

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

Date: August 15, 2017 at 1:30 PM

Place: United States Dressage Federation, 4051 Iron Works Parkway, Lexington, KY 40511

Members Present: Chairman Franklin S. Kling, Jr.; Vice-Chairman John C. Roach; Commissioner Stuart E. Brown, II, DVM; J. Gatewood Bell, Jr.; Commissioner Kerry T. Cauthen; Commissioner Kiki Courtelis; Commissioner Patrick A. Day; Commissioner Douglas A. Hendrickson; Commissioner Gerald W. Holt; Commissioner Lesley Ann May Howard; Commissioner Kenneth A. Jackson; Commissioner Brereton C. Jones, Jr.; Commissioner Foster Northrop, DVM; Commissioner J. David Richardson, M.D.; and Commissioner Mark Simendinger

Ex-officio Members Present: Leigh Powers, by proxy on behalf of Secretary Don Parkinson, Tourism, Arts, and Heritage Cabinet; Jessica Burke, by proxy and on behalf of Secretary Terry Gill, Cabinet for Economic Development; and Secretary David A. Dickerson, Public Protection Cabinet

KHRC Staff Participating/Present: Marc A. Guilfoil, Executive Director; Jamie Eads, Deputy Executive Director and Director of Division of Incentives and Development; John L. Forgy, General Counsel; George L. Seay, Jr., Deputy General Counsel; Steve May, Director of Pari-Mutuel Wagering and Compliance; Mary Scollay, DVM, Equine Medical Director; Bruce Howard, DVM, Chief Racing Veterinarian; Rich Williams, Presiding Judge; and Barbara Borden, Chief State Steward

Others Participating: None.

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
<b>I. Call to Order and Roll Call</b>	2 – 3	Meeting called to order and roll call performed by Chairman Kling. A quorum was recognized.	No action taken.
<b>II. New Business Tab 1 Minutes from June 20, 2017</b>	3 – 12 3 – 4	Chairman Kling requested a motion to address the approval of the minutes of the June 20, 2017 Commission meeting. Motion by Commissioner Courtelis and second by Commissioner Northrop.  Chairman Kling noted that he had requested two corrections that staff had made and those corrections are reflected in the copies provided in the Agenda materials.	Chairman Kling called for a vote to approve the June 20, 2017 minutes as amended. Motion carried with no objections or abstentions.

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<p><b>Tab 2 Keeneland's Proposed 2017 Fall Meet KTDF Allotments</b></p>	<p>4 – 5</p>	<p>Chairman Kling requested a motion to address Keeneland's request for approval of its proposed 2017 Fall meet KTDF allotments. Motion by Commissioner Bell. Second by Commissioner Brown.</p> <p>Ms. Eads presented Keeneland's request dated July 17, 2017 for approval of its KTDF purse structure for the 2017 fall meet and the ability to pay out KTDF purses on eligible horses first through last place.</p> <p>Keeneland has proposed KTDF purses of approximately \$1,185,360. Their projections are based on a payout of 82% of the amount carded, daily earnings of \$19,416, and a fall surplus of \$287,487 along with KRM earnings.</p> <p>The KTDF Advisory Committee approved recommendation of Keeneland's request at its August 1, 2017 meeting. Approval is recommended.</p>	<p>Chairman Kling called for a vote. Keeneland's request was approved as presented with no objections or abstentions.</p>
<p><b>Tab 3 Churchill Downs' Proposed 2017 September Meet KTDF Allotments</b></p>	<p>5 – 6</p>	<p>Chairman Kling requested a motion to address Churchill Downs' request for approval of its proposed 2017 September meet KTDF allotments. Motion by Commissioner Brown. Second by Commissioner Simendinger.</p> <p>Ms. Eads presented Churchill Downs' request dated July 27, 2017 for approval of its KTDF purse structure for the 2017 September meet and the ability to pay out KTDF purses on eligible horses first through last place.</p> <p>Churchill Downs' has proposed KTDF purses in the range of \$150,000 to \$250,000. Their projections are based on a payout of 81% of the amount carded and daily earnings of \$12,400. Staff has confirmed</p>	<p>Chairman Kling called for a vote. Churchill Downs' request was approved as presented with no objections or abstentions.</p>

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		<p>that at the end of the 2017 spring meet, Churchill Downs had a surplus of \$78,247.</p> <p>The KTFD Advisory Committee approved recommendation of Churchill Downs' request at its August 1, 2017 meeting. Approval is recommended.</p>	
<p><b>Tab 4 Turfway Park Backside Improvement Request</b></p>	<p>6 – 7</p>	<p>Chairman Kling requested a motion to address Turfway Parks' request for expenditure of its backside improvement funds. Motion by Commissioner Day. Second by Commissioner Jackson.</p> <p>Ms. Eads presented Turfway Parks' request received on August 3, 2017 for approval to use funds in the Backside Improvement Fund for two projects: 1) barn area bathroom improvement (six bathrooms total); and 2) barn area pothole and asphalt repairs. Turfway Park is requesting \$12,000 for bathroom painting and \$47,000 for asphalt repairs.</p> <p>KHRC staff has reviewed the proposals and invoices, and confirmed that Turfway Park has a balance of \$59,277.27 in backside improvement funds. Upon completion of all the projects, KHRC staff will inspect the repair work and confirm completion. Copies of all invoices, photographs, and communications will be kept on file at the KHRC office. Support for the projects has been received from the Kentucky Horsemen's Benevolent and Protective Association, Inc. and staff recommends approval.</p>	<p>Chairman Kling called for a vote. Turfway Parks' request was approved as presented with no objections or abstentions.</p>
<p><b>Tab 5 Keeneland's Proposed 2017 Fall Race Meet Officials</b></p>	<p>7 – 9</p>	<p>Chairman Kling requested a motion to address Keeneland's proposed 2017 fall race meet racing officials and dates preference system. Motion by Commissioner Brown. Second by Commissioner Simendinger.</p>	<p>Chairman Kling called for a vote. Keeneland's request was approved as presented with no objections or abstentions.</p>

