

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: August 21, 2018 at 1:30 PM

Place: The Red Mile Clubhouse, 1200 Red Mile Road, Lexington, KY 40504

Members Present: Chairman Franklin S. Kling, Jr.; Vice-Chairman Mark Simendinger; Commissioner James Gatewood Bell, Jr.; Commissioner Larry Bisig; Commissioner Stuart E. Brown, II, DVM; Commissioner Kerry Cauthen; Commissioner Kiki Courtelis; Commissioner Patrick A. Day; Commissioner Douglas A. Hendrickson; Commissioner Gerald W. Holt; Commissioner Kenneth Jackson; Commissioner Brereton Jones, Jr.; and Commissioner Foster Northrop, DVM

Ex-officio Members Present: Leigh Powers, by proxy and on behalf of Secretary Don Parkinson, Tourism, Arts & Heritage Cabinet; Jessica Burke, by proxy and on behalf of Secretary Terry Gill, Cabinet for Economic Development (arrived after Roll Call performed); and Acting Secretary Gail Russell, 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; Shawn D. Chapman, Deputy General Counsel; Steve May, Director of Pari-Mutuel Wagering and Compliance; Mary Scollay, DVM, Equine Medical Director; Bruce Howard, DVM, Chief Racing Veterinarian; and Barbara Borden, Chief State Steward

Others Participating: Mike Stone, Chairman, Kentucky Council on Problem Gambling; Joey Nolasco, Principal/Co-Founder, and Sam Montgomery, Project Manager, Integrity Architecture; and Mike Zeigler, Churchill Downs

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
I. Call to Order and Roll Call	3 – 5	Meeting called to order. Chairman Kling introduced new Commissioner Larry Bisig. Supreme Court Justice Laurance B. VanMeter administered the oath of office and swore in Commissioner Bisig. Chairman Kling also introduced Commissioner Simendinger as the KHRC's new Vice-Chairman.	No action taken.

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		Roll call was performed by Chairman Kling. A quorum was recognized.	
N/A	5 – 6	Chairman Kling extended the Commission’s appreciation to Saratoga Harness Racing Company and the Kentucky Horsemen’s Benevolent and Protection Association for the purchase and smooth transition of Ellis Park. He also congratulated Ellis Park on receiving accreditation from the National Thoroughbred Racing Association.	No action taken. Informational item only.
II. New Business Tab 1 Red Mile request for earlier post time on Sunday September 16, 2018	6 – 69 6 – 7	<p>Chairman Kling requested a motion from the Commission to address the request submitted by The Red Mile for an earlier post time of 3:00 PM on Sunday, September 16, 2018. Motion by Commissioner Hendrickson. Second by Commissioner Jackson.</p> <p>Ms. Eads presented The Red Mile’s request dated July 18, 2018 as outlined in the agenda materials. The proposed earlier post time would be to accommodate the Kentucky Sire Stakes Championship races and the Victory Song Festival.</p> <p>Approval is recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.
Tab 2 Keeneland’s Proposed 2018 Fall Meet KTDF Allotments	7 – 9	<p>Chairman Kling requested a motion from the Commission to address the recommendation submitted by the KTDF Advisory Committee to approve the proposed KTDF purse structure for Keeneland’s 2018 Fall meet. Motion by Commissioner Brown. Second by Commissioner Bell.</p> <p>Ms. Eads presented Keeneland’s request dated August 1, 2018 as outlined in the agenda materials. The KTDF Advisory Committee reviewed, discussed and approved recommendation of Keeneland’s request at its August 1, 2018 meeting.</p>	Chairman Kling called for a vote to approve the recommendation as presented. Motion carried with no objections or abstentions.

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		Approval of the KTDF Advisory Committee's recommendation is recommended by KHRC staff.	
Tab 3 Churchill Downs' Proposed 2018 September Meet KTDF Allotments	9 – 10	<p>Chairman Kling requested a motion from the Commission to address the recommendation submitted by the KTDF Advisory Committee to approve the proposed KTDF purse structure for Churchill Downs' 2018 Fall meet. Motion by Commissioner Bell. Second by Commissioner Day.</p> <p>Ms. Eads presented Churchill Downs' request dated July 25, 2018 as outlined in the agenda materials. The KTDF Advisory Committee reviewed, discussed and approved recommendation of Churchill Downs' request at its August 1, 2018 meeting.</p> <p>Approval of the KTDF Advisory Committee's recommendation is recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the recommendation as presented. Motion carried with no objections or abstentions.
Tab 4 Keeneland's Proposed 2018 Fall Race Meet Officials	10 – 12	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Keeneland to approve its proposed 2018 Fall race meet roster of racing officials and dates preference system. Motion by Commissioner Holt. Second by Commissioner Brown.</p> <p>Ms. Borden presented Keeneland's request dated August 1, 2018 as outlined in the agenda materials. All listed officials are ROAP accredited and have previously performed the duties for which they are listed and will be licensed before the meet opening.</p> <p>Approval is recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.
Tab 5 Churchill Downs' Proposed 2018 Fall Race Meet Officials	12 – 14	Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs to approve its proposed 2018 Fall race meet roster of racing officials and dates preference	Chairman Kling called for a vote to approve the request as presented. Motion carried with no

