of this
5 section.

6 (4) Shall bear primary responsibility for horses he enters as to eligibility; weight allowance
7 claimed; physical fitness to perform creditably at the distance entered; absence of prohibited
8 drugs or medications; proper shoes, bandages, and equipment; and timely arrival in the saddling
9 paddock. A licensed trainer shall be jointly responsible with the licensed owner for horses he
10 enters as to stakes payments and jockey fees due.

11 (5) Shall furnish the name of the jockey engaged to ride each horse entered, ~~[if possible]~~ at
12 the time of entry, ~~[, but not later than scratch time]~~. If no rider ~~[jockey]~~ has been named at the time
13 of entry, or rider named is unavailable ~~[to ride a horse entered to race by scratch time]~~, then the
14 stewards shall name a ~~[select the best]~~ rider ~~[available to ride the horse]~~.

15 (6) Shall personally attend his horses in the paddock and supervise the saddling thereof,
16 unless excused by the stewards. If a licensed trainer is to be absent from association grounds
17 where his horses are stabled, he shall provide a substitute, his licensed assistant trainer or
18 another licensed trainer, to attend the saddling of horses already entered and to assume
19 complete responsibility for horses to be entered. The substitute shall be approved by the
20 stewards ~~[and shall sign in the presence of the stewards a form furnished by the authority~~
21 ~~accepting complete responsibility for horses the substitute enters]~~.

1 (7) May attend the taking and testing of urine, blood, or other biological sample approved
2 by the commission~~[sweat, saliva specimen, or other sample]~~ from a horse in his charge by the
3 commission~~[authority]~~ veterinarian~~[-and authority chemist]~~, or may delegate one of his licensed
4 employees to do so.

5 (8) Shall maintain the stable area assigned to him in a clean, neat, and sanitary condition in
6 all times, and insure that fire-prevention laws are strictly observed in his stable area.

7 (9) Shall promptly report to the commission~~[authority]~~ veterinarian or horse identifier any
8 sickness, or death of any horse in his charge.

9 Section 4. Restrictions on Ownership. No licensed trainer shall have any interest, by
10 ownership or lease in the racing or breeding qualities, in a horse of which he is not the trainer at
11 any race meeting at which such trainer is in charge of a racing stable.

12 Section 5. Horses Suspended. No horse in the charge of a trainer whose license has been
13 revoked or suspended, shall be permitted to race during the period of the trainer's suspension.
14 Upon application by the owners of the suspended horse, the stewards may approve the transfer
15 of the horses to the care of another licensed trainer, and upon the approved transfer, the horse
16 may be entered to race.

17 Section 6. Assistant Trainer. A licensed owner or licensed trainer may employ an assistant
18 trainer. The assistant trainer shall be licensed before acting in such capacity on behalf of his
19 employer. Qualifications for obtaining an assistant trainer's license shall be prescribed by the
20 stewards. A licensed assistant trainer shall assume the same duties and responsibilities as
21 imposed on the holder of a trainer's license. The licensed trainer shall be jointly responsible with
22 his assistant trainer for all acts and omissions of the assistant trainer involving a racing matter.

1 PUBLIC PROTECTION CABINET

2 Kentucky Horse Racing Commission

3 (Amendment)

4 811 KAR 1:055. Declaration to start; drawing horses.

5 RELATES TO: KRS 230.215(1)~~[230.215]~~, 230.260(1)

6 STATUTORY AUTHORITY: KRS 230.215(2), 230.240(1), 230.260(8)~~[230.260(3)]~~

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215(2) and 230.260(8)~~[230.260(3)]~~

8 authorize the commission~~[Authority]~~ to promulgate administrative regulations prescribing the
9 conditions~~[condition]~~ under which all horse racing shall be conducted Kentucky. This
10 administrative regulation establishes the requirements~~[requirement]~~ for declarations to start
11 and drawing horses.

12 Section 1. Declaration. (1) Extended pari-mutuel meetings. The declaration time shall be
13 the time posted on the condition sheet.

14 (2) A horse shall not start in more than one (1) race on a racing day.

15 (3) The time when declarations close shall be the time in use at the meeting.

16 (4) The association shall provide a locked box with an aperture through which declarations
17 shall be deposited.

18 (5) Responsibility for declaration box.

19 (a) The presiding judge shall be in charge of the declaration box.

1 (b) The presiding judge shall appoint an associate judge or the race secretary to draw
2 races in his or her absence.

3 (6) Prior to the opening of the box at extended pari-mutuel meetings where futurities,
4 stakes, early closing or late closing events are on the program, ~~[the presiding judge or]~~ the race
5 secretary shall:

6 (a) Ascertain if any declarations by telephone or otherwise are in the office and not
7 deposited in the entry box; and

8 (b) Ensure that they are declared and drawn in the proper event.

9 (7) ~~[Opening of declaration box.~~

10 ~~—(a)]~~ The presiding judge or the race secretary shall unlock and open the declaration box
11 and sort the declarations at the time specified on the condition sheet.

12 ~~[(b) After the presiding judge or the judge's designee unlocks the box, he or she shall~~
13 ~~deliver the sorted declarations to the race secretary.]~~

14 (8) Entry box and drawing of horses at extended pari-mutuel meetings.

15 (a) The entry box shall be opened by the presiding judge or the judge's designee at the
16 time specified on the condition sheet.

17 (b) ~~[The presiding judge or the judge's designee shall ensure that at least one (1)~~
18 ~~horseman or an official representative of the horseman is present.]~~ An owner or agent for a
19 horse with a declaration in the entry box may be present.

20 (c) Under the supervision of the racing secretary ~~[presiding judge or the judge's designee]~~,
21 all entries shall be listed, the eligibility verified, preference ascertained, starters selected and
22 post positions drawn.

1 (d) If it is necessary to reopen any race, a minimum of two 2~~(2)~~ public announcements
2 shall be made and the box shall be reopened at the announced time.

3 (9) In races of a duration of more than one (1) dash or heat at a pari-mutuel meeting, the
4 judges may draw post positions from the stand for succeeding dashes or heats.

5 (10) A declaration made and received that is deposited in the box before the time
6 specified to declare in shall be drawn in the same manner regardless of whether it was received
7 by telephone or otherwise.

8 (a) The drawings shall be final.

9 (b) A declaration shall state the:

- 10 1. Name and address of the owner or lessee;
- 11 2. Name, color, sex, sire and dam of the horse;
- 12 3. Name of the driver and his colors;
- 13 4. Date and place of last start;
- 14 5. Past performance of the horse, including the number of starts, first, seconds, thirds,
15 earnings and best winning time for the current year; and
- 16 6. Event or events in which the horse is to be entered.

17 (11) Effect of failure to declare on time. If an association requires a horse to be declared at
18 a stated time, failure to declare at that time shall be considered a withdrawal from the event.

19 (12) Withdrawal of a horse after declaration.

20 (a) After declaration to start has been made, a horse shall be withdrawn only because of
21 sickness, lameness, injury, or hazardous track conditions. The presiding judge shall make the
22 final determination of whether or not to grant permission.

1 (b) A horse eligible to start in a second, third, or fourth heat of a race shall not be
2 withdrawn without the permission of the judges in accordance with paragraph (a) of this
3 subsection.

4 (c) A person who withdraws a horse without permission.

5 (13) A horse omitted through error.

6 (a) Except as provided in this subsection, a drawing shall be final.

7 (b) A horse that has been omitted shall be added to the race and given the outside post
8 position if:

9 1. There is conclusive evidence that the horse was properly declared;

10 2. The horse was omitted from the race through error of an association, its agent, or
11 employee; and

12 3. The error is discovered prior to the electronic distribution of the overnight sheet.

13 (c) For a pari-mutuel meeting, the provisions of this subsection shall apply only if the error
14 is discovered prior to the publication of the official program.

15 Section 2. Qualifying Races. At an extended pari-mutuel meeting, declarations for
16 overnight events shall be governed by the following:

17 (1)(a) Within ~~forty-five (45)~~thirty (30) days of being declared in, a horse that has not
18 raced previously at the gait chosen shall:

19 1. Complete a qualifying race in compliance with the conditions set forth by the
20 association under the supervision of a judge holding a presiding or associate judge's license for
21 pari-mutuel meetings; and

22 2. Acquire at least one (1) charted line by a licensed charter.

1 (b) Time and beaten lengths shall be determined by a standard photo finish.

2 (2)(a) The requirements of subsection (1) of this section shall apply to a horse that does
3 not show a charted line for:

4 1. The previous season; or

5 2. Within its last six (6) starts.

6 (b) Uncharted races contested in a heat of more than one (1) dash, and consolidated
7 according to subsection (4) of this section shall be considered one (1) start.

8 (3)(a) The requirements of subsection (2) of this section shall not apply if a horse:

9 1. Has raced at a charted meeting during the current season; and

10 2. Has two (2)~~to~~ meetings at which the races are not charted.

11 (b) The information from the uncharted races may be:

12 1. Summarized, including each start; and

13 2. Consolidated in favor of charted lines.

14 (4) If the race is less than one (1) mile, the consolidated line shall list the carry date, place,
15 time, driver, finish, track condition, and distance.

16 (5)(a) The judges shall require a horse that has been on the judge's list to successfully
17 complete a qualifying race except as provided in subsection (6)(a) of this section.

18 (b) If a horse has raced in individual time not meeting the qualifying standards for that
19 class of horse, after making allowance for track variations, the horse shall be required to
20 successfully complete a qualifying race.

1 (6)(a) Except as provided by paragraph (b) of this subsection, if adequate competition is
2 not available for a qualifying race, the judges may permit a fast horse to qualify by a timed
3 workout that is consistent with the time of the races in which the horse will compete.

4 (b) A horse shall be required to qualify in a qualifying race if it is on the judge's list for any
5 of the following:

- 6 1. Breaks;
- 7 2. Refusing to come to the gate;
- 8 3. Poor performance; or
- 9 4. Being unmanageable.

10 (7) Qualifying races shall be:

- 11 (a) Held at least one (1) week prior to the opening of a meeting of ten (10) days or more;
- 12 and
- 13 (b) Scheduled as needed through the last week of the meeting.

14 (8)(a) A race to qualify drivers and horses shall be charted, timed, and recorded.

15 (b) A race to qualify only drivers shall not be required to be charted, timed, and recorded.

16 (9)(a) Except as provided in paragraph (b) of this subsection, if a horse takes a win record
17 in a qualifying race, the record shall be prefaced with the letter "Q".

18 (b)1. The record shall not be prefaced with the letter "Q" if, immediately prior to or
19 following the race, the horse has been submitted to an approved urine, saliva, or blood test.

20 2. The presiding judge shall report the test on the judge's sheet.

1 (10) Before it is permitted to start in a race with pari-mutuel wagering, a horse must have
2 a clean charted line within forty-five (45) days and meet the standards of the meeting~~[that fails~~
3 ~~to race at a charted meeting within thirty (30) days after having started shall:~~

4 ~~— (a) Start in a charted race, or a qualifying race; and~~

5 ~~— (b) Meet the standards of the meeting.]~~

6 (11) A horse shall not enter more than one (1) qualifying race per day.

7 Section 3. Coupled Entries. (1)(a) Except as provided by the provisions of this section, two
8 (2) or more horses shall be coupled as a single entry if they are:

9 1. Owned or trained by the same person; or

10 2. Trained in the same stable by the same management.

11 (b) A wager on one (1) of the horses coupled as an "entry" shall be a wager on all horses in
12 the entry.

13 (2)(a) If a trainer enters two (2) or more horses, under bona fide separate ownerships or
14 the same ownership, ~~[in the events specified in paragraph (b) of this subsection,]~~ each horse
15 may race as a separate betting entry if:

16 1. The association has requested they be permitted to race as separate betting entries;

17 and

18 2. The judges approve the request.

19 (b) In overnight events the entries do not exclude any single interest.

20 ~~— (c) In overnight events, part of an uncoupled entry drawing also eligible may not be~~
21 ~~moved into a race to replace another part of the uncoupled entry.~~ ~~[This subsection shall apply to~~
22 ~~any stake, early or late closing event, futurity, free for all, or other special event.]~~

1 ~~(d)~~(e) If more than one (1) horse is trained by the same person, that fact shall be stated
2 prominently in the program.

3 (e) The judges may place both horses in an uncoupled entry if the judges deem that the
4 actions of one part of the uncoupled entry helped or improved the other.

5 ~~(f)~~(d) If the race is split in two (2) or more divisions, horses coupled or uncoupled in a
6 single entry shall be seeded insofar as possible, in the following order, by:

- 7 1. Owners;
- 8 2. Trainers; and
- 9 3. Stables.

10 ~~(g)~~(e) Divisions and post positions shall be drawn by lot.

11 ~~(h)~~(f) Elimination heats also shall be governed by the provisions of paragraphs ~~(f)~~(d)
12 and ~~(g)~~(e) of this subsection.

13 (3) The presiding judge or the race secretary shall be responsible for coupling horses.

14 (4)(a) If it is necessary to protect the public interest, horses that are separately owned or
15 trained may be coupled for pari-mutuel wagering; and

16 (b) An entry shall not be rejected on that basis.

17 (5) If an owner, lessor, or lessee has a vested interest in another horse in the same race, it
18 shall constitute an entry.

19 Section 4. Also Eligibles. (1) More than two (2) horses shall not be drawn as also eligibles
20 for a race.

21 (2) The positions of also eligibles shall be drawn along with the starters in the race.

22 (3) If one (1) or more horses are excused by the judges, the also eligible horse shall:

1 (a) In handicap races in which the handicap is the same, take the place of the horse that it
2 replaces;

3 (b) In handicap races in which the handicap is different, take the position on the outside of
4 the horses with a similar handicap; or

5 (c) In other races, take the post position drawn by the horse it replaces.

6 (4) A horse shall not be added to a race as an also eligible unless the horse was drawn at
7 the time declarations closed.

8 (5)(a) A horse shall not be barred from a race to which it is otherwise eligible by reason of
9 its preference due to the fact that it has been drawn as an also eligible. A horse moved into the
10 race from the also eligible list shall not be drawn without the permission of the judges.

11 (b) The owner or trainer of a horse moved into the race from the also eligible list shall be
12 notified that the horse is in to go.

13 (6) A horse on the also eligible list that is not moved into race by scratch time of the track
14 shall be released.

15 Section 5. Preference. (1)(a) Preference shall be given in overnight events according to a
16 horse's last previous purse race during the current year.

17 (b) The preference date on a horse that has drawn to race and has been scratched shall be
18 the date of the race from which the horse was scratched.

19 (2) If a horse is racing for the first time in the current year, the date of the first successful
20 qualifier shall be considered the horse's last race date, and preference shall be applied
21 accordingly.

1 (3)(a) If an error has been made in determining or posting a preference date, and the
2 error deprives an eligible horse of an opportunity to race, the trainer involved shall report the
3 error to the racing secretary within one (1) hour of the announcement of the draw.

4 (b) If a preference date error has occurred, the race shall be redrawn.

5 Section 6. Judge's List. (1)(a) A horse shall be placed on a judge's list by the presiding judge
6 if it is unfit to race because it:

7 1. Is dangerous;

8 2. Is unmanageable;

9 3. Is sick;

10 4. Is lame; or

11 5. Is unable to show a performance to qualify for races at the meeting; or

12 6. Has exhibited repeated breaks.

13 (b) The owner or trainer shall be notified in writing when a horse is placed on a judge's
14 list, and the specific item listed in paragraph (a) of this subsection upon which the action is
15 based.

16 (c) Declaration on a horse placed on a judge's list shall be refused.