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		<p>Ms. Borden presented Keeneland’s request dated July 17, 2017, for approval of its roster of racing officials for the 2017 fall race meet. All stewards are ROAP accredited and all officials have previously performed the duties for which they are listed and will be licensed before the meet opens. Staff recommends approval.</p>	
<p><b>Tab 6 Churchill Downs’ Proposed 2017 Fall Race Meet Officials</b></p>	<p>9 – 10</p>	<p>Chairman Kling requested a motion to address Churchill Downs’ proposed 2017 fall race meet racing officials and dates preference system. Motion by Commissioner Day. Second by Commissioner Northrop.</p> <p>Ms. Borden presented Churchill Downs’ request dated July 17, 2017, for approval of its roster of racing officials for the 2017 fall race meet. All stewards are ROAP accredited and all officials have previously performed the duties for which they are listed and will be licensed before the meet opens. Staff recommends approval.</p>	<p>Chairman Kling called for a vote. Churchill Downs’ request was approved as presented with no objections or abstentions.</p>
<p><b>Tab 7 Consideration of Advance Deposit Wagering Application for PariBet, LLC</b></p>	<p>10 – 12</p>	<p>Chairman Kling requested a motion to address the request of the Wagering Committee to approve the proposed PariBet, LLC’s application for licensure to conduct advance deposit account wagering (ADW) in Kentucky. Motion by Commissioner Hendrickson. Second by Commissioner Northrop.</p> <p>Mr. May presented PariBet, LLC’s initial application for licensure to conduct ADW wagering for the remainder of the 2017 calendar year. Mr. May stated that KHRC staff and the KHRC Wagering Integrity Committee have reviewed the application and PariBet has been cooperative and forthcoming with requests for additional information. PariBet will be required to obtain a \$100,000 surety bond as a condition of licensure.</p>	<p>Chairman Kling called for a vote. PariBet, LLC’s application for ADW licensure was approved as presented with no objections or abstentions.</p>

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		The KHRC Wagering Integrity Committee approved recommendation of PariBet's application at its August 2, 2017 meeting and staff recommends approval.	
<b>Tab 8 Reports</b> <b>a. Thoroughbred Rulings</b> <b>b. Standardbred Rulings</b> <b>c. Veterinary Division</b> <b>d. Pari-Mutuel Wagering Division</b> <b>e. Confidential – Litigation and Regulations</b>	12 – 25  12 – 14  14  14 – 21  21 – 25  25	a. Ms. Borden presented the thoroughbred rulings report. There were no updates to the ruling report.  b. Mr. Williams presented the standardbred rulings report. There were no updates to the ruling report.  c. Dr. Howard and Dr. Scollay presented the veterinary division report.  d. Mr. May presented the pari-mutuel wagering division report.  e. Litigation and Regulation report is for informational purposes only.	No action taken. Informational items only.
<b>III. Other Business</b> <b>1. Patrick L. Biancone 2017 Trainer License Application</b>	25 – 41	Chairman Kling requested a motion to address the request from the KHRC License Review (Committee) to approve the proposed trainer license application of Patrick L. Biancone. Motion by Commissioner Simendinger. Second by Commissioner Jones.  Commissioner Jackson, Chairman of the Committee, presented the recommendation of the Committee. The Committee met on July 19, 2017. After discussions with Mr. Biancone and review of his application, the Committee voted 4-1 to approve recommendation of granting Mr. Biancone's license subject to three conditions outlined in the agenda materials. If approved by the full Commission, prior to granting the license Mr. Biancone will be required to enter into an agreement setting forth the conditions	Chairman Kling called for a vote. Mr. Biancone's application for a Kentucky thoroughbred trainer's license was approved, subject to entering into an agreement accepting the conditions as presented with one objection by Commissioner Howard and no abstentions.

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		upon which the license will be issued. Mr. Biancone will be given the opportunity to review, inspect and consult with counsel before signing the agreement. If Mr. Biancone decides to not accept the conditions of the agreement, he will withdraw his application for licensure.	
<b>IV. Adjournment</b>	41	Chairman Kling requested a motion to adjourn. Motion by Commissioner Brown. Second by Commissioner Northrop. Meeting adjourned.	Chairman Kling called for a vote. Motion carried with no objections or abstentions.

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