

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE SPECIAL MEETING

Date: November 22, 2016 at 1:30 PM

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

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

Ex-officio Members Present: Secretary David Dickerson, representing the Public Protection Cabinet; and Caroline Baesler, by proxy and on behalf of Acting Secretary Erik Dunnigan, Cabinet of Economic Development

KHRC Staff Participating/Present: Marc A. Guilfoil, Executive Director; Jamie Eads, Director, Division of Incentives and Development; John L. Forgy, General Counsel; and Steve May, Director of Pari-Mutuel Wagering

Others Participating: None.

<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 – 4	Meeting called to order and roll call performed by Chairman Kling. A quorum was recognized.	No action taken.
II. New Business Tab 1 Request submitted by Keeneland/Red Mile to offer PariMAX historic horse race exotic wagering	4 – 12	Chairman Kling requested a motion to approve Keeneland/Red Mile’s (KRM) request to offer PariMAX historic horse race exotic wagering. Mr. May presented KRM’s request for approval to offer PariMAX pari-mutuel system wagering pools. The request would replace 180 of KRM’s existing 902 historic horse racing terminals with the PariMAX system. The PariMAX system is operated by PariMAX	Motion to approve as presented by Commissioner Bell. Second by two unidentified Commissioners. Motion carried with no objections or abstentions.

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
		<p>Holdings, LLC, a division of AmTote International, LLC which currently provides historic horse racing services to KRM.</p> <p>Gaming Laboratories International (GLI) has conducted testing of the PariMAX system and affirmed that the system complies with applicable Kentucky statutes and regulations. KHRC staff and legal counsel have reviewed the request, documentation and GLI report and confirm compliance.</p> <p>Staff recommends approval.</p>	
<p>Tab 2 Request by KHRC staff to approve 2017 Advance Deposit Wagering Conditions of Licensure</p>	<p>12 – 18</p>	<p>Chairman Kling requested a motion to approve the 2017 Advance Deposit Account Wagering (ADW) Conditions of Licensure.</p> <p>Mr. May presented the proposed amendments for the 2017 ADW Conditions of Licensure. The proposed amendments included: 1) changes to the dates of reporting to reflect the 2017-18 calendar year; and 2) establishing a method for determining the amount of money required for the posting of bonds or letters of credit. Mr. May noted that the Wagering Integrity Committee which met just prior to the Commission meeting, suggested replacing the term “as soon as possible” for the word “immediately” in condition numbers 1, 3 and 4, and deleting the subsection “d. Arbitrage” in condition number 4.</p> <p>The Wagering Integrity Committee and KHRC staff recommend approval with the Committee’s suggested changes.</p>	<p>Motion to approve as presented by Commissioner Simendinger. Second by Commissioner Brown. Motion carried with no objections or abstentions.</p>

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
III. Adjournment	18	Chairman Kling requested a motion to adjourn.	Motion to adjourn by Commissioner Cauthen. 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.