17 (d) If a horse is placed on a judge's list, the clerk of the course shall make a note on the
18 electronic eligibility of the horse stating the:

19 1. Date it was placed on the judge's list;

20 2. Reason it was placed on the judge's list; and

21 3. If the horse has been removed from the judge's list, the date of its removal.

1 (2)(a) A presiding judge or other official at a nonextended meeting shall not remove from
2 the judge's list and accept as an entry a horse that:

- 3 1. Has been placed on a judge's list; and
- 4 2. Has not been removed from the judge's list because it is dangerous or unmanageable.

5 (b) A presiding judge shall refuse declarations on a horse that has been placed on, but not
6 removed from, a judge's list.

7 (3) A horse scratched from a race because of lameness or sickness shall not race for a
8 period of seven (7) day beginning with the day of the scratch.

9 Section 7. Driver. (1) A declaration shall state the name of the horse's driver and the
10 driver's colors.

11 (2) A driver shall not be changed after scratch time of the track without the permission of
12 the judges. The judges shall grant permission if:

13 (a) The driver is unable to be on the premises for a good-faith reason beyond his or her
14 control; or

15 (b) The driver is on the premises but unable to participate due to illness or injury.

16 (3) If a nominator starts two (2) or more horses, the judges shall approve the second and
17 third drivers if no conflicts of interest exist between the ownership of the horses and the
18 drivers.

19 Section 8. (1) The presiding judge shall call a meeting of all horsemen on the grounds
20 before the opening of an extended pari-mutuel meeting to appoint a committee to consist of
21 the presiding judge, a representative of the association, and a representative of the Kentucky

1 Harness Horseman's Association to consider matters relating to the withdrawal of horses due to
2 bad track or weather conditions.

3 (2)(a) If track conditions are questionable due to weather, the presiding judge shall call a
4 meeting of the committee formed in subsection (1) of this section.

5 (b) Upon unanimous decision by the committee that track conditions are safe for racing,
6 withdrawals shall not be made.

7 (3)(a) An entrant may scratch a horse if:

8 1. A decision by the committee that the track is safe is not unanimous; and

9 2. The entrant has posted ten (10) percent of the purse for the race.

10 (b) A person who scratches a horse for a reason other than sickness, lameness, injury, or
11 hazardous track conditions shall be considered to be in violation of this administrative
12 regulation.

13 (c) If sufficient withdrawals are received to cause the field to be less than six (6), the
14 association shall have the right to postpone an early closing event or stake and cancel an
15 overnight event.

16 (4)(a) The money posted pursuant to subsection 3(a)2 of this section shall be forwarded to
17 the commission[Authority].

18 (b) The commission[Authority] shall determine whether a withdrawal was for sickness,
19 lameness, injury, or hazardous track conditions.

20 (c) The money shall be:

21 1. Forfeited if the commission[Authority] determines that the withdrawal was not for
22 good cause; or

1 2. Refunded if the commission[Authority] determines that the withdrawal was for good
2 cause.

3 (5) This section applies only to the withdrawal of horses that have been properly declared
4 in and does not apply to postponement as set forth in 811 KAR 1:060.

5 Section 9. Length of Race and Number of Heats. (1) A race or dash shall be listed at a
6 stated distance in units no shorter than one-sixteenth (1/16) of a mile.

7 (2) The length of the race and the number of heats shall be stated in the conditions.

8 (3) If a distance or number of heats is not specified, any race shall be a single mile dash
9 except at fairs and meetings of a duration of six (6) days or less where they shall be conducted
10 in two (2) dashes at one (1) mile distances.

11 Section 10. Two (2) Year Olds. A two (2) year old shall not be permitted to:

12 (1) Start in a dash or heat exceeding one (1) mile in distance; or

13 (2) Race in more than two (2) heats or dashes per day.

14 Section 11. Penalties. A person or association that violates any provision of this
15 administrative regulation shall have committed a Category 1 violation and shall be subject to
16 the penalties set forth in 811 KAR 1:095, Section 4(1).



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

To: Kentucky Horse Racing Commission (“KHRC”)

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

Date: October 27, 2016

Re: Request for Additional Wagering Types and Pools at Kentucky Downs

Kentucky Downs has requested commission approval of four (4) additional pari-mutuel wagering pools (1035, 1037, 1200, and 9001) offered through Exakta Systems on historical horse races.

Gaming Laboratories International (GLI) has tested the additions and amendments to the proposed wagering pools to ensure compliance with Kentucky statutes and administrative regulations, and KHRC staff has reviewed the documentation to further ensure compliance.

The GLI reports and related documents are available for review at the KHRC office.

Staff recommends the approval of these changes.

COMMISSION ACTION

_____ **Approved**

_____ **Denied**

_____ **Deferred**



P.O. Box 405

Franklin, Kentucky 42135

270.586.7778

www.kentuckydowns.com

October 24, 2016

**Marc Guilfoil, Executive Director
Kentucky Horse Racing Commission
4063 Ironworks Parkway, Building B
Lexington, KY 40511**

Dear Mr. Guilfoil,

Attached you will find specifications for four new Exacta pari-mutuel pools (1035, 1037, 1200, & 9001). A proposed new layout and game mix, including game title utilizing these additional wagers, will be submitted prior to deployment of these wagers.

The "Pool Split/Seed Pool/Minimum Pay" section provided in each specification contains confidential and proprietary information, "which if openly disclosed would permit an unfair commercial advantage to competitors." KRS § 61.878(1)(C)(1). As such, all pages in the "Pool Split/Seed Pool/Minimum Pay" sections have been designated as "Confidential."

Gaming Laboratories International (GLI) has tested and confirmed that the submitted Exacta System pari-mutuel pools and game themes comply with the requirements set forth in the Kentucky regulations.

Thank you for the consideration of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ted Nicholson", is written over the word "Sincerely,".

**Ted Nicholson
Senior Vice President – General Manager of Gaming**



P.O. Box 405

Franklin, Kentucky 42135

270.586.7778

www.kentuckydowns.com

APPENDIX A:

- **Exacta Systems – Pari-Mutuel Pool Variations:**
 - 1035,
 - 1037,
 - 1200,
 - 9001,
 - Updated 3010

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: October 27, 2016

Re: 2017 License Application for AmTote International

AmTote International ("AmTote") submitted a renewal application for 2017 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 and the KHRC Wagering Integrity Committee have reviewed the application. AmTote has been cooperative and forthcoming with requests for additional information.

Among other things, the AmTote application states as follows:

- It was organized in Delaware in 1991 as a limited liability company and is 100% owned by The Stronach Group, and its principal business office is currently located in Hunt Valley, Maryland
- 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 23 states and in every jurisdiction in which the organization operates that currently requires a license to perform totalizator services.
- It currently provides totalizator services for live and simulcast races at Ellis Park and historical horse racine at The Red Mile.
- It has had an SOC 1 Type II Report audit (formerly SAS 70 audit) of its internal controls completed in the 12 months prior to the submission of their application. The independent auditors, Deloitte, LLP, issued a satisfactory opinion and noted no major exceptions. AmTote International has plans in place to address the few minor exceptions noted in the report.

- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.
- It has operational systems in place that will maintain compliance with the Kentucky Horse Racing Commission Totalizator Standards. AmTote has also signed an affidavit indicating that the organization will abide by the Kentucky Horse Racing Commission Totalizator Standards.

Full renewal of the application to provide totalizator services 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

MWF

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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.

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.

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.

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.

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.

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

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.

Initials of Person Completing Application

MWF

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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? 1933 re-incorp in 1991

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

6. Attach certificates of good standing in the state of organization and in Kentucky.

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.

See attachment 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. See attachment B.8

9. What amount of capital is Applicant investing in offering totalizator services within the Commonwealth? \$700,000

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).

See attachment B.11

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. Applicant will have sole decision making authority.

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

Initials of Person Completing Application

MWF

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

Class A 2,000 Class B 18,000
Authorized

Class A 71.25 Class B 6,003.75
Issued

Class A 1,928.75 Class B 11,966.25
Unissued

Class A 0 Class B 0
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) Keith Johnson _____
Name Address

President _____ 0%
Title Shares Issued

0%
Nature and/or % Of Interest

b) Michael W. Fuchek _____
Name Address

VP, General Counsel & Secretary _____ 0%
Title Shares Issued

0%
Nature and/or % Of Interest

c) Brenan Redman _____
Name Address

COO _____ 0%
Title Shares Issued

0
Nature and/or % Of Interest

Initials of Person Completing Application

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d) Mike Rogers _____
 Name Address

Vice-President, Operations _____ 0%
 Title Shares Issued

0%
 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.

a) NA
 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. NA

16. Briefly summarize any ownership interest allowing a debt holder to convert debt to equity and assert financial or managerial control over Applicant. None

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. None

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.

Initials of Person Completing Application
MWR

19. Other registrations with the Commonwealth of Kentucky.

a) Kentucky Department of Revenue tax identification number:

Employer Withholding #011043

Sales & Use #181101

Unemployment Insurance #004616751

Corporation ID/Account #094230

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: CT Corporation

Address: 120 South Central Avenue, Clayton, MO 63105

20. Applicant's Federal Identification Number:

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.

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BUSINESS NAME AND ADDRESS	TYPE OF BUSINESS	DESCRIPTION OF INTEREST, INCLUDING PERCENTAGE OF OWNERSHIP IN BUSINESS	HELD BY WHOM
NAME AmTote Canada, Inc. ADDRESS 555 Rexdale Blvd, Rexdale, Ontario Canada M9W 5L2	Corporation	wholly owned subsidiary	AmTote International, Inc.
NAME AmTote Australasia Pty, Ltd. ADDRESS 14-16 Suakin Street, Ground Floor Pymble, N5W australia 2073	Proprietary Limited	wholly owned subsidiary	AmTote International, Inc.
NAME AmTote South Africa (Pty) Ltd ADDRESS Central Office Park Unit Centurion 257 Jean Avenue 0157	Private Company	wholly owned subsidiary	AmTote International, Inc.

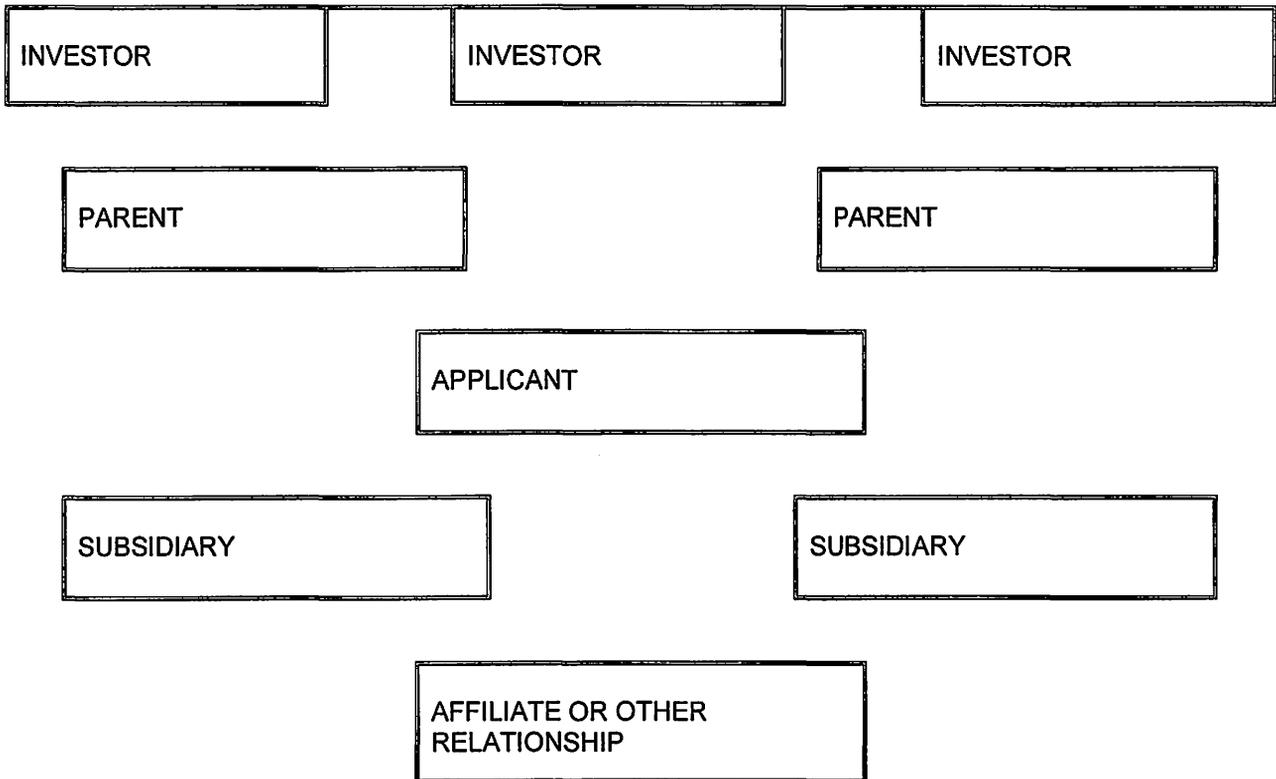
D. DIRECT BUSINESS ORGANIZATIONAL CHART:

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.

Initials of Person Completing Application
MWF



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.

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.

G. RELATIVES EMPLOYED BY THE COMMONWEALTH OF KENTUCKY:

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 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

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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

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-party? 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? NA

List City, County, and State/ZIP: NA

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. NA

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. NA

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.

Date: 3/5/09 City: Delaware State/ZIP: 19801

Court: U.S. Bankruptcy Court, District of Delaware, 824 Market Street, 3rd Floor, Wilmington, DE 19801

Nature and disposition of case: Chapter 11, Cae 09-10720

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On March 5, 2009, AmTote's parent company, Magna Entertainment Corp ("MEC"), filed a petition under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware, Case No. 09-10720 (MFW) Jointly Administered. Included in the bankruptcy filing were AmTote and a number of other MEC subsidiaries and affiliates. No receiver was appointed in the Case. On April 30, 2010, MEC's Plan of Reorganization was confirmed by the Bankruptcy Court, and MEC and all of its subsidiaries, including AmTote, emerged from bankruptcy.

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.

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.

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. Same as 2011 application

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. Same as 2011 application

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

Initials of Person Completing Application

MVE

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4. Provide a detailed description of the equipment used to record transactions. Same as 2011 application
5. Provide the names and positions of all individuals who are assigned to work on totalizator operations in the Commonwealth of Kentucky. Jay O'Neal, Supervisor
Tony Mara, Tote Manager/Operator
Tim Yelton, Manager

L. LOCATION AND PHYSICAL PLANT:

1. Location of principal office: 11200 Pepper Road, Hunt Valley, MD 21031
2. Location of satellite offices: None
3. Location of any other types of facilities: None
4. Will any facilities be located in Kentucky? Yes

If yes, please describe: In conjunction with any totalizator operations in the Commonwealth of Kentucky, AmTote will operate and maintain a "Race Day Control room" at any racetrack facility serviced by AmTote.

If yes, how many employees will be required to operate the Kentucky facility? 3

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
MVF

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SWORN STATEMENT ENDORSING APPLICATION

., Michael W. Fuchek, 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.

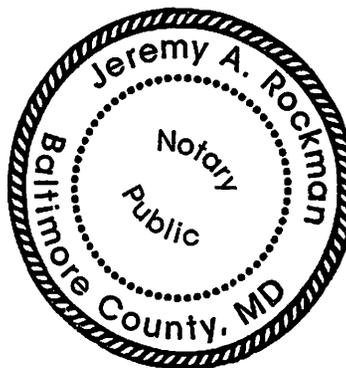
I further understand that in the event of the denial or withdrawal of this application, any application fees submitted by the Applicant shall not be refunded except to the extent that the fees have not been expended in the application process.

