

MINUTES OF THE DECEMBER 10, 2024, KENTUCKY HORSE RACING AND GAMING CORPORATION SPECIAL MEETING

Date: December 10, 2024, at 1:00 p.m.

Place: Kentucky Horse Racing and Gaming Corporation Conference Room, 4047 Iron Works Parkway, Lexington, Kentucky 40511

Board Members Present: Chair Jonathan Rabinowitz, Vice Chair Charles O’Connor, Mike Berry, Dr. Tiffany Daniels, Michael F. Dudgeon, Kerry Harvey, Lesley Howard, William L.S. Landes, Catherine Parke, C. Frank Shoop, James E. Worley

Ex-officio Members Present: Monda Juett for Secretary Lindy Casebier, Chad Thompson for Secretary Ray Perry, Jasen Hammock for Secretary Jeff Noel

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
I. Call to Order and Roll Call	4-5	Chair Rabinowitz called the meeting of the Kentucky Horse Racing and Gaming Corporation (KHRGC) to order and performed the roll call. A quorum was recognized.	No action taken.
II. New Business Tab 1: Minutes of the October 29, 2024 Kentucky Horse Racing and Gaming Corporation Special Meeting	5 - 33 5-6	Chair Rabinowitz introduced the new Chief Legal Officer, Ashleigh Bailey. Chair Rabinowitz requested a motion from the Board to approve the Minutes of the October 29, 2024 Kentucky Horse Racing and Gaming Corporation Special Meeting. Motion by Mr. Harvey and second by Mr. Landes. Chief Legal Officer Ashleigh Bailey was assigned the floor and explained that the minutes from the October 29, 2024 special meeting were behind tab 1 and that staff recommended approval.	Chair Rabinowitz called for a vote to approve the Minutes of the October 29, 2024 Kentucky Horse Racing and Gaming Corporation Special Meeting. Motion carried with no objections or abstentions.

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<p>Tab 2: Proposed 2025 KHRGC Board Meeting Calendar and Deadlines</p>	<p>6-8</p>	<p>Chair Rabinowitz requested a motion from the Board to approve the Proposed 2025 KHRGC Board Meeting Calendar and Deadline. Motion by Ms. Parke and second by Mr. Berry</p> <p>KHRGC Senior Executive Administrator Mariah Dietz was assigned the floor and explained that behind tab 2 was the proposed meeting dates and deadlines. The meetings are consistent with the past year and are bi-monthly at 1:30 p.m. on Tuesdays. These meeting dates work around sale dates and major races. Approval was recommended by KHRGC Staff.</p>	<p>Chair Rabinowitz called for a vote to approve the Proposed 2025 KHRGC Board Meeting Calendar and Deadlines. Motion carried with no objections or abstentions.</p>
<p>Tab 3: Voluntary Implementation Agreement with the Horseracing Integrity and Safety Authority, Inc. and the Horseracing Integrity and Welfare Unit for 2025</p>	<p>8-11</p>	<p>Chair Rabinowitