

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: September 18, 2012

Place: U.S. Dressage Federation Building, Kentucky Horse Park, Lexington, KY

Members Present: Chairman Robert M. Beck, Jr.; Vice-Chairman Tracy Farmer; Commissioner Edward S. “Ned” Bonnie; Commissioner Wade Houston; Commissioner Frank Jones, Jr.; Commissioner Franklin S. Kling, Jr.; Commissioner Alan J. Leavitt; Commissioner Burr Travis, Jr.; Commissioner Jerry Yon, M.D.; Commissioner Thomas Conway; Commissioner Foster Northrop, D.V.M.; Commissioner John Phillips and Commissioner Neil Howard

Ex-officio Members Present: Secretary Robert D. Vance representing the Public Protection Cabinet; Mr. William Dexter, representing the Tourism, Arts and Heritage Cabinet; and Mr. George Burgess, representing the Cabinet of Economic Development

KHRC Staff Present: John T. Ward, Jr., Executive Director; Marc A. Guilfoil, Deputy Executive Director; Susan B. Speckert, General Counsel; Michael T. Davis, Deputy General Counsel; Bryce Peckham, DVM, Chief State Veterinarian; Jamie Eads, Director of Breeders Incentives and Development; Greg Lamb, Supervisor of Pari-Mutuel Wagering; and Barbara Borden, Acting Chief State Steward

Others Participating: Mr. Corey Johnsen, President of Kentucky Downs; Mr. Ron Geary, President of Ellis Park Race Course; Mr. James D. Featherstonhaugh, Secretary of Saratoga Harness Racing, Inc.; Mr. Cliff Reed, Vice President and CFO of Turfway Park; and Mr. Martin Maline, Executive Director of the Kentucky Horsemen’s Benevolent and Protective Association (“KyHBPA”)

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

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
Not applicable	5 – 6	Chairman Beck introduced Neil Howard, newly appointed KHRC Commissioner. Mr. Howard gave a summary of his background.	No action taken. Informational item only.
	6	Chairman Beck noted the reappointment of Commissioners Leavitt, Northrop, Houston and Lavin.	
Tab 1 Approve minutes of August 15, 2012	6 – 7	Chairman Beck presented the minutes of the meeting of August 15, 2012 for approval.	Motion to approve by Commissioner Bonnie. Second by Commissioner

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			Travis. Motion carried with no objections or abstentions.
Tab 2 Approve Keeneland's Roster of Race Officials for 2012 Fall Meet	7 – 8	<p>Mr. Guilfoil stated that by letter dated August 24, 2012, Keeneland requested approval of its roster of race officials and date preference system for its 2012 Fall Meet.</p> <p>All stewards are ROAP accredited and all officials have previously performed the duties for which they were listed.</p> <p>Staff recommended approval.</p>	<p>Motion to approve recommendation by Commissioner Jones. Second by Commissioner Houston. Motion carried with no objections or abstentions.</p>
Tab 3 Approve Churchill Downs' Roster of Race Officials for 2012 Fall Meet	8 – 9	<p>Mr. Guilfoil stated that by letter dated September 4, 2012, Churchill Downs requested approval of its roster of race officials and date preference system for its 2012 Fall Meet.</p> <p>All stewards are ROAP accredited and all officials have previously performed the duties for which they are listed.</p> <p>Staff recommended approval.</p>	<p>Motion to approve recommendation by Commissioner Bonnie. Second by Commissioner Jones. Motion carried with no objections or abstentions.</p>
Tab 4 Ratify changes in The Red Mile's wagering format	9 – 10	<p>Mr. Guilfoil stated that by letter dated August 6, 2012, The Red Mile requested approval to amend its wagering format to offer a Super High Five with carryover up to 3 races daily instead of a Super High Five up to 3 races daily.</p> <p>Mr. Guilfoil noted that the request was received too late to be included on the August meeting agenda; therefore, pursuant to KRS 230.230, the Executive Director approved the request and the staff recommended the action be ratified.</p>	<p>Motion to approve recommendation and ratify the action taken by the Executive Director by Commissioner Phillips. Second by Commissioner Leavitt. Motion carried with no objections or abstentions.</p>