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.

Michael W. Fuchek

Signature
Subscribed and sworn to before me this 22 day of July, 2016.

[Signature]
Notary Public
My Commission Expires: 8/29/2017

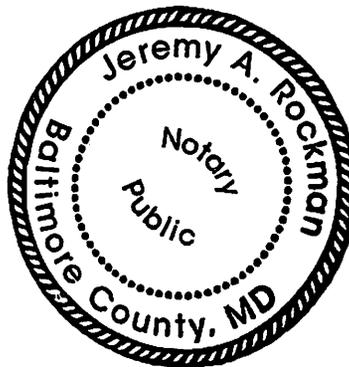


I, Michael W. Fuchek, under the penalty of perjury being duly sworn, deposes and says that the above statements are true and correct to the best of his/her knowledge and belief and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may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

Michael W. Fuchek

Signatory for Applicant
Subscribed and sworn to before me this 22 day of July, 2016.

[Signature]
Notary Public
My Commission Expires: 8/29/2017



AUTHORIZATION FOR EXAMINATION AND RELEASE OF INFORMATION

I, Michael W. Fuchek, 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: July
Date of Birth: _____
Social Security: _____

Signature Michael W. Fuchek
Applicant's Name: Michael W. Fuchek

Subscribed and sworn to before me on this the 22 day of July, 2016.



Jeremy A. Rockman
Notary Public in and for Baltimore
County, State of Maryland
My Commission Expires: 8/29/2017

Initials of Person Completing Application
MWF

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: October 27, 2016

Re: 2017 License Application for Sportech Racing, LLC

Sportech Racing, LLC ("Sportech") has submitted a renewal application for 2017 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 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.

- Sportech has complied with the additional conditions of licensure from the Kentucky Horse Racing Commission in 2016.

Full renewal of the application to provide totalizator services is recommended.

COMMISSION ACTION

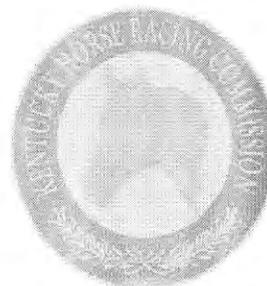
_____ Approved

_____ 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-mutual 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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A6



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.

No change. Submitted in 2015.

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 Attachment 1 Audited financial statements for 2014 and 2013 submitted in 2015.

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 attached 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.

Initials of Person Completing Application

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A.G.



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: 600 Long Wharf Dr., New Haven, CT 06511
- 6. Telephone: (678) 710-2959
- 7. Date of birth: _____ Sex: Male
- 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

N/A

Date: _____

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: 600 Long Wharf Dr., New Haven, CT 06511
(203) 946-3100
- 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

Initials of Person Completing Application

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A.G.



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? Formation 2010

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 Please refer to attached Exhibit B-7
Lobbyists.

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: Please refer to attached Exhibit B-11

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).

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. _____

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

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

Initials of Person Completing Application:

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A.G.



100% of the membership interests of Sportech Racing, LLC are owned 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.

Please refer to attached Exhibit B-14

a) _____
 Name Address

 Title Shares Issued

 Nature and/or % Of Interest

b) _____
 Name Address

 Title Shares Issued

 Nature and/or % Of Interest

c) _____
 Name Address

 Title Shares Issued

 Nature and/or % Of Interest

Initials of Person Completing Application

A.B.

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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

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: Applied

Initials of Person Completing Application

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- 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: 01-0894947

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			

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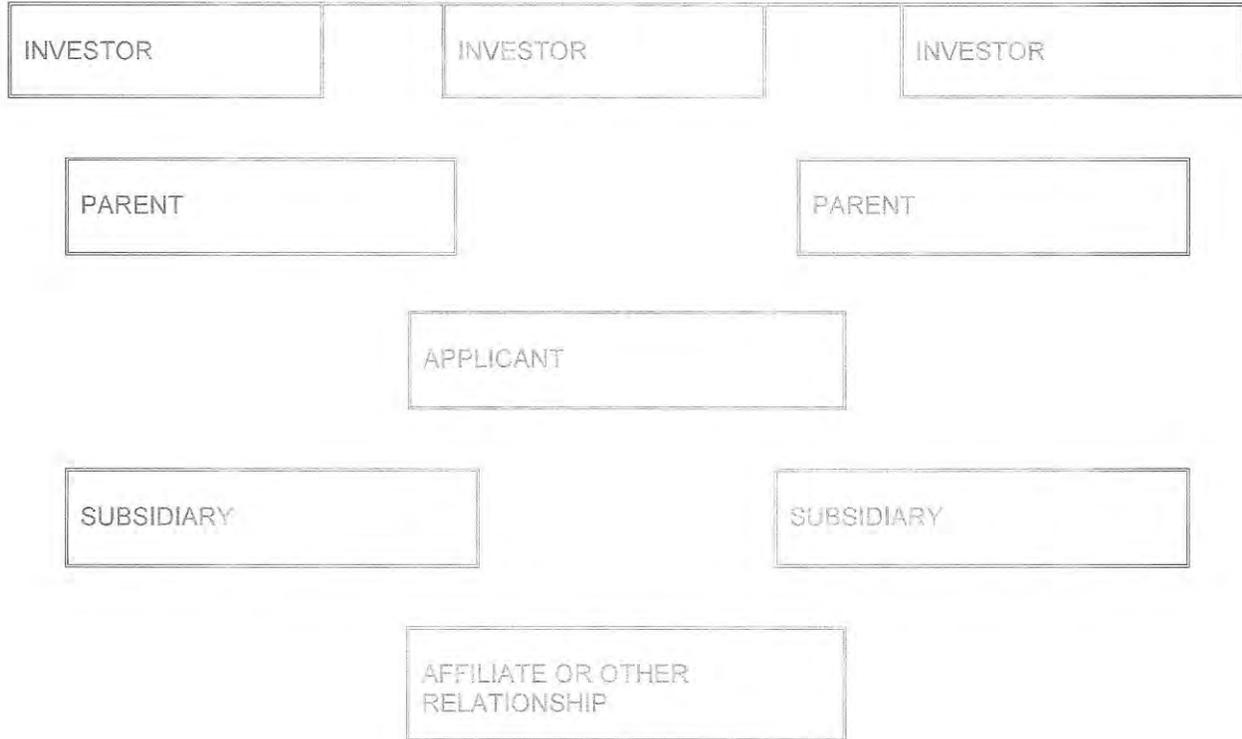
A.6



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.

EXAMPLE Please refer to attached Exhibit D



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 Attachment 1.

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. Tax returns for 2014 and 2013 were submitted in the 2015 application.

G. RELATIVES EMPLOYED BY THE COMMONWEALTH OF KENTUCKY:

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

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indicate whether the agent, officer, or employee information presented applies to the Applicant or the person completing the application. None

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-party? 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? _____

List City, County, and State/ZIP: _____

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

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A.B.



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 attache 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. No change. Submitted in 2015.

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. No change. Submitted in 2015.

Initials of Person Completing Application

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3. On a separate sheet, describe in detail the security plans for the totalizator rooms housing the Central Processing Units that process wagers made at each facility to which the Applicant provides totalizator services. Please refer to Exhibit K-3
4. Provide a detailed description of the equipment used to record transactions. No change. Submitted in 2015.
5. Provide the names and positions of all individuals who are assigned to work on totalizator operations in the Commonwealth of Kentucky. Please refer to attached Exhibit K-5

L. LOCATION AND PHYSICAL PLANT:

1. Location of principal office: 600 Long Wharf Dr., New Haven, CT 06511
2. Location of satellite offices: 1095 Windward Ridge Pkwy., Ste. 170, Alpharetta, GA 30005
815 E. Gate Dr., Ste. 101, Mt. Laurel, 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

Andrew I. Gaughan

I, _____, 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 19th day of JULY 20 16

Sharon Kaplan

Notary Public
My Commission Expires: 11-26-17

Andrew I. Gaughan

I, _____, 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 19th day of JULY 20 16

Sharon Kaplan

Notary Public
My Commission Expires: 11-26-17



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AUTHORIZATION FOR EXAMINATION AND RELEASE OF INFORMATION

Andrew I. Gaughan

I, _____, 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: 7/19, 2016

State Security Number: _____

Signature _____
Applicant's Name: Andrew I. Gaughan

Subscribed and sworn to before me on this the 19th day of July, 2016

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



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AFFIDAVIT

I, Andrew I. Gaughan, President of Sportech Racing, LLC, an applicant for a License to Provide Totalizator Services ("Applicant"), being duly sworn, do depose and say the following:

1. Applicant is in compliance with the general management standards and personnel standards of the Kentucky Horse Racing Commission Totalizator Standards set forth Section KHRC-150-03 (the "Standards");
2. Applicant's totalizator system is in compliance with the hardware standards, software standards, and report and log requirements of the Standards; and
3. the facility where Applicant's totalizator system resides is in compliance with the facility standards of the Standards.

[Handwritten signature]

JULY 19, 2016
Date

STATE OF *New Jersey*)
COUNTY OF *Burlington*)

Subscribed and sworn to before me this 19 day of July, 2016 ~~November, 2015~~.

[Handwritten signature]
Notary Public



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: October 27, 2016

Re: 2017 License Application for United Tote Company

United Tote Company ("United Tote") submitted a renewal application for 2017 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 and the KHRC Wagering Integrity Committee have reviewed the application. United Tote has been cooperative and forthcoming with requests for additional information.

Among other things, the United Tote application states as follows:

- It was organized in Montana in 1975 as a limited liability company and is 100% owned by Churchill Downs Incorporated, and its principal business office is currently located in Louisville, Kentucky.
- 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 Montana.
- It is currently licensed in 28 states and provinces and in every jurisdiction in which the organization operates that currently requires a license to perform totalizator services.
- It currently provides totalizator services to Bluegrass Downs, Churchill Downs, Keenland, The Red Mile Thunder Ridge, and Turfway Park.
- It has had an SOC 1 Type II Report audit (formerly SAS 70 audit) of its internal controls completed in the past 12 months prior to the submission of their application. The independent auditors, Mountjoy Chilton and Medley,, LLP, issued a satisfactory opinion and noted no major exceptions.
- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.

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

Full renewal of the application to provide totalizator services 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.

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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.

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.

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.

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.

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.

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

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: Nathaniel J. Simon

B. Occupation: President, United Tote Company

C. Relationship to Applicant: President

D. Date on which relationship with Applicant commenced: April 2011

E. Address:

F. Telephone:

G. Date of birth: _ Sex: M _

Place of birth (City, County, State/ZIP, Country): Louisville, Jefferson County, Kentucky

J. Driver's License Number: State: Kentucky

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): United Tote Company

2. Address of Applicant's principal business office and telephone number: 600 N. Hurstbourne Pkwy., Suite 400, Louisville, KY 40222, 502-636-4400

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NJS



3. Trade or Corporate Name of Applicant: N/A Address: N/A

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: N/A

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? 1975

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

6. Attach certificates of good standing in the state of organization and in Kentucky.

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.

See 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. See Attached - Exhibit B.8

9. What amount of capital is Applicant investing in offering totalizator services within the Commonwealth? For 2016, United Tote Company is spending approximately \$70,000 in tote terminal refurbishment for utilization across its Kentucky customer base.

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. Churchill Downs Incorporated ("CDI") (Applicant's parent company) is constantly looking at business ventures and may decide not to pursue them for a variety of reasons. In 2011, CDI discontinued operations of Churchill Downs Entertainment Group.

CDI failed in its bid to obtain a casino license in New York State during the 2014 bidding process. On May 13, 2014, CDI entered into a 50% joint venture with Saratoga Harness Racing Inc., to bid on the development, construction and operation of the Capital View Casino & Resort located in the Capital Region near Albany, New York. On December 17, 2014, the Gaming Facility Location Board announced the award of three casino licenses in the state and awarded the Capital Region license to another bidder.

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:

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NJS

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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%) of 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).

See Attached - Exhibit B11 for gambling ventures. On April 27, 2016, an operational incident occurred causing an errant pool transfer to an out of state wagering entity, greatly inflating a pool hosted by that same entity. United Tote submitted an incident report to the Kentucky Horse Racing Commission ("KHRC") and the entity whose pool was inflated. The KHRC investigated, including interviewing the United Tote operator, and on May 18, 2016, confirmed that it was done with its investigation of the incident and that United Tote had acted in compliance with license conditions as prescribed by the KHRC.

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. The Churchill Downs Incorporated management team shares decision-making authority.

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

Common Stock

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

10,000
Authorized

1,000
Issued

1,000
Unissued

N/A
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) <u>Nathaniel J. Simon,</u>	
Name	Address
<u>President/Director</u>	<u>0 shares</u>
Title	Shares Issued

Initials of Person Completing Application
NJS



N/A

Nature and/or % Of Interest

b) Andrew Archibald

Name

Address

Secretary

0 Shares

Title

Shares Issued

N/A

Nature and/or % Of Interest

c) Michael W. Anderson,

Name

Address

Treasurer/Director

0 Shares

Title

Shares Issued

N/A

Nature and/or % Of Interest

d) Benjamin C. Murr,

Name

Address

Chairman/ Director

0 Shares

Title

Shares Issued

N/A

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.

a) See Attached - Exhibit B.15.

The reference to both Secured and Unsecured Debt is discussed on pages 65-67 of the Form 10-K.

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

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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. Yes

16. Briefly summarize any ownership interest allowing a debt holder to convert debt to equity and assert financial or managerial control over Applicant. See attached Exhibit E, Form 10-K at page 81 Computation of Net Income per Common Share.

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. No change, see 2012 License Renewal Application - Supplemental Response; same answer.

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: N/A United Tote Company files its return as a part of the CDI consolidated return.

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: CT Corporation System

Address: 306 W. Main Street, Suite 512, Frankfort, KY 40601.

20. Applicant's Federal Identification Number:

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.