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		<p>system. Motion by Commissioner Day. Second by Commissioner Northrop.</p> <p>Ms. Borden presented Churchill Downs' request dated August 2, 2018 as outlined in the agenda materials. All listed officials are ROAP accredited and have previously performed the duties for which they are listed and will be licensed before the meet opening.</p> <p>Approval is recommended by KHRC staff.</p>	<p>objections or abstentions.</p>
<p>Tab 6 Churchill Downs' Wagering Menu for 2018 Breeders' Cup World Championships</p>	<p>14 – 18</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs to approve the proposed Breeders' Cup wager-related amendment to the previously-filed application for 2018 race dates Motion by Commissioner Day. Second by Commissioner Jones.</p> <p>Mr. May presented Churchill Downs' request dated August 9, 2018 as outlined in the agenda materials. KHRC staff has reviewed the request as presented and determined that the proposed wagering structure complies with Kentucky statutes and regulations.</p> <p>Approval is recommended by KRHC staff.</p>	<p>Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.</p>
<p>Tab 7 Kentucky Downs' Request for Additional Historical Horse Racing Entertaining Games Themes</p>	<p>18 – 20</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Kentucky Downs to offer six additional historical horse racing pari-mutuel entertaining game themes. Motion by Commissioner Cauthen. Second by Commissioner Courtelis.</p> <p>Mr. May presented Kentucky Downs' request dated July 25, 2018 as outlined in the agenda materials. The software has been tested by Gaming Laboratories International (GLI) and confirmed to be in compliance with Kentucky statutes and regulations. KHRC staff has</p>	<p>Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.</p>

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		<p>also reviewed all documentation provided by Kentucky Downs, Exacta Systems and GLL.</p> <p>KHRC staff recommends approval.</p>	
<p>Tab 8 Churchill Downs' Request for Additional Historical Horse Racing Pools</p>	<p>20 – 27</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs Racetrack, LLC, by and through its wholly-owned subsidiary, Derby City Gaming, LLC to approve 44 additional Ainsworth Game Technology (Ainsworth) historical horse racing pari-mutuel racing pools and related entertainment games. Motion by Commissioner Brown. Second by Commissioner Northrop.</p> <p>Mr. May presented Churchill Downs/Derby City Gaming's request dated August 13, 2018 as outlined in the agenda materials.</p> <p>Approval is recommended by KHRC staff contingent upon the conditions of approval of the Ainsworth Game Technology historical horse racing pari-mutuel wagering system as approved by the Commission on July 17, 2018 and following two additional conditions: 1) submission by Churchill Downs' staff of a final commingled pool list to the KHRC for review and approval by KHRC staff; and 2) submission by Ainsworth of a seed pool analysis using the final commingled pool list.</p>	<p>Chairman Kling called for a vote to approve the request as presented and upon the conditions as discussed. Motion carried with no objections or abstentions.</p>
<p>Tab 9 Churchill Downs' Update on Historical Horse Racing Facilities</p>	<p>27 – 37</p>	<p>Mr. Ziegler presented an update on the opening of Derby City Gaming. Additionally, at Mr. May's request, Mr. Zeigler updated the Commission on Derby City Gaming's progress in complying with the conditions of approval as set out at the Commission's July 17, 2018 meeting.</p>	<p>No action taken. Informational items only.</p>

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Tab 10 Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division d. Pari-Mutuel Wagering Division e. Confidential – Litigation and Regulations	60 – 69 60 – 62 62 – 63 63 – 64 65 – 69 69	a. Ms. Borden presented the thoroughbred rulings report. There were no updates to the rulings report. b. Mr. Guilfoil presented the standardbred rulings report. There were no updates to the rulings report. c. 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.
III. Other Business 1. Presentation by Mike Stone, Chairman, Kentucky Council on Problem Gambling	70 – 87 37 – 60 87 – 88	1. Mr. Stone gave a presentation on “addictive gambling” on behalf of the Kentucky Council on Problem Gambling. Mr. Nolasco and Mr. Montgomery presented an update on the progress of Turfway Park’s renovations. Chairman Kling acknowledged and thanked former Vice-Chairman John Roach for sharing his knowledge and experience with the Commission and his dedication to our common goals.	No action taken. Informational item only.
IV. Adjournment	88 – 89	Chairman Kling requested a motion to adjourn. Motion by Commissioner Jackson. Second by Commissioner Cauthen. Meeting adjourned.	Chairman Kling called for a vote to adjourn. Motion carried with no objections or abstentions.

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