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<p>Tab 5 Ratify changes in Turfway Park's Post Time for the 2012 Fall Meet</p>	<p>10 – 15</p>	<p>Mr. Guilfoil stated that by letter dated August 9, 2012, Turfway Park request approval to change its Thursday and Friday post time during the 2012 Fall Meet from 5:30 PM to 6:00 PM. Turfway anticipates that the later post time would result in an increase in all sources handle benefitting Turfway and the horsemen.</p> <p>Mr. Maline expressed that the horsemen were in favor of the 5:30 PM post time because it was difficult in the winter time to be on the road late at night. Mr. Reed stated that they were experimenting with the later post time as a way to increase all sources handle and were still evaluating the results.</p> <p>Commissioner Jones requested that after the meet, Turfway provide figures to show whether the post time change resulted in a dramatic change. Mr. Reed agreed to provide those figures.</p> <p>Chairman Beck confirmed that the post time change only applied to the 2012 Fall Meet.</p> <p>Mr. Guilfoil noted that the request was received too late to be included on the August meeting agenda; therefore, pursuant to KRS 230.230, the Executive Director approved the request and the staff recommended the action be ratified.</p>	<p>Motion to approve recommendation and ratify the action taken by the Executive Director by Vice Chairman Farmer. Second by Commissioner Travis. Motion carried with no objections or abstentions.</p>
<p>Tab 6 Ratify Kentucky Downs amendment to list of simulcast sites</p>	<p>15 – 16</p>	<p>Ms. Speckert stated that by letter dated August 31, 2012, Kentucky Downs requested approval to amend its 2012 race track application to include additional simulcast sites. The proposed sites were reviewed and found appropriate by KHRC staff. Mr. Johnsen confirmed that the appropriate approvals from the KyHBPA and Kentucky Thoroughbred Association had been obtained.</p>	<p>Motion to approve recommendation and ratify the action taken by the Executive Director by Commissioner Kling. Second by Commissioner Travis. Motion carried</p>

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		<p>Ms. Speckert noted that because Kentucky Downs opened prior to the Commission meeting, pursuant to KRS 230.230, the Executive Director approved the request and the staff recommended the action be ratified.</p>	<p>with no objections or abstentions.</p>
<p>Tab 7 Ratify Turfway Park's KTDF allotments for Fall Meet</p>	<p>16 – 17</p>	<p>Ms. Eads stated that by letter dated August 6, 2012, Turfway Park requested approval of its 2012 fall meet KTDF purse payments in the amount of \$275,000 and to pay KTDF purses from first to last place to all eligible horses. Staff has confirmed that at the end of the Winter/Spring Meet, Turfway Park had a surplus of \$212,501.</p> <p>The KTDF Advisory Committee reviewed the proposal on August 28, 2102 and approval was recommended.</p> <p>Pursuant to KRS 230.230, the Executive Director approved the request and the staff recommended the action be ratified.</p>	<p>Motion to approve recommendation and ratify the action taken by the Executive Director by Commissioner Jones. Second by Commissioner Houston. Motion carried with no objections or abstentions.</p>
<p>Tab 8 Approve Keeneland's KTDF allotments for Fall Meet</p>	<p>17 – 18</p>	<p>Ms. Eads stated that by letter dated August 21, 2012, Keeneland requested approval of its 2012 fall meet KTDF purse payments in the amount of \$537,000 and to pay KTDF purses from first to last place to all eligible horses. Staff has confirmed that Keeneland had a surplus of \$38,742.</p> <p>The KTDF Advisory Committee reviewed the proposal on August 28, 2102 and approval was recommended.</p>	<p>Motion to approve recommendation by Commissioner Bonnie. Second by Commissioner Leavitt. Motion carried with no objections or abstentions.</p>
<p>Tab 9 Approve Churchill Downs' KTDF allotments for Fall Meet</p>	<p>18 – 20</p>	<p>Ms. Eads stated that by letter dated August 24, 2012, Churchill Downs requested approval of its 2012 fall meet KTDF purse payments in the range of \$725,000 – 775,000. Staff has confirmed that Churchill Downs had a surplus of \$143,276.80.</p> <p>The KTDF Advisory Committee reviewed the proposal on August 28, 2102 and approval was recommended.</p>	<p>Motion to approve recommendation by Commissioner Jones. Second by Commissioner Bonnie. Motion carried with no objections or abstentions.</p>