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BUSINESS NAME AND ADDRESS	TYPE OF BUSINESS	DESCRIPTION OF INTEREST, INCLUDING PERCENTAGE OF OWNERSHIP IN BUSINESS	HELD BY WHOM
NAME See Attached - Exhibit C.1. ADDRESS			
NAME ADDRESS			
NAME ADDRESS			

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. See Attached - Exhibit D

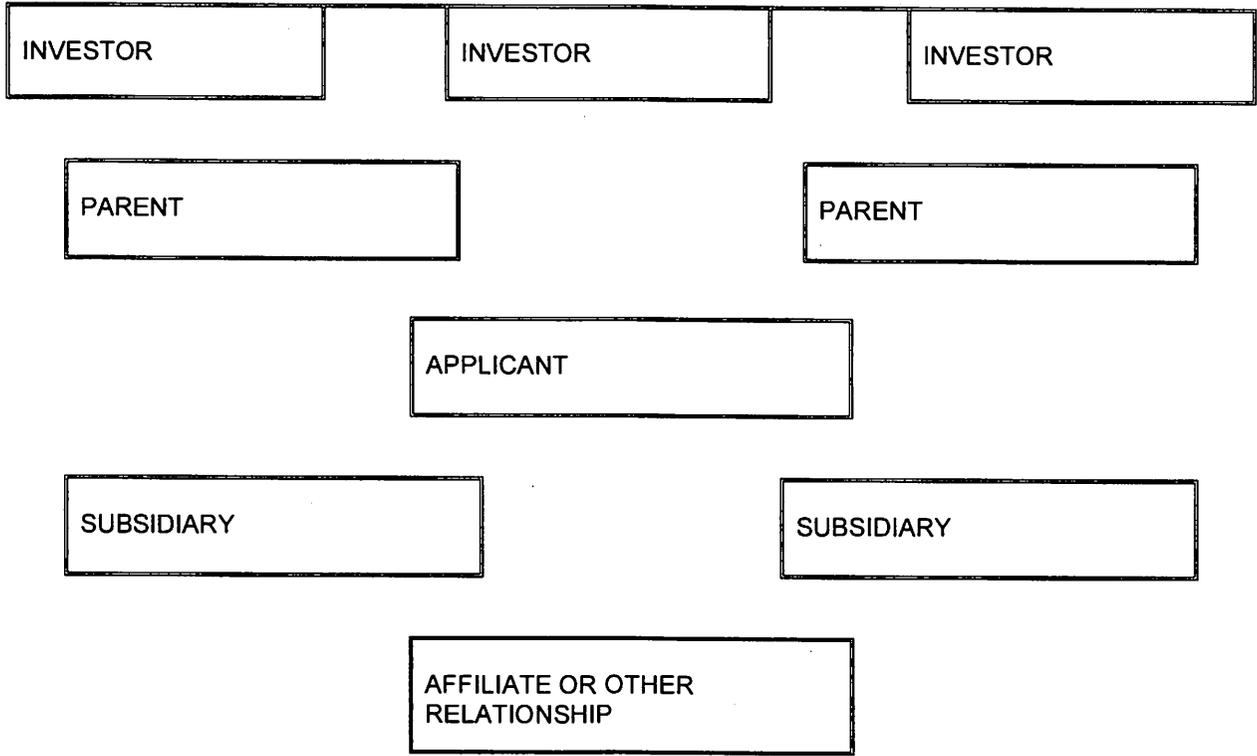
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EXAMPLE



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. See Attached - Exhibit E

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. See Attached-Exhibit F

G. RELATIVES EMPLOYED BY THE COMMONWEALTH OF KENTUCKY:

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 indicate whether the agent, officer, or employee information presented applies to the Applicant or the person completing the application. See Attached-Exhibit G

H. CRIMINAL HISTORY:

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

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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

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-party? 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? _____

List City, County, and State/ZIP: _____

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. See 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. See Attached Exhibit I.2.

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.

Date: Not Applicable City: _____ State/ZIP: _____

Court: _____

Nature and disposition of case: _____

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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.

Date: Not Applicable 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.

Date: Not Applicable 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. Not Applicable

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. See Exhibit J

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. See Attached Exhibit K. 1-3
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. See Attached Exhibit K. 1-3
3. On a separate sheet, describe in detail the security plans for the totalizator rooms housing the Central Processing Units that process wagers made at each facility to which the Applicant provides totalizator services. See Attached Exh.K.1-3
4. Provide a detailed description of the equipment used to record transactions. See Attached Exhibit K. 4.
5. Provide the names and positions of all individuals who are assigned to work on totalizator operations in the Commonwealth of Kentucky. See Attached Exhibit K. 5.

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L. LOCATION AND PHYSICAL PLANT:

1. Location of principal office: 600 N. Hurstbourne Parkway, Suite 400, Louisville, KY 40222
2. Location of satellite offices: See Attached Exhibit L. 2 - L. 4
3. Location of any other types of facilities: See Attached Exhibit L. 2 - L. 4
4. Will any facilities be located in Kentucky? Yes

If yes, please describe: See Attached Exhibit K.5.

If yes, how many employees will be required to operate the Kentucky facility? See Attached Exhibit K.5.

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): United Tote Company does not have any mortgage or security interest in real property.

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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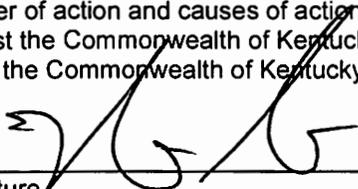


SWORN STATEMENT ENDORSING APPLICATION

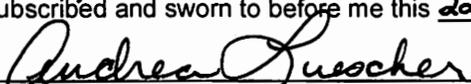
I, Nathaniel J. Simon, under penalty of perjury being duly sworn, depose and say that the above statements are true and correct and that this application and accompanying documents are executed with the knowledge that misrepresentations or failure to reveal information requested may be deemed sufficient 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.

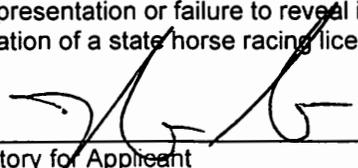


Signature
Subscribed and sworn to before me this 22nd day of July, 2016.

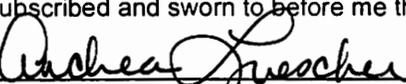


Notary Public
My Commission Expires: July 20, 2017

I, Nathaniel J. Simon, 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 22nd day of July, 2016.



Notary Public
My Commission Expires: July 20, 2017

Initials of Person Completing Application
NJS



**AFFIDAVIT OF
NATHANIEL J. SIMON**

STATE OF KENTUCKY)
)
COUNTY OF JEFFERSON)

NATHANIEL J. SIMON, being duly sworn, deposes and says:

1. I am President of United Tote Company, a totalizator services provider, headquartered in Louisville, Kentucky.

2. To the best of my knowledge, United Tote Company is in 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.



NATHANIEL J. SIMON

SUBSCRIBED AND SWORN to before me this 22nd day of July, 2016.



Notary Public, Kentucky, State at Large

My Commission expires on July 20, 2017.

NJS

2016 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG	FINE OR	STATUS	Suspension (days)	
					PENALTY CLASS	WRITTEN WARNING			
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.	
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	
16-0037	4/13/2016	1/9/2016	Michael J. Maker	Dextrophan (Sample #0081813)	B	\$ 750	Not Paid	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)	Dextrophan (Sample #0081813)	B			HARLAN'S HOWLING disqualified and purse redistributed. All purse monies must be returned to the association.	APPEALED
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 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG PENALTY CLASS	FINE OR WRITTEN WARNING	STATUS	Suspension (days)
16-0044	5/11/2016	4/30/2016	Yuliia Burdeniuk	Suspended by the Board of Stewards pending her appearance.				Suspended by the Board of Stewards pending her appearance to answer questions regarding the removal of "Looks to Spare" from CD grounds on April 30, 2016
16-0049	5/27/2016	4/30/2016	Otabek Umarov	Prevented an Out of Competition sample to be drawn from "Looks to Spare" and removed horse from CD grounds on April 30, 2016, failed to answer truthfully questions asked by the commission or its representatives, engaged in conduct of a disorderly nature by failing to obey the stewards' orders, engaged in conduct that is against the best interests of horse racing, possessed hypodermic needles, syringes and injectable medications on association grounds at CD on April 30, 2016, made a material misrepresentation, falsification, or omission in an application for a license.		\$ 10,000		Owner/Trainer license of Otabek Umarov is REVOKED for a period of TEN (10) YEARS.

2016 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG	FINE OR	STATUS	Suspension (days)	
					PENALTY CLASS	WRITTEN WARNING			
16-0057	7/14/2016	6/3/2016	Curry S. Edwards	suspended and must appear before the LRC of the KHRC for any future license consideration				pending criminal charges, alleged falsification of license application and formal ejection from Keeneland	
16-0058	7/14/2016	7/1/2016	Shyun Parker	suspended pending appearance				disorderly conduct on association grounds and formal ejection from Ellis Park	
16-0059	7/14/2016	6/27/2016	(Unlicensed) Morales Wilson	suspended pending appearance				intoxication, alleged sexual assault, pending criminal charges, outstanding warrants and formal ejection from Ellis Park.	
16-0065	7/31/2016	4/6/2016	Corey S. Nakatani	failure to pay outstanding fine				suspended until payment is received	
16-0071	8/20/2016	11/25/2015	Michael ann Ewing	Dextrorphan (Sample #0086010)	B	\$ 500	Not Paid	Suspended 30 days (September 1 - September 30 , 2016, inclusive). COVERT GEM disqualified and all purse money forfeited.	APPEALED
16-0072	8/20/2016	11/25/2015	Nina Hahn	Dextrorphan (Sample #0086010)	B			Covert Gem disqualified and purse redistributed. All purse monies must be returned to the association.	APPEALED
16-0076	9/4/2016	8/13/2016	Scott R. Nicks	Ketoprofen 5.4 ng/ml (Sample #0080307)	C (NSAID)	\$ 250	Not Paid		
16-0084	10/14/2016	10/14/2016	Chris Byerly	Suspended for his arrest for trespassing and drug possession at Keeneland				Suspended pending his appearance.	
16-0085	10/15/2016	9/23/2016	Jack R. Frost	Ibuprofen (Sample #0091322)	C	\$ 1,000	Not Paid		

2016 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG PENALTY CLASS	FINE OR WRITTEN WARNING	STATUS	Suspension (days)	
16-0086	10/15/2016	9/23/2016	Jack R. Frost (owner)	Ibuprofen (Sample #0091322)				IRONCLAD disqualified and purse redistributed. All purse monies must be returned to the association.	

2015 TB RULINGS LIST BY CATEGORY

MEDICAL VIOLATIONS

<u>Medication Class</u>	<u>Total</u>	<u>Fines</u>	<u>Suspensions</u>	<u>Disqualifications</u>	<u>Appeals</u>	<u>Explanations</u>
Class A	1	1	1	1	1	Kellyn Gorder - now reconsidered as a Class B
Class B	4	4	4	4	1	Edward Frederick - now in Franklin Circuit Court
Class C (prior to 2-6-15)	5	5	0	0	0	
Class C (after 2-6-15)**	14	14	14	14	1	H G Motion - vote held October 2016 KHRC meeting **Reflects change to 810 KAR 1:028 - Class C - Mandatory DQ
Class D	0	0	0	0	0	
NSAIDS	14	11	3	2	0	3 warning letters in lieu of fines -1 suspension based on 2nd offense - 2 susp & dq based on NSAID levels
Multiple NSAIDS	3	3	2	1	0	1 suspension based on 2nd offense - 1 suspension & DQ based on 3 NSAIDS in same sample
TCO2	2	2	2	2	0	
Subtotal	43					

NON-MEDICATION VIOLATIONS

Jockey Violations

Careless Riding	21	0	21 (3-5 days) (2 appealed-both w/d and served 5 days)	0	0	For routine riding offenses - difference due to permission of stewards to begin later or ride a day in the middle of a proposed suspension for an added 1 or 2 days to suspension as worked out between jockey and stewards. Has dramatically reduced appeals by jockeys for routine riding offenses.
Overly Aggressive Riding	1	0	1 (7 days)	0	0	
Other Disciplinary Violations	9	9	0	0	0	Includes failure to fulfill riding engagements, failure to be present for films, failure to report correct weight, riding crop violations and disorderly conduct
Subtotal	31	(total \$2,500)				

Other Licensee Violations

Misc. violations by licensees	22	22	0	0	0	Violations include failure to conduct business in a proper manner, disorderly conduct, claiming violations
		(total \$15,800)				
Disorderly conduct and formal ejections	12	0	12	0	0	Currently none have been reinstated
Suspended for non payment of fines	3	0	3	0	0	2 now have been reinstated in 2016
Subtotal	37					

Other Rulings Issued	43	0	0	0	0	The remaining 43 rulings that were issued in 2015 are for information only and include license rescinded, license restored to good standing, purse redistributions, protests entertained, appeals withdrawn, and apprentice allowance extensions.
TOTAL 2015 RULINGS	154					

2016 TB RULINGS LIST BY CATEGORY (Through October 15,2016)

MEDICAL VIOLATIONS

<u>Medication Class</u>	<u>Total</u>	<u>Fines</u>	<u>Suspensions</u>	<u>Disqualifications</u>	<u>Appeals</u>	<u>Explanations</u>
Class A	0	0	0	0	0	
Class B	3	3	3	3	2	2 dextrophan findings under appeal
Class C	7	7	7	7	0	
Class D	0	0	0	0	0	
NSAIDS	8	7	1	1	0	one warning letter issued suspension and DQ associated with high level of PBZ
Multiple NSAIDS	4	4	4	0	0	
TCO2	0	0	0	0	0	
Subtotal	<u>22</u>					

NON-MEDICATION VIOLATIONS

Jockey Violations

Careless Riding	14	0	14 (3-4 days)	0	0	all routine riding offenses
Overly Aggressive Riding	0	0	0	0	0	
Other Disciplinary Violations	14	14 (total \$2,950)	0	0	0	violation include failure to fulfill riding engagements, failure to be present for films, failure to report correct weight and disorderly conduct
Subtotal	<u>28</u>					

Other Licensee Violations

Misc. violations by licensees	9	9 (total \$15,850)	0	0	0	includes \$10,000 fine for OOC violation , may be reduced to \$5,000 after mediation
Disorderly conduct and formal ejections	7	0	7	0	0	includes 2 Otabek Umarov rulings - 10 yr revocation may be reduced to 5 years after mediation
Suspended for non payment of fines	2	0	2	0	0	one suspension for failure to pay fine and return purse money - both payments satisfied and suspension lifted one suspension still in effect
Subtotal	<u>18</u>					

Other Rulings Issued	14	0	0	0	0	The remaining 14 rulings that were issued in 2016 are for information only and include license rescinded, license restored to good standing, purse redistributions and apprentice allowance extensions.
TOTAL 2016 RULINGS	<u><u>82</u></u>					

2016 STANDARDBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG	FINE OR	STATUS	Suspension (days)	Stewards Notes
					PENALTY CLASS	WRITTEN WARNING			
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					
J2016-003	04/08/16	04/04/16	Jonda Smith	Restored to good standing as of 04/04/2016					
J2016-004	02/22/16	02/15/16	Kandace K Scholey	Restored to good standing as of 02/15/16					
J2016-005	05/20/16	04/20/16	Calvin L Harris		B	\$500	Suspended	Suspended 30 days (5/20/16-6/18/16)	Horse DQd; purse redistribution
J2016-006	05/26/16	04/15/16	Geremy C. Bobbitt	Methylprednisolone	4	\$500	Suspended	Suspended 5 days (5/28/16-6/1/16)	Horse DQd; purse redistribution
J2016-007	05/26/16	04/14/16	James Edward Stiltner II	Dexamethasone	4	\$1,500	Paid	Suspended 10 days (5/28/16-6/6/16)	Horse DQd; purse redistribution
J2016-008	05/26/16	05/04/16	Jimmy Viars	Phenylbutazone	4	\$100	Paid		
J2016-009	05/26/16	05/04/16	Devernon K Wilson	Phenylbutazone	4	\$100	Suspended		
J2016-010	06/09/16	05/13/16	Calvin L Harris	Caffeine	2	\$1,000	Suspended	Suspended Full--60 days (6/19/16-8/17/16)	Horse DQd; purse redistribution
J2016-011	06/19/16	06/19/16	Timothy Demond Williams	Restored to good standing as of 06/19/16					RES for return of purse to PBD.
J2016-012	07/02/16	07/02/16	Kirby Grimes	Falsification of License Application				License Revoked	
J2016-013	07/02/16	06/10/16	Ronald Malette	Low or excess level of Authorized medication (Bute/Lasix)	4	\$250	Paid		Purse money of \$775.00 was returned
J2016-014	07/31/16	07/24/16	S. Bernard Demars	Failure to obey the instruction of the paddock judge		\$25	Paid		
J2016-015	07/31/16	07/24/16	Kevin S McQuinn	Late driver change		\$50	Paid		
J2016-016	07/31/16	07/22/16	Tyler G Shehan	Conduct Detrimental to the best interest of the horse racing		\$500	Suspended		
J2016-017	07/31/16	07/22/16	Donlad A. Brock	Conduct Detrimental to the best interest of the horse racing		\$250	Paid		
J2016-018	07/31/16	07/30/16	Tyler G Shehan	Crossing over before the start		\$50	Suspended		
J2016-019	08/01/16	07/31/16	Randy D. Crisler	Failure to come up/stay in position		\$50	Suspended		
J2016-020	08/01/16	06/24/16	Tyler G Shehan	Phenylbutazone	4	\$250	Suspended		
J2016-021	08/04/16	07/31/16	Jacob J Fox	Failure to obey the instruction of the paddock judge		\$25	Paid		
J2016-022	08/14/16	06/12/16	Randy D Crisler	Dexamethasone	4	\$500	Suspended		Horse Disqualified: Purse Redistribution
J2016-023	08/14/16	06/24/16	Donricus L Blackmon	Flunixin (Banamine)	4	\$500	Suspended		Horse Disqualified: Purse Redistribution