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		<p>Ms. Eads noted that the request included additional money from Kentucky Downs off of their historical wagers.</p>	
<p>Tab 10 Approve Ellis Park Partial Change in Ownership</p>	<p>20 – 28</p>	<p>Ms. Speckert stated that by letter dated July 27, 2012, Saratoga Casino and Hospitality Group LLC (“Applicant”) informed the Commission that it had entered into a letter of intent with Ellis Park to purchase a 30% interest in Ellis Park. Applicant is a newly formed LLC, owned 85% by Saratoga Harness Racing, Inc. (“Parent”) and 15% by 3 individual principals of the Applicant. Because the Applicant is newly formed, the information provided is from the Parent.</p> <p>Background checks were performed on principals of the Applicant and Parent. The Ellis Park Change of Control Subcommittee (“Subcommittee”) comprised of Chairman Beck and Commissioners Kling and Bonnie reviewed the application and met with representatives of the Applicant and Parent at a public meeting held on September 5, 2012. The Subcommittee voted unanimously to approve the request and recommend approval to the Commission.</p> <p>Mr. Geary and Mr. Featherstonhaugh addressed the Commission and answered questions from Commission members.</p>	<p>Motion to approve recommendation by Commissioner Bonnie. Second by Mr. Leavitt. Motion carried with no objections or abstentions.</p>
<p>Tab 11 Approve Research Extension Request</p>	<p>28 – 30</p>	<p>Mr. Davis stated that on June 1, 2012, Dr. James MacLeod requested approval of a no-cost contract extension until June 30, 2013 in connection with the research project entitled <i>Safety and Anti-Inflammatory Efficacy of Glucocorticoids for Intra-articular Therapy in Racehorses</i>.</p> <p>Because this project currently falls under a consolidated contract tied to other projects, a new contract would be necessary to</p>	<p>Motion to approve recommendation by Commissioner Yon. Second by Commissioner Jones. Motion carried with no objections or abstentions.</p>

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		<p>approve an extension. The terms and conditions of the proposed new contract are identical to the original contract with the exceptions that the contract amount is limited to the remaining \$24,992.28 in funds yet to be disbursed and amended progress reporting deadlines. No additional money would be involved.</p> <p>The EDRC voted to approve the extension request on August 15, 2012 and recommends approval. Commissioner Yon, Chairman of the EDRC, stated that the EDRC believes this to be a very good research project and worth proceeding with.</p>	
Tab 12 Approve 2013 License applications for United Tote and AmTote	30 – 31	<p>Ms. Speckert stated that on August 1, 2012, United Tote and AmTote submitted renewal license applications to provide totalizator services in Kentucky. Both are currently licensed, have operated the past year without incident and have been in compliance with the totalizator standards.</p> <p>KHRC staff and Commissioner Kling reviewed the applications and approval is recommended.</p>	<p>Motion to approve recommendation by Commissioner Travis Second by Commissioner Bonnie. Motion carried with no objections or abstentions.</p>
Tab 13 Thoroughbred Rulings	32	<p>Ms. Borden presented the Thoroughbred Rulings report.</p> <p>Ms. Borden noted that the fine for Ruling 12-0069 had been paid.</p>	<p>No action taken. Informational item only.</p>
Tab 14 Standardbred Rulings	32 – 34	<p>Mr. Guilfoil presented the Standardbred Rulings report on behalf of Rich Williams, Chief State Judge.</p> <p>Mr. Guilfoil noted the following updates to the report:</p> <ol style="list-style-type: none"> 1) Ruling #J2012-002 – fine paid; 2) Ruling #J2012005 – fine paid; and 3) Ruling #J2012007 – fine paid. 	<p>No action taken. Informational item only.</p>

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Tab 15 Reports from Veterinary Division	34 – 35	Dr. Peckham presented the veterinary report for the Ellis Park 2012 meet during July and August. Dr. Peckham noted a correction in the Race-related Fatal Injury Occurrence report. The number for August 2012 should be 3, not 2.	No action taken. Informational item only.
Tab 16 Report from the Supervisor of Pari-Mutuel Wagering	35 – 36	Mr. Lamb presented the report for wagering on historical racing during August 2012 for Kentucky Downs and Ellis Park, individually and combined, and wagering on historical races cumulative totals for September 1, 2011 thru August 31, 2012.	No action taken. Informational item only.
Tab 17 Regulation and Litigation Status Report	36	For informational purposes only.	No action taken. Informational item only.
Adjournment	37	Chairman Beck requested a motion for adjournment.	Motion to adjourn by Commissioner Yon. Second by Commissioner Kling. Motion carried with no objections or abstentions. Meeting was adjourned.

NOTE: A copy of all materials provided in the Agenda Book, and any amendments thereto, are attached hereto and incorporated herein.