2016 STANDARDBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG PENALTY CLASS	FINE OR WRITTEN WARNING	STATUS	Suspension (days)	Stewards Notes
J2016-024	08/14/16	07/10/16	Jeremy C Bobbitt	Dexamethasone	4	\$500	Suspended	Suspended Full- 5 days (8/22/2016-08/26/2016)	Horse Disqualified: Purse Redistribution
J2016-025	08/14/16	08/04/16	John H Hughes	Possession of hypodermic needle, syringes and/or injectable and/or other drugs				Suspended Full-30 days (8/26/2016-09/24/2016)	
J2016-026	08/14/16	08/11/16	Tyler G Shehan	Smoking		\$25	Suspended		
J2016-027	08/22/16	07/30/16	Tyler G Shehan	Flunixin (Banamine)	4	\$500	Suspended		
J2016-028	08/22/16	07/31/16	Daniel T. Jones	Phenylbutazone(Butazolodin) & Flunixin (Banamine)	4	\$250	Suspended		
J2016-029	08/26/16	08/25/16	James Edward Stiltner II	Failure to control horse		\$50	Suspended		
J2016-030	08/27/16	08/27/16	Angela Kay Sutton	Late driver change		\$50	Paid		
J2016-031	08/29/16	08/18/16	Lamar J. Moody	Failure to obey the instruction of the paddock judge		\$25	Paid		
J2016-032	08/29/16	08/06/16	Terry L. Deters	Betamethasone	4	\$500	Paid		Horse Disqualified: Purse Redistribution
J2016-033	09/06/16	09/06/16	Calvin L. Harris	Failure to pay fines				Indefinite Suspension	
J2016-034	09/05/16	09/03/16	Rodney L. DeBeck	Inappropriate use of the whip				Suspended: Driving - 3days, 09/07/2016 thru 09/09/2016	
J2016-035	09/06/16	09/04/16	Matthew T. Avenatti	Late to the post parade		\$25	Paid		
J2016-036	09/09/16	09/08/16	Issac D. Love	Failure to obey the instruction of the paddock judge		\$25	Suspended		
J2016-037	09/12/16	09/04/16	David M. Avenatti	Requested a hearing and failed to appear		\$50	Paid		
J2016-038	09/12/16	08/21/16	George F. Anthrop	Phenylbutazone & Flunixin		\$250	Suspended		
J2016-039	09/15/16	09/11/16	Jim T. Brinson	Let a horse pass inside needlessly				Suspended: Driving - 7 days, 09/16/2016 thru 09/22/2016	
J2016-040	09/17/16	09/15/16	Trevor Gene Smith	Offensive/profane language		\$250	Suspended		
J2016-041	10/05/16	09/03/16	Harley Emerson	Positive test- post race/ Cobalt		\$500	Paid	Suspended: Full - 30 days, 10/10/2016 thru 11/08/2016	Horse Disqualified -Purse Redistribution
J2016-042	09/19/16	09/17/16	Matthew T. Avenatti	Inappropriate use of the whip				Suspended: Driving - 5 days, 9/18/2016 thru 9/22/2016	

KHRC Veterinary Report

Churchill Downs Sept meet 2016

Total Starts	932
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Post Race Samples	215
tCO ₂	122

Veterinary Scratches	10
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Pre-Race	5
On-Track	5
Soundness related	3
Gate/paddock Injury	2

KHRC Veterinary List	20
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Scratches	10
Race Inj/post race lame/Test barn lame	8
	0
Heat Distress	2

Ambulance Runs	5
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Racing Fatalities	1
musculo-skeletal	

Kentucky Live and Simulcast Wagering Report for September, 2016

Live Racing

	September-16	September-15	% Change	FYTD - 2017	FYTD - 2016	% Change
Race Dates	28	29	-3.4%	78	78	
On-Track Handle on All Kentucky Races (OTH)	\$ 4,903,369	\$ 5,038,592	-2.7%	\$ 10,948,879	\$ 10,058,451	8.9%
Less: Return to Public	\$ 3,913,541	\$ 4,016,419		\$ 8,714,001	\$ 7,998,689	
Less: Breakage	\$ 31,372	\$ 27,813		\$ 73,608	\$ 57,292	
Gross Commission	<u>\$ 958,457</u>	<u>\$ 994,360</u>	-3.6%	<u>\$ 2,161,270</u>	<u>\$ 2,002,470</u>	7.9%
TB Development Fund (0.75% of On-Track TB Handle)	\$ 34,770	\$ 35,437	-1.9%	\$ 76,039	\$ 68,207	11.5%
SB Development Fund (1.25% of On-Track SB Handle)	\$ 3,342	\$ 3,921	-14.8%	\$ 10,130	\$ 12,052	-15.9%
Equine Industry Program (0.2% of OTH)	\$ 9,807	\$ 10,077	-2.7%	\$ 21,898	\$ 20,117	8.9%
Equine Drug Research (0.1% of OTH)	\$ 4,903	\$ 5,039	-2.7%	\$ 10,949	\$ 10,058	8.9%
Higher Education Fund (0.1% of OTH)	\$ 4,903	\$ 5,039	-2.7%	\$ 10,949	\$ 10,058	8.9%
KY General Fund (0.35% of OTH TB, 0.1% OTH SB)	\$ 16,493	\$ 16,851	-2.1%	\$ 36,295	\$ 32,794	10.7%
Total KY Excise Tax (1.5% of OTH TB, 1.75% of OTH SB)	<u>\$ 74,219</u>	<u>\$ 76,363</u>	-2.8%	<u>\$ 166,259</u>	<u>\$ 153,287</u>	8.5%
% of Gross Commission	7.74%	7.68%		7.69%	7.65%	
Backside Improvement Fund (0.5% of Total OTH at TB Tracks)	\$ 23,180	\$ 23,625	-1.9%	\$ 50,693	\$ 45,471	11.5%
Net Commission	\$ 861,058	\$ 894,373	-3.7%	\$ 1,944,319	\$ 1,803,712	7.8%
% of On-Track Handle	17.56%	17.75%		17.76%	17.93%	
Off-Track Handle on All Kentucky Races From						
Other KY Tracks	\$ 1,727,073	\$ 1,678,829	2.9%	\$ 3,684,743	\$ 3,599,280	2.4%
Kentucky Licensed ADW's	\$ 6,860,250	\$ 6,768,302	1.4%	\$ 11,748,211	\$ 9,876,730	18.9%
Other Sources	\$ 44,496,317	\$ 42,857,128	3.8%	\$ 79,591,403	\$ 66,671,441	19.4%
All Sources Handle on Live Racing	<u>\$ 57,987,009</u>	<u>\$ 56,342,850</u>	2.9%	<u>\$ 105,973,236</u>	<u>\$ 90,205,903</u>	17.5%
Average Daily Handle - On Track	\$ 175,120	\$ 173,745	0.8%	\$ 140,370	\$ 128,955	8.9%
Average Daily Handle - All Sources	\$ 2,070,965	\$ 1,942,857	6.6%	\$ 1,358,631	\$ 1,156,486	17.5%
Simulcast Wagering on Other Tracks (Note: Standardbred Facilities Only Taxed on Live Racing)						
Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 10,307,632	\$ 10,112,757	1.9%	\$ 33,073,959	\$ 35,780,327	-7.6%
Standardbred Simulcast Handle (SBSH)	\$ 2,030,109	\$ 2,675,427	-24.1%	\$ 6,486,301	\$ 8,151,337	-20.4%
Quarter Horse/Arabian/Paint/Mule Simulcast Handle (QSHS)	\$ 156,902	\$ 94,425	66.2%	\$ 396,581	\$ 360,838	9.9%
All-Breed Total Simulcast Handle (TSH)	<u>\$ 12,494,642</u>	<u>\$ 12,882,608</u>	-3.0%	<u>\$ 39,956,841</u>	<u>\$ 44,292,502</u>	-9.8%
TB Development Fund (2% of TBSH at TB Tracks)	\$ 196,646	\$ 188,677	4.2%	\$ 632,260	\$ 680,096	-7.0%
SB Development Fund (2% of SBSH at TB Tracks)	\$ 4,116	\$ 3,800	8.3%	\$ 14,299	\$ 14,568	-1.8%
QH/Arabian Development Fund (2% of QSHS at TB Tracks)	\$ 2,639	\$ 1,464	80.2%	\$ 6,297	\$ 5,703	10.4%
Equine Industry Program (0.05% of TSH at TB Tracks)	\$ 5,085	\$ 4,849	4.9%	\$ 16,321	\$ 17,509	-6.8%
Equine Drug Research (0.1% of TSH at TB Tracks)	\$ 10,170	\$ 9,697	4.9%	\$ 32,643	\$ 35,018	-6.8%
Higher Education Fund (0.1% of TSH at TB Tracks)	\$ 10,170	\$ 9,697	4.9%	\$ 32,643	\$ 35,018	-6.8%
KY General Fund (0.75% of TSH at TB Tracks)	\$ 76,275	\$ 72,728	4.9%	\$ 244,821	\$ 262,638	-6.8%
Total KY Excise Tax (3% of TSH at TB Tracks)	<u>\$ 305,101</u>	<u>\$ 290,913</u>	4.9%	<u>\$ 979,283</u>	<u>\$ 1,050,550</u>	-6.8%

Blue Grass Downs Live and Simulcast Wagering Report for September, 2016
Live Racing

	<u>September-16</u>	<u>September-15</u>	<u>% Change</u>	<u>FYTD - 2017</u>	<u>FYTD - 2016</u>	<u>% Change</u>
Race Dates				6	6	
On-Track Handle (OTH)				\$ 7,896	\$ 6,925	14.0%
Less: Return to Public				\$ 6,168	\$ 5,433	
Less: Breakage				\$ 89	\$ 38	
Gross Commission				<u>\$ 1,639</u>	<u>\$ 1,454</u>	12.7%
SB Development Fund (1.25% of OTH)				\$ 99	\$ 87	14.0%
Equine Industry Program (0.2% of OTH)				\$ 16	\$ 14	14.0%
Equine Drug Research (0.1% of OTH)				\$ 8	\$ 7	14.0%
Higher Education Fund (0.1% of OTH)				\$ 8	\$ 7	14.0%
KY General Fund (0.1% of OTH)				\$ 8	\$ 7	14.0%
Total KY Excise Tax (1.75% of OTH)				<u>\$ 138</u>	<u>\$ 121</u>	14.0%
% of Gross Commission				8.43%	8.33%	
Net Commission				\$ 1,501	\$ 1,333	12.6%
% of On-Track Handle				19.01%	19.25%	
Off-Track Handle on Kentucky Races From						
Other KY Tracks						
Kentucky Licensed ADW's						
Other Sources						
All Sources Handle on Live Racing (On- and Off-Track)				<u>\$ 7,896</u>	<u>\$ 6,925</u>	14.0%
Average Daily Handle - On Track				\$ 1,316	\$ 1,154	14.0%
Average Daily Handle - All Sources				\$ 1,316	\$ 1,154	14.0%
Simulcast Wagering on Other Tracks (Note: Standardbred Facilities Only Taxed on Live Racing)						
Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 303,315	\$ 324,210	-6.4%	\$ 905,070	\$ 887,784	1.9%
Standardbred Simulcast Handle (SBSH)	\$ 16,649	\$ 24,146	-31.0%	\$ 53,941	\$ 80,781	-33.2%
Quarter Horse/Other Simulcast Handle (QHSH)	\$ 809	\$ 687	17.8%	\$ 2,007	\$ 2,534	-20.8%
All-Breed Total Simulcast Handle (TSH)	<u>\$ 320,773</u>	<u>\$ 349,043</u>	-8.1%	<u>\$ 961,017</u>	<u>\$ 971,098</u>	-1.0%

Churchill Downs Live and Simulcast Wagering Report for September, 2016

Live Racing

	September-16	September-15	% Change	FYTD - 2017	FYTD - 2016	% Change
Race Dates	9	11	-18.2%	11	11	
On-Track Handle (OTH)	\$ 3,029,072	\$ 3,457,289	-12.4%	\$ 4,543,968	\$ 3,457,289	31.4%
Less: Return to Public	\$ 2,408,723	\$ 2,747,993		\$ 3,619,581	\$ 2,747,993	
Less: Breakage	\$ 18,780	\$ 22,853		\$ 28,890	\$ 22,853	
Gross Commission	<u>\$ 601,569</u>	<u>\$ 686,443</u>	-12.4%	<u>\$ 895,497</u>	<u>\$ 686,443</u>	30.5%
TB Development Fund (0.75% of OTH)	\$ 22,718	\$ 25,930	-12.4%	\$ 34,080	\$ 25,930	31.4%
Equine Industry Program (0.2% of OTH)	\$ 6,058	\$ 6,915	-12.4%	\$ 9,088	\$ 6,915	31.4%
Equine Drug Research (0.1% of OTH)	\$ 3,029	\$ 3,457	-12.4%	\$ 4,544	\$ 3,457	31.4%
Higher Education Fund (0.1% of OTH)	\$ 3,029	\$ 3,457	-12.4%	\$ 4,544	\$ 3,457	31.4%
KY General Fund (0.35% of OTH)	\$ 10,602	\$ 12,101	-12.4%	\$ 15,904	\$ 12,101	31.4%
Total KY Excise Tax (1.5% of OTH)	<u>\$ 45,436</u>	<u>\$ 51,859</u>	-12.4%	<u>\$ 68,160</u>	<u>\$ 51,859</u>	31.4%
% of Gross Commission	7.55%	7.55%		7.61%	7.55%	
Backside Improvement Fund (0.5% of OTH)	\$ 15,145	\$ 17,286	-12.4%	\$ 22,720	\$ 17,286	31.4%
Net Commission	\$ 540,987	\$ 617,297	-12.4%	\$ 804,618	\$ 617,297	30.3%
% of On-Track Handle	17.86%	17.85%		17.71%	17.85%	
Off-Track Handle on Kentucky Races From						
Other KY Tracks	\$ 676,955	\$ 827,106	-18.2%	\$ 942,713	\$ 827,106	14.0%
Kentucky Licensed ADW's	\$ 2,690,101	\$ 3,642,521	-26.1%	\$ 3,972,927	\$ 3,642,521	9.1%
Other Sources	\$ 22,217,585	\$ 25,290,691	-12.2%	\$ 32,344,691	\$ 25,290,691	27.9%
All Sources Handle on Live Racing (On- and Off-Track)	<u>\$ 28,613,713</u>	<u>\$ 33,217,607</u>	-13.9%	<u>\$ 41,804,300</u>	<u>\$ 33,217,607</u>	25.8%
Average Daily Handle - On Track	\$ 336,564	\$ 314,299	7.1%	\$ 413,088	\$ 314,299	31.4%
Average Daily Handle - All Sources	\$ 3,179,301	\$ 3,019,782	5.3%	\$ 3,800,391	\$ 3,019,782	25.8%

Simulcast Wagering on Other Tracks

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 2,630,573	\$ 2,525,668	4.2%	\$ 9,007,061	\$ 10,921,047	-17.5%
Standardbred Simulcast Handle (SBSH)	\$ 10,748	\$ 9,407	14.3%	\$ 23,996	\$ 27,571	-13.0%
Quarter Horse/Other Simulcast Handle (QSHS)	\$ 71,872	\$ 19,919	260.8%	\$ 131,154	\$ 91,273	43.7%
All-Breed Total Simulcast Handle (TSH)	<u>\$ 2,713,193</u>	<u>\$ 2,554,995</u>	6.2%	<u>\$ 9,162,211</u>	<u>\$ 11,039,890</u>	-17.0%
TB Development Fund (2% of TBSH)	\$ 52,611	\$ 50,513	4.2%	\$ 180,141	\$ 218,421	-17.5%
SB Development Fund (2% of SBSH)	\$ 215	\$ 188	14.3%	\$ 480	\$ 551	-13.0%
QH/Other Development Fund (2% of QSHS)	\$ 1,437	\$ 398	260.8%	\$ 2,623	\$ 1,825	43.7%
Equine Industry Program (0.05% of TSH)	\$ 1,357	\$ 1,277	6.2%	\$ 4,581	\$ 5,520	-17.0%
Equine Drug Research (0.1% of TSH)	\$ 2,713	\$ 2,555	6.2%	\$ 9,162	\$ 11,040	-17.0%
Higher Education Fund (0.1% of TSH)	\$ 2,713	\$ 2,555	6.2%	\$ 9,162	\$ 11,040	-17.0%
KY General Fund (0.75% of TSH)	\$ 20,349	\$ 19,162	6.2%	\$ 68,717	\$ 82,799	-17.0%
Total KY Excise Tax (3% of TSH)	<u>\$ 81,396</u>	<u>\$ 125,665</u>	6.2%	<u>\$ 274,866</u>	<u>\$ 331,197</u>	-17.0%

Ellis Park Live and Simulcast Wagering Report for September, 2016
Live Racing

	September-16	September-15	% Change	FYTD - 2017	FYTD - 2016	% Change
Race Dates	4	4		30	31	-3.2%
On-Track Handle (OTH)	\$ 677,535	\$ 639,486	5.9%	\$ 4,665,126	\$ 5,008,862	-6.9%
Less: Return to Public	\$ 539,027	\$ 508,267		\$ 3,712,044	\$ 3,985,838	
Less: Breakage	\$ 4,880	\$ 5,335		\$ 34,936	\$ 38,055	
Gross Commission	\$ 133,628	\$ 125,884	6.2%	\$ 918,146	\$ 984,968	-6.8%
TB Development Fund (0.75% of OTH)	\$ 5,082	\$ 4,796	5.9%	\$ 34,988	\$ 37,566	-6.9%
Equine Industry Program (0.2% of OTH)	\$ 1,355	\$ 1,279	5.9%	\$ 9,330	\$ 10,018	-6.9%
Equine Drug Research (0.1% of OTH)	\$ 678	\$ 639	5.9%	\$ 4,665	\$ 5,009	-6.9%
Higher Education Fund (0.1% of OTH)	\$ 678	\$ 639	5.9%	\$ 4,665	\$ 5,009	-6.9%
KY General Fund (0.35% of OTH)	\$ 2,371	\$ 2,238	5.9%	\$ 16,328	\$ 17,531	-6.9%
Total KY Excise Tax (1.5% of OTH)	\$ 10,163	\$ 9,592	5.9%	\$ 69,977	\$ 75,133	-6.9%
% of Gross Commission	7.61%	7.62%		7.62%	7.63%	
Backside Improvement Fund (0.5% of OTH)	\$ 3,388	\$ 3,197	5.9%	\$ 23,326	\$ 25,044	-6.9%
Net Commission	\$ 120,077	\$ 113,094	6.2%	\$ 824,843	\$ 884,791	-6.8%
% of On-Track Handle	17.72%	17.69%		17.68%	17.66%	
Off-Track Handle on Kentucky Races From						
Other KY Tracks	\$ 238,451	\$ 222,523	7.2%	\$ 1,888,404	\$ 2,081,076	-9.3%
Kentucky Licensed ADW's	\$ 471,828	\$ 374,057	26.1%	\$ 3,596,299	\$ 3,005,961	19.6%
Other Sources	\$ 3,270,760	\$ 2,568,371	27.3%	\$ 25,131,400	\$ 22,967,881	9.4%
All Sources Handle on Live Racing (On- and Off-Track)	\$ 4,658,574	\$ 3,804,437	22.5%	\$ 35,281,229	\$ 33,063,780	6.7%
Average Daily Handle - On Track	\$ 169,384	\$ 159,871	5.9%	\$ 155,504	\$ 161,576	-3.8%
Average Daily Handle - All Sources	\$ 1,164,643	\$ 951,109	22.5%	\$ 1,176,041	\$ 1,066,574	10.3%

Simulcast Wagering on Other Tracks

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 1,413,928	\$ 1,297,393	9.0%	\$ 4,565,538	\$ 4,723,417	-3.3%
Standardbred Simulcast Handle (SBSH)	\$ 117,880	\$ 72,508	62.6%	\$ 393,006	\$ 325,056	20.9%
Quarter Horse/Other Simulcast Handle (QSHS)	\$ 7,393	\$ 4,844	52.6%	\$ 26,256	\$ 28,950	-9.3%
All-Breed Total Simulcast Handle (TSH)	\$ 1,539,201	\$ 1,374,745	12.0%	\$ 4,984,800	\$ 5,077,423	-1.8%
TB Development Fund (2% of TBSH)	\$ 28,279	\$ 25,948	9.0%	\$ 91,311	\$ 94,468	-3.3%
SB Development Fund (2% of SBSH)	\$ 2,358	\$ 1,450	62.6%	\$ 7,860	\$ 6,501	20.9%
QH/Other Development Fund (2% of QSHS)	\$ 148	\$ 97	52.6%	\$ 525	\$ 579	-9.3%
Equine Industry Program (0.05% of TSH)	\$ 770	\$ 687	12.0%	\$ 2,492	\$ 2,539	-1.8%
Equine Drug Research (0.1% of TSH)	\$ 1,539	\$ 1,375	12.0%	\$ 4,985	\$ 5,077	-1.8%
Higher Education Fund (0.1% of TSH)	\$ 1,539	\$ 1,375	12.0%	\$ 4,985	\$ 5,077	-1.8%
KY General Fund (0.75% of TSH)	\$ 11,544	\$ 10,311	12.0%	\$ 37,386	\$ 38,081	-1.8%
Total KY Excise Tax (3% of TSH)	\$ 46,176	\$ 41,242	12.0%	\$ 149,544	\$ 152,323	-1.8%

Keeneland Live and Simulcast Wagering Report for September, 2016
Live Racing

	<u>September-16</u>	<u>September-15</u>	<u>% Change</u>	<u>FYTD - 2017</u>	<u>FYTD - 2016</u>	<u>% Change</u>
Race Dates						
On-Track Handle (OTH)						
Less: Return to Public						
Less: Breakage						
Gross Commission						
TB Development Fund (0.75% of OTH)						
Equine Industry Program (0.2% of OTH)						
Equine Drug Research (0.1% of OTH)						
Higher Education Fund (0.1% of OTH)						
KY General Fund (0.35% of OTH)						
Total KY Excise Tax (1.5% of OTH)						
% of Gross Commission						
Backside Improvement Fund (0.5% of OTH)						
Net Commission						
% of On-Track Handle						
Off-Track Handle on Kentucky Races From						
Other KY Tracks						
Kentucky Licensed ADW's						
Other Sources						
All Sources Handle on Live Racing (On- and Off-Track)						
Average Daily Handle - On Track						
Average Daily Handle - All Sources						

Simulcast Wagering on Other Tracks

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 3,016,160	\$ 2,901,916	3.9%	\$ 9,138,869	\$ 9,477,321	-3.6%
Standardbred Simulcast Handle (SBSH)						
Quarter Horse/Other Simulcast Handle (QSHS)	\$ 15,866	\$ 15,203	4.4%	\$ 48,003	\$ 64,246	-25.3%
All-Breed Total Simulcast Handle (TSH)	<u>\$ 3,032,026</u>	<u>\$ 2,917,119</u>	3.9%	<u>\$ 9,186,872</u>	<u>\$ 9,541,566</u>	-3.7%
TB Development Fund (2% of TBSH)	\$ 60,323	\$ 58,038	3.9%	\$ 182,777	\$ 189,546	-3.6%
SB Development Fund (2% of SBSH)						
QH/Other Development Fund (2% of QSHS)	\$ 317	\$ 304	4.4%	\$ 960	\$ 1,285	-25.3%
Equine Industry Program (0.05% of TSH)	\$ 1,516	\$ 1,459	3.9%	\$ 4,593	\$ 4,771	-3.7%
Equine Drug Research (0.1% of TSH)	\$ 3,032	\$ 2,917	3.9%	\$ 9,187	\$ 9,542	-3.7%
Higher Education Fund (0.1% of TSH)	\$ 3,032	\$ 2,917	3.9%	\$ 9,187	\$ 9,542	-3.7%
KY General Fund (0.75% of TSH)	\$ 22,740	\$ 21,878	3.9%	\$ 68,902	\$ 71,562	-3.7%
Total KY Excise Tax (3% of TSH)	<u>\$ 90,961</u>	<u>\$ 87,514</u>	3.9%	<u>\$ 275,606</u>	<u>\$ 286,247</u>	-3.7%

Kentucky Downs Live and Simulcast Wagering Report for September, 2016

Live Racing

	September-16	September-15	% Change	FYTD - 2017	FYTD - 2016	% Change
Race Dates	5	5		5	5	
On-Track Handle (OTH)	\$ 929,409	\$ 628,146	48.0%	\$ 929,409	\$ 628,146	48.0%
Less: Return to Public	\$ 761,082	\$ 515,172		\$ 761,082	\$ 515,172	
Less: Breakage	\$ 6,486	\$ 3,541		\$ 6,486	\$ 3,541	
Gross Commission	<u>\$ 161,841</u>	<u>\$ 109,433</u>	47.9%	<u>\$ 161,841</u>	<u>\$ 109,433</u>	47.9%
TB Development Fund (0.75% of OTH)	\$ 6,971	\$ 4,711	48.0%	\$ 6,971	\$ 4,711	48.0%
Equine Industry Program (0.2% of OTH)	\$ 1,859	\$ 1,256	48.0%	\$ 1,859	\$ 1,256	48.0%
Equine Drug Research (0.1% of OTH)	\$ 929	\$ 628	48.0%	\$ 929	\$ 628	48.0%
Higher Education Fund (0.1% of OTH)	\$ 929	\$ 628	48.0%	\$ 929	\$ 628	48.0%
KY General Fund (0.35% of OTH)	\$ 3,253	\$ 2,199	48.0%	\$ 3,253	\$ 2,199	48.0%
Total KY Excise Tax (1.5% of OTH)	<u>\$ 13,941</u>	<u>\$ 9,422</u>	48.0%	<u>\$ 13,941</u>	<u>\$ 9,422</u>	48.0%
% of Gross Commission	8.61%	8.61%		8.61%	8.61%	
Backside Improvement Fund (0.5% of OTH)	\$ 4,647	\$ 3,141	48.0%	\$ 4,647	\$ 3,141	48.0%
Net Commission	\$ 143,253	\$ 96,870	47.9%	\$ 143,253	\$ 96,870	47.9%
% of On-Track Handle	15.41%	15.42%		15.41%	15.42%	
Off-Track Handle on Kentucky Races From						
Other KY Tracks	\$ 787,008	\$ 590,300	33.3%	\$ 787,008	\$ 590,300	33.3%
Kentucky Licensed ADW's	\$ 3,426,099	\$ 2,504,182	36.8%	\$ 3,426,099	\$ 2,504,182	36.8%
Other Sources	\$ 17,398,248	\$ 13,164,506	32.2%	\$ 17,398,248	\$ 13,164,506	32.2%
All Sources Handle on Live Racing (On- and Off-Track)	<u>\$ 22,540,764</u>	<u>\$ 16,887,134</u>	33.5%	<u>\$ 22,540,764</u>	<u>\$ 16,887,134</u>	33.5%
Average Daily Handle - On Track	\$ 185,882	\$ 125,629	48.0%	\$ 185,882	\$ 125,629	48.0%
Average Daily Handle - All Sources	\$ 4,508,153	\$ 3,377,427	33.5%	\$ 4,508,153	\$ 3,377,427	33.5%

Simulcast Wagering on Other Tracks

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 996,138	\$ 953,624	4.5%	\$ 3,074,383	\$ 2,970,251	3.5%
Standardbred Simulcast Handle (SBSH)	\$ 28,680	\$ 37,890	-24.3%	\$ 138,773	\$ 143,506	-3.3%
Quarter Horse/Other Simulcast Handle (QSHS)	\$ 26,778	\$ 20,688	29.4%	\$ 68,488	\$ 51,059	34.1%
All-Breed Total Simulcast Handle (TSH)	<u>\$ 1,051,596</u>	<u>\$ 1,012,202</u>	3.9%	<u>\$ 3,281,644</u>	<u>\$ 3,164,816</u>	3.7%
TB Development Fund (2% of TBSH)	\$ 19,923	\$ 19,072	4.5%	\$ 61,488	\$ 59,405	3.5%
SB Development Fund (2% of SBSH)	\$ 574	\$ 758	-24.3%	\$ 2,775	\$ 2,870	-3.3%
QH/Other Development Fund (2% of QSHS)	\$ 536	\$ 414	29.4%	\$ 1,370	\$ 1,021	34.1%
Equine Industry Program (0.05% of TSH)	\$ 526	\$ 506	3.9%	\$ 1,641	\$ 1,582	3.7%
Equine Drug Research (0.1% of TSH)	\$ 1,052	\$ 1,012	3.9%	\$ 3,282	\$ 3,165	3.7%
Higher Education Fund (0.1% of TSH)	\$ 1,052	\$ 1,012	3.9%	\$ 3,282	\$ 3,165	3.7%
KY General Fund (0.75% of TSH)	\$ 7,887	\$ 7,592	3.9%	\$ 24,612	\$ 23,736	3.7%
Total KY Excise Tax (3% of TSH)	<u>\$ 31,548</u>	<u>\$ 28,366</u>	3.9%	<u>\$ 98,449</u>	<u>\$ 94,944</u>	3.7%

The Red Mile Live and Simulcast Wagering Report for September, 2016
Live Racing

	September-16	September-15	% Change	FYTD - 2017	FYTD - 2016	% Change
Race Dates	10	9	11.1%	26	25	4.0%
On-Track Handle (OTH)	\$ 267,353	\$ 313,671	-14.8%	\$ 802,480	\$ 957,230	-16.2%
Less: Return to Public	\$ 204,709	\$ 244,987		\$ 615,126	\$ 744,253	
Less: Breakage	\$ 1,226	\$ (3,916)		\$ 3,207	\$ (7,195)	
Gross Commission	<u>\$ 61,419</u>	<u>\$ 72,601</u>	-15.4%	<u>\$ 184,147</u>	<u>\$ 220,173</u>	-16.4%
SB Development Fund (1.25% of OTH)	\$ 3,342	\$ 3,921	-14.8%	\$ 10,031	\$ 11,965	-16.2%
Equine Industry Program (0.2% of OTH)	\$ 535	\$ 627	-14.8%	\$ 1,605	\$ 1,914	-16.2%
Equine Drug Research (0.1% of OTH)	\$ 267	\$ 314	-14.8%	\$ 802	\$ 957	-16.2%
Higher Education Fund (0.1% of OTH)	\$ 267	\$ 314	-14.8%	\$ 802	\$ 957	-16.2%
KY General Fund (0.1% of OTH)	\$ 267	\$ 314	-14.8%	\$ 802	\$ 957	-16.2%
Total KY Excise Tax (1.75% of OTH)	<u>\$ 4,679</u>	<u>\$ 5,489</u>	-14.8%	<u>\$ 14,043</u>	<u>\$ 16,752</u>	-16.2%
% of Gross Commission	7.62%	7.56%		7.63%	7.61%	
Net Commission	\$ 56,740	\$ 67,111	-15.5%	\$ 170,104	\$ 203,421	-16.4%
% of On-Track Handle	21.22%	21.40%		21.20%	21.25%	
Off-Track Handle on Kentucky Races From						
Other KY Tracks	\$ 24,659	\$ 38,901	-36.6%	\$ 66,618	\$ 100,799	-33.9%
Kentucky Licensed ADW's	\$ 272,223	\$ 247,542	10.0%	\$ 752,886	\$ 724,065	4.0%
Other Sources	\$ 1,609,724	\$ 1,833,559	-12.2%	\$ 4,717,063	\$ 5,248,363	-10.1%
All Sources Handle on Live Racing (On- and Off-Track)	<u>\$ 2,173,959</u>	<u>\$ 2,433,673</u>	-10.7%	<u>\$ 6,339,047</u>	<u>\$ 7,030,457</u>	-9.8%
Average Daily Handle - On Track	\$ 26,735	\$ 34,852	-23.3%	\$ 30,865	\$ 38,289	-19.4%
Average Daily Handle - All Sources	\$ 217,396	\$ 270,408	-19.6%	\$ 243,809	\$ 281,218	-13.3%
Simulcast Wagering on Other Tracks (Note: Standardbred Facilities Only Taxed on Live Racing)						
Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 97	\$ 917	-89.4%	\$ 1,518	\$ 6,712	-77.4%
Standardbred Simulcast Handle (SBSH)	\$ 1,767,480	\$ 2,405,306	-26.5%	\$ 5,601,113	\$ 7,162,720	-21.8%
Quarter Horse/Other Simulcast Handle (QSHS)	\$ 23,636	\$ 19,666	20.2%	\$ 76,593	\$ 69,994	9.4%
All-Breed Total Simulcast Handle (TSH)	<u>\$ 1,791,214</u>	<u>\$ 2,425,889</u>	-26.2%	<u>\$ 5,679,223</u>	<u>\$ 7,239,426</u>	-21.6%

Thunder Ridge Live and Simulcast Wagering Report for September, 2016
Live Racing

	<u>September-16</u>	<u>September-15</u>	<u>% Change</u>	<u>FYTD - 2017</u>	<u>FYTD - 2016</u>	<u>% Change</u>
Race Dates						
On-Track Handle (OTH)						
Less: Return to Public						
Less: Breakage						
Gross Commission						
SB Development Fund (1.25% of OTH)						
Equine Industry Program (0.2% of OTH)						
Equine Drug Research (0.1% of OTH)						
Higher Education Fund (0.1% of OTH)						
KY General Fund (0.1% of OTH)						
Total KY Excise Tax (1.75% of OTH)						
% of Gross Commission						
 Net Commission						
% of On-Track Handle						
Off-Track Handle on Kentucky Races From						
Other KY Tracks						
Kentucky Licensed ADW's						
Other Sources						
All Sources Handle on Live Racing (On- and Off-Track)						
Average Daily Handle - On Track						
Average Daily Handle - All Sources						

Simulcast Wagering on Other Tracks (Note: Standardbred Facilities Only Taxed on Live Racing)

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 171,941	\$ 353,759	-51.4%	\$ 554,393	\$ 881,027	-37.1%
Standardbred Simulcast Handle (SBSH)	\$ 40,167	\$ 55,958	-28.2%	\$ 116,316	\$ 179,455	-35.2%
Quarter Horse/Other Simulcast Handle (QSHS)	\$ 514	\$ 848	-39.4%	\$ 3,122	\$ 3,157	-1.1%
All-Breed Total Simulcast Handle (TSH)	<u>\$ 212,621</u>	<u>\$ 410,565</u>	-48.2%	<u>\$ 673,831</u>	<u>\$ 1,063,639</u>	-36.6%

Turfway Park Live and Simulcast Wagering Report for September, 2016
Live Racing

	September-16	September-15	% Change	FYTD - 2017	FYTD - 2016	% Change
Race Dates						
On-Track Handle (OTH)						
Less: Return to Public						
Less: Breakage						
Gross Commission						
TB Development Fund (0.75% of OTH)						
Equine Industry Program (0.2% of OTH)						
Equine Drug Research (0.1% of OTH)						
Higher Education Fund (0.1% of OTH)						
KY General Fund (0.35% of OTH)						
Total KY Excise Tax (1.5% of OTH)						
% of Gross Commission						
Backside Improvement Fund (0.5% of OTH)						
Net Commission						
% of On-Track Handle						
Off-Track Handle on Kentucky Races From						
Other KY Tracks						
Kentucky Licensed ADW's						
Other Sources						
All Sources Handle on Live Racing (On- and Off-Track)						
Average Daily Handle - On Track						
Average Daily Handle - All Sources						

Simulcast Wagering on Other Tracks

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 1,775,482	\$ 1,755,270	1.2%	\$ 5,827,129	\$ 5,912,770	-1.4%
Standardbred Simulcast Handle (SBSH)	\$ 48,504	\$ 70,211	-30.9%	\$ 159,155	\$ 232,249	-31.5%
Quarter Horse/Other Simulcast Handle (QSHS)	\$ 10,033	\$ 12,569	-20.2%	\$ 40,959	\$ 49,626	-17.5%
All-Breed Total Simulcast Handle (TSH)	\$ 1,834,019	\$ 1,838,051	-0.2%	\$ 6,027,243	\$ 6,194,644	-2.7%
TB Development Fund (2% of TBSH)	\$ 35,510	\$ 35,105	1.2%	\$ 116,543	\$ 118,255	-1.4%
SB Development Fund (2% of SBSH)	\$ 970	\$ 1,404	-30.9%	\$ 3,183	\$ 4,645	-31.5%
QH/Other Development Fund (2% of QSHS)	\$ 201	\$ 251	-20.2%	\$ 819	\$ 993	-17.5%
Equine Industry Program (0.05% of TSH)	\$ 917	\$ 919	-0.2%	\$ 3,014	\$ 3,097	-2.7%
Equine Drug Research (0.1% of TSH)	\$ 1,834	\$ 1,838	-0.2%	\$ 6,027	\$ 6,195	-2.7%
Higher Education Fund (0.1% of TSH)	\$ 1,834	\$ 1,838	-0.2%	\$ 6,027	\$ 6,195	-2.7%
KY General Fund (0.75% of TSH)	\$ 13,755	\$ 13,785	-0.2%	\$ 45,204	\$ 46,460	-2.7%
Total KY Excise Tax (3% of TSH)	\$ 55,021	\$ 55,142	-0.2%	\$ 180,817	\$ 185,839	-2.7%

Kentucky Historical Horse Racing Report for September, 2016

	September-16	September-15	% Change	FYTD-2017	FYTD-2016	% Change
Total Handle	\$ 71,600,455	\$ 39,629,827	80.7%	\$ 210,599,640	\$ 118,187,182	78.2%
Less: Returned to Public	\$ 66,083,828	\$ 36,365,792	81.7%	\$ 194,234,866	\$ 108,518,969	79.0%
Less: Breakage	\$ 21,492	\$ 10,075		\$ 67,080	\$ 24,825	
Less: Settlement	\$ (36,396)	\$ 20,751		\$ (123,212)	\$ 67,335	
Gross Commission	<u>\$ 5,531,531</u>	<u>\$ 3,233,208</u>	71.1%	<u>\$ 16,420,907</u>	<u>\$ 9,576,053</u>	71.5%
TB Development Fund (See Note 1)	\$ 457,710	\$ 278,040	64.6%	\$ 1,344,562	\$ 867,197	55.0%
SB Development Fund (See Note 2)	\$ 105,725	\$ 25,578	313.3%	\$ 313,247	\$ 25,578	1124.7%
Equine Industry Program (See Note 3)	\$ 122,056	\$ 79,260	54.0%	\$ 358,550	\$ 236,374	51.7%
Equine Drug Research (See Note 4)	\$ 61,028	\$ 39,630	54.0%	\$ 179,275	\$ 118,187	51.7%
Higher Education Fund (See Note 4)	\$ 61,028	\$ 39,630	54.0%	\$ 179,275	\$ 118,187	51.7%
Kentucky General Fund (Note 5)	\$ 266,460	\$ 132,310	101.4%	\$ 784,086	\$ 407,285	92.5%
Total KY Excise Tax (1.5% of Total Handle)	<u>\$ 1,074,007</u>	<u>\$ 594,447</u>	80.7%	<u>\$ 3,158,995</u>	<u>\$ 1,772,808</u>	78.2%
% of Gross Commission	19.4%	18.4%		19.2%	18.5%	
Net Commission	\$ 4,457,524	\$ 2,638,761	68.9%	\$ 13,261,912	\$ 7,803,245	70.0%
% of Total Handle	6.23%	6.66%		6.30%	6.60%	
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Number of HHR Terminals	1,706	1,581	7.9%	1,706	1,581	7.9%
Average Daily Handle	\$ 2,386,682	\$ 1,320,994	80.7%	\$ 2,289,127	\$ 1,284,643	78.2%
Handle / Day / Machine	\$ 1,399	\$ 836	67.4%	\$ 1,342	\$ 813	65.1%
Gross Commission / Day / Machine	\$ 108	\$ 68	58.5%	\$ 105	\$ 66	58.9%

	September-16	Aug-16	% Change	Total Handle	Since Inception
Total Handle	\$ 71,600,455	\$ 69,929,411	2.4%	\$ 1,949,143,371	\$1,949,143,371
Total Kentucky Excise Tax	\$ 1,074,007	\$ 1,048,941	2.4%	\$ 29,237,151	\$29,237,151
Average Daily Handle	\$ 2,386,682	\$ 2,255,787	5.8%	\$ 8,151,360	\$8,151,360

Note 1: Thoroughbred Development Fund receives .75% of Total Handle at Kentucky Downs and Ellis Park. The rate applies to half of the Total Handle at KRM.

Note 2: The Standardbred Development Fund receives 1.0% of half of the Total Handle at KRM.

Note 3: EIP receives .2% of TH with a fiscal year cap of \$650,000.

Note 4: EDR and HEF each receive .1% of TH with a fiscal year cap of \$320,000.

Note 5: Kentucky General Fund receives 1.5% of TH less Notes 1, 2, 3 and 4.

Ellis Park Historical Horse Racing Report for September, 2016

	September-16	September-15	% Change	FYTD-2017	FYTD-2016	% Change
Total Handle	\$ 8,329,875	\$ 5,006,103	66.4%	\$ 24,470,047	\$ 16,738,554	46.2%
Less: Returned to Public	\$ 7,691,298	\$ 4,621,533	66.4%	\$ 22,586,541	\$ 15,433,035	46.4%
Less: Breakage	\$ 4,578	\$ 3,846		\$ 14,650	\$ 12,630	
Less: Settlement	\$ 2,523	\$ (17,384)		\$ (7,851)	\$ (7,534)	
Gross Commission	<u>\$ 631,475</u>	<u>\$ 398,108</u>	58.6%	<u>\$ 1,876,707</u>	<u>\$ 1,300,422</u>	44.3%
TB Development Fund (See Note 1)	\$ 62,474	\$ 37,546	66.4%	\$ 183,525	\$ 125,515	46.2%
SB Development Fund (See Note 2)	-	-	-	-	-	-
Equine Industry Program (See Note 3)	\$ 16,660	\$ 10,012	66.4%	\$ 48,940	\$ 33,477	46.2%
Equine Drug Research (See Note 4)	\$ 8,330	\$ 5,006	66.4%	\$ 24,470	\$ 16,739	46.2%
Higher Education Fund (See Note 4)	\$ 8,330	\$ 5,006	66.4%	\$ 24,470	\$ 16,739	46.2%
Kentucky General Fund (Note 5)	\$ 29,155	\$ 17,521	66.4%	\$ 85,645	\$ 58,609	46.1%
Total KY Excise Tax (1.5% of Total Handle)	<u>\$ 124,948</u>	<u>\$ 75,092</u>	66.4%	<u>\$ 367,051</u>	<u>\$ 251,078</u>	46.2%
% of Gross Commission	19.8%	18.9%		19.6%	19.3%	
Net Commission	\$ 506,527	\$ 323,016	56.8%	\$ 1,509,657	\$ 1,049,344	43.9%
% of Total Handle	6.08%	6.45%		6.17%	6.27%	
Number of HHR Terminals	179	179	0.0%	179	179	0.0%
Average Daily Handle	\$ 277,662	\$ 166,870	66.4%	\$ 265,979	\$ 181,941	46.2%
Handle / Day / Machine	\$ 1,551	\$ 932	66.4%	\$ 1,486	\$ 1,016	46.2%
Gross Commission / Day / Machine	\$ 118	\$ 74	58.6%	\$ 114	\$ 79	44.3%
	September-16	Aug-16	% Change	Since Inception (August 31, 2012)		
Total Handle	\$ 8,329,875	\$ 8,198,399	1.6%	Total Handle		\$200,294,249
Total Kentucky Excise Tax	\$ 124,948	\$ 122,976	1.6%	Total Kentucky Excise Tax		\$3,004,414
Average Daily Handle	\$ 277,662	\$ 264,464	5.0%	Total KY General Fund		\$872,369

Note 1: Thoroughbred Development Fund receives .75% of Total Handle at Kentucky Downs and Ellis Park. The rate applies to half of the Total Handle at KRM.

Note 2: The Standardbred Development Fund receives 1.0% of half of the Total Handle at KRM.

Note 3: EIP receives .2% of TH with a fiscal year cap of \$650,000.

Note 4: EDR and HEF each receive .1% of TH with a fiscal year cap of \$320,000.

Keeneland/Red Mile Historical Horse Racing Report for September, 2016

	September-16	September-15	% Change	FYTD-2017	FYTD-2016	% Change
Total Handle	\$ 21,144,925	\$ 5,115,524	313.3%	\$ 62,649,390	\$ 5,115,524	1124.7%
Less: Returned to Public	\$ 19,584,846	\$ 4,708,303	316.0%	\$ 57,947,891	\$ 4,708,303	1130.8%
Less: Breakage	\$ 13,650	\$ 3,800		\$ 40,133	\$ 3,800	
Less: Settlement	\$ (15,391)	\$ (6,825)		\$ (31)	\$ (6,825)	
Gross Commission	<u>\$ 1,561,820</u>	<u>\$ 410,247</u>	280.7%	<u>\$ 4,661,396</u>	<u>\$ 410,247</u>	1036.2%
TB Development Fund (See Note 1)	\$ 79,293	\$ 19,183	313.3%	\$ 234,935	\$ 19,183	1124.7%
SB Development Fund (See Note 2)	\$ 105,725	\$ 25,578	313.3%	\$ 313,247	\$ 25,578	1124.7%
Equine Industry Program (See Note 3)	\$ 21,145	\$ 10,231	106.7%	\$ 62,649	\$ 10,231	512.3%
Equine Drug Research (See Note 4)	\$ 10,572	\$ 5,116	106.7%	\$ 31,325	\$ 5,116	512.3%
Higher Education Fund (See Note 4)	\$ 10,572	\$ 5,116	106.7%	\$ 31,325	\$ 5,116	512.3%
Kentucky General Fund (Note 5)	\$ 89,866	\$ 11,510	680.8%	\$ 266,260	\$ 11,510	2213.3%
Total KY Excise Tax (1.5% of Total Handle)	<u>\$ 317,174</u>	<u>\$ 76,733</u>	313.3%	<u>\$ 939,741</u>	<u>\$ 76,733</u>	1124.7%
% of Gross Commission	20.3%	18.7%		20.2%	18.7%	
Net Commission	\$ 1,244,646	\$ 333,514	273.2%	\$ 3,721,655	\$ 333,514	1015.9%
% of Total Handle	5.89%	6.52%		5.94%	6.52%	
Number of HHR Terminals	902	902	0.0%	902	902	0.0%
Average Daily Handle	\$ 704,831	\$ 170,517	313.3%	\$ 680,972	\$ 170,517	299.4%
Handle / Day / Machine	\$ 781	\$ 189	313.3%	\$ 755	\$ 189	299.4%
Gross Commission / Day / Machine	\$ 58	\$ 15	280.7%	\$ 56	\$ 5	1036.2%
	September-16	Aug-16	% Change	<u>Since Inception (September 8, 2015)</u>		
Total Handle	\$ 21,144,925	\$ 20,968,546	0.8%	Total Handle	\$218,081,275	
Total Kentucky Excise Tax	\$ 317,174	\$ 314,528	0.8%	Total Kentucky Excise Tax	\$3,271,219	
Average Daily Handle	\$ 704,831	\$ 676,405	4.2%	Total KY General Fund	\$1,009,364	

Note 1: Thoroughbred Development Fund receives .75% of Total Handle at Kentucky Downs and Ellis Park. The rate applies to half of the Total Handle at KRM.

Note 2: The Standardbred Development Fund receives 1.0% of half of the Total Handle at KRM.

Note 3: EIP receives .2% of TH with a fiscal year cap of \$650,000.

Note 4: EDR and HEF each receive .1% of TH with a fiscal year cap of \$320,000.

Kentucky Downs Historical Horse Racing Report for September, 2016

	September-16	September-15	% Change	FYTD-2017	FYTD-2016	% Change
Total Handle	\$ 42,125,656	\$ 29,508,199	42.8%	\$ 123,480,202	\$ 96,333,103	28.2%
Less: Returned to Public	\$ 38,807,684	\$ 27,035,956	43.5%	\$ 113,700,434	\$ 88,377,631	28.7%
Less: Breakage	\$ 3,264	\$ 2,429		\$ 12,296	\$ 8,395	
Less: Settlement	\$ (23,528)	\$ 44,960		\$ (115,331)	\$ 81,694	
Gross Commission	<u>\$ 3,338,236</u>	<u>\$ 2,424,853</u>	37.7%	<u>\$ 9,882,803</u>	<u>\$ 7,865,384</u>	25.6%
TB Development Fund (See Note 1)	\$ 315,942	\$ 221,311	42.8%	\$ 926,102	\$ 722,498	28.2%
SB Development Fund (See Note 2)	-	-	-	-	-	-
Equine Industry Program (See Note 3)	\$ 84,251	\$ 59,016	42.8%	\$ 246,960	\$ 192,666	28.2%
Equine Drug Research (See Note 4)	\$ 42,126	\$ 29,508	42.8%	\$ 123,480	\$ 96,333	28.2%
Higher Education Fund (See Note 4)	\$ 42,126	\$ 29,508	42.8%	\$ 123,480	\$ 96,333	28.2%
Kentucky General Fund (Note 5)	\$ 147,440	\$ 103,279	42.8%	\$ 432,181	\$ 337,166	28.2%
Total KY Excise Tax (1.5% of Total Handle)	<u>\$ 631,885</u>	<u>\$ 442,623</u>	42.8%	<u>\$ 1,852,203</u>	<u>\$ 1,444,997</u>	28.2%
% of Gross Commission	18.9%	18.3%		18.7%	18.4%	
Net Commission	\$ 2,706,351	\$ 1,982,230	36.5%	\$ 8,030,600	\$ 6,420,387	25.1%
% of Total Handle	6.42%	6.72%		6.50%	6.66%	
Number of HHR Terminals	625	500	25.0%	625	500	25.0%
Average Daily Handle	\$ 1,404,189	\$ 983,607	42.8%	\$ 1,342,176	\$ 1,047,099	28.2%
Handle / Day / Machine	\$ 2,247	\$ 1,967	14.2%	\$ 2,147	\$ 2,094	2.5%
Gross Commission / Day / Machine	\$ 178	\$ 162	10.1%	\$ 172	\$ 171	0.5%
	September-16	Aug-16	% Change	Since Inception (September 1, 2011)		
Total Handle	\$ 42,125,656	\$ 40,762,466	3.3%	Total Handle	\$1,531,102,419	
Total Kentucky Excise Tax	\$ 631,885	\$ 611,437	3.3%	Total Kentucky Excise Tax	\$22,966,536	
Average Daily Handle	\$ 1,404,189	\$ 1,314,918	6.8%	Total KY General Fund	\$6,270,798	

Note 1: Thoroughbred Development Fund receives .75% of Total Handle at Kentucky Downs and Ellis Park. The rate applies to half of the Total Handle at KRM.

Note 2: The Standardbred Development Fund receives 1.0% of half of the Total Handle at KRM.

Note 3: EIP receives .2% of TH with a fiscal year cap of \$650,000.

Note 4: EDR and HEF each receive .1% of TH with a fiscal year cap of \$320,000.

Kentucky Handle and Excise Tax Report for September, 2016

	September-16	September-15	% Change	FTYD - 2017	FTYD - 2016	% Change
Live Racing Dates	26	29	-10.3%	76	78	-2.6%
On-Track Handle	\$ 6,959,852	\$ 5,038,592	38.1%	\$ 13,005,362	\$ 10,058,451	29.3%
All-Breed Simulcast Handle	\$ 12,494,642	\$ 12,882,608	-3.0%	\$ 39,956,841	\$ 44,292,502	-9.8%
Total ADW Handle	\$ 12,184,446	\$ 12,009,515	1.5%	\$ 45,934,228	\$ 41,249,899	11.4%
Historical Horse Racing Handle	\$ 71,600,455	\$ 39,629,827	80.7%	\$ 210,599,640	\$ 118,187,182	78.2%
Total Handle	\$ 103,239,395	\$ 69,560,541	48.4%	\$ 309,496,071	\$ 213,788,034	44.8%
Other Off-Track Handle on KY Races	\$ 51,685,037	\$ 51,304,259	0.7%	\$ 93,625,924	\$ 80,147,451	16.8%
TB Development Fund	\$ 706,488	\$ 502,155	40.7%	\$ 2,070,223	\$ 1,615,500	28.1%
SB Development Fund	\$ 109,951	\$ 33,299	230.2%	\$ 334,444	\$ 52,197	540.7%
QH/Arabian Development Fund	\$ 2,639	\$ 1,464	80.2%	\$ 6,297	\$ 5,703	10.4%
Backside Improvement Fund	\$ 34,755	\$ 23,625	47.1%	\$ 62,267	\$ 45,471	36.9%
Equine Industry Program	\$ 141,061	\$ 94,185	49.8%	\$ 400,882	\$ 274,000	46.3%
Equine Drug Research	\$ 78,158	\$ 54,366	43.8%	\$ 224,923	\$ 163,264	37.8%
Higher Education Fund	\$ 78,158	\$ 54,366	43.8%	\$ 224,923	\$ 163,264	37.8%
ADW Host Track Allocation (Note 1)	\$ 25,892	\$ 25,520	1.5%	\$ 97,610	\$ 87,656	11.4%
ADW Purse Allocation (Note 1)	\$ 25,892	\$ 25,520	1.5%	\$ 97,610	\$ 87,656	11.4%
KY General Fund	\$ 376,211	\$ 230,896	62.9%	\$ 1,107,496	\$ 733,654	51.0%
Total KY Excise Tax	\$ 1,579,205	\$ 1,045,396	51.1%	\$ 4,626,676	\$ 3,228,366	43.3%

Note 1 - As per KRS 138.530



Kentucky Resident Advance Deposit Wagering Report for September, 2016

AmWest Entertainment

	Sep-16	Sep-15	% Change	FYTD-2017	FYTD-2016	% Change
Total In-State Handle	\$ 4,992	\$ 15,995	-68.8%	\$ 6,548	\$ 28,711	-77.2%
Total Out-of-State Handle	\$ 28,208	\$ 76,412	-63.1%	\$ 149,464	\$ 326,596	-54.2%
Total Handle	\$ 33,200	\$ 92,407	-64.1%	\$ 156,011	\$ 355,308	-56.1%

Host Track (42.5% Allocation)	\$ 71	\$ 196	-64.1%	\$ 332	\$ 755	-56.1%
Purse (42.5% Allocation)	\$ 71	\$ 196	-64.1%	\$ 332	\$ 755	-56.1%
KY General Fund (15% Allocation)	\$ 25	\$ 69	-64.1%	\$ 117	\$ 266	-56.1%
Total KY Excise Tax (0.5% of TAH)	\$ 166	\$ 462	-64.1%	\$ 780	\$ 1,777	-56.1%

Ebet

	Sep-16	Sep-15	% Change	FYTD-2017	FYTD-2016	% Change
Total In-State Handle	\$ 1,650	\$ 1,319	25.1%	\$ 4,012	\$ 3,962	1.3%
Total Out-of-State Handle	\$ 58,893	\$ 50,224	17.3%	\$ 191,138	\$ 166,249	15.0%
Total Handle	\$ 60,544	\$ 51,543	17.5%	\$ 195,151	\$ 170,211	14.7%

Host Track (42.5% Allocation)	\$ 129	\$ 110	17.5%	\$ 415	\$ 362	14.7%
Purse (42.5% Allocation)	\$ 129	\$ 110	17.5%	\$ 415	\$ 362	14.7%
KY General Fund (15% Allocation)	\$ 45	\$ 39	17.5%	\$ 146	\$ 128	14.7%
Total KY Excise Tax (0.5% of TAH)	\$ 303	\$ 258	17.5%	\$ 976	\$ 851	14.7%

Lien Games

	Sep-16	Sep-15	% Change	FYTD-2017	FYTD-2016	% Change
Total In-State Handle	\$ 32,468	\$ 17,053	90.4%	\$ 60,208	\$ 30,066	100.3%
Total Out-of-State Handle	\$ 273,598	\$ 200,475	36.5%	\$ 844,266	\$ 717,636	17.6%
Total Handle	\$ 306,066	\$ 217,528	40.7%	\$ 904,474	\$ 747,702	21.0%

Host Track (42.5% Allocation)	\$ 650	\$ 462	40.7%	\$ 1,922	\$ 1,589	21.0%
Purse (42.5% Allocation)	\$ 650	\$ 462	40.7%	\$ 1,922	\$ 1,589	21.0%
KY General Fund (15% Allocation)	\$ 230	\$ 163	40.7%	\$ 678	\$ 561	21.0%
Total KY Excise Tax (0.5% of TAH)	\$ 1,530	\$ 1,088	40.7%	\$ 4,522	\$ 3,739	21.0%

Kentucky Resident Advance Deposit Wagering Report for September, 2016 (Cont)

TVG	Sep-16	Sep-15	% Change	FYTD-2017	FYTD-2016	% Change
Total In-State Handle	\$ 473,932	\$ 663,332	-28.6%	\$ 1,010,469	\$ 1,031,908	-2.1%
Total Out-of-State Handle	\$ 3,099,805	\$ 3,286,400	-5.7%	\$ 12,765,371	\$ 12,492,404	2.2%
Total Handle	\$ 3,573,737	\$ 3,949,732	-9.5%	\$ 13,775,840	\$ 13,524,312	1.9%

Host Track (42.5% Allocation)	\$ 7,594	\$ 8,393	-9.5%	\$ 29,274	\$ 28,739	1.9%
Purse (42.5% Allocation)	\$ 7,594	\$ 8,393	-9.5%	\$ 29,274	\$ 28,739	1.9%
KY General Fund (15% Allocation)	\$ 2,680	\$ 2,962	-9.5%	\$ 10,332	\$ 10,143	1.9%
Total KY Excise Tax (0.5% of TAH)	\$ 17,869	\$ 19,749	-9.5%	\$ 68,879	\$ 67,622	1.9%

Twin Spires	Sep-16	Sep-15	% Change	FYTD-2017	FYTD-2016	% Change
Total In-State Handle	\$ 1,452,626	\$ 1,343,795	8.1%	\$ 3,175,202	\$ 2,100,075	51.2%
Total Out-of-State Handle	\$ 4,703,101	\$ 4,501,174	4.5%	\$ 20,846,269	\$ 18,985,272	9.8%
Total Handle	\$ 6,155,727	\$ 5,844,969	5.3%	\$ 24,021,471	\$ 21,085,347	13.9%

Host Track (42.5% Allocation)	\$ 13,081	\$ 12,421	5.3%	\$ 51,046	\$ 44,806	13.9%
Purse (42.5% Allocation)	\$ 13,081	\$ 12,421	5.3%	\$ 51,046	\$ 44,806	13.9%
KY General Fund (15% Allocation)	\$ 4,617	\$ 4,384	5.3%	\$ 18,016	\$ 15,814	13.9%
Total KY Excise Tax (0.5% of TAH)	\$ 30,779	\$ 29,225	5.3%	\$ 120,107	\$ 105,427	13.9%

XpressBet	Sep-16	Sep-15	% Change	FYTD-2017	FYTD-2016	% Change
Total In-State Handle	\$ 548,156	\$ 414,462	32.3%	\$ 870,531	\$ 572,797	52.0%
Total Out-of-State Handle	\$ 1,507,017	\$ 1,438,874	4.7%	\$ 6,149,766	\$ 4,794,223	28.3%
Total Handle	\$ 2,055,173	\$ 1,853,336	10.9%	\$ 7,020,297	\$ 5,367,020	30.8%

Host Track (42.5% Allocation)	\$ 4,367	\$ 3,938	10.9%	\$ 14,918	\$ 11,405	30.8%
Purse (42.5% Allocation)	\$ 4,367	\$ 3,938	10.9%	\$ 14,918	\$ 11,405	30.8%
KY General Fund (15% Allocation)	\$ 1,541	\$ 1,390	10.9%	\$ 5,265	\$ 4,025	30.8%
Total KY Excise Tax (0.5% of TAH)	\$ 10,276	\$ 9,267	10.9%	\$ 35,101	\$ 26,835	30.8%

Kentucky Resident Advance Deposit Wagering Report for September, 2016

	Sep-16	Sep-15	% Change	FYTD-2017	FYTD-2016	% Change
Total In-State Handle	\$ 2,513,823	\$ 2,455,956	2.4%	\$ 5,126,970	\$ 3,767,519	36.1%
Total Out-of-State Handle	\$ 9,670,622	\$ 9,553,559	1.2%	\$ 40,946,274	\$ 37,482,380	9.2%
Total ADW Handle (TAH)	\$ 12,184,446	\$ 12,009,515	1.5%	\$ 46,073,244	\$ 41,249,899	11.7%
Host Track (42.5% Allocation)	\$ 25,892	\$ 25,520	1.5%	\$ 97,906	\$ 87,656	11.7%
Purse (42.5% Allocation)	\$ 25,892	\$ 25,520	1.5%	\$ 97,906	\$ 87,656	11.7%
KY General Fund (15% Allocation)	\$ 9,138	\$ 9,007	1.5%	\$ 34,555	\$ 30,937	11.7%
Total KY Excise Tax (0.5% of TAH)	\$ 60,922	\$ 60,048	1.5%	\$ 230,366	\$ 206,249	11.7%

Source - Kentucky Department of Revenue Weekly Tax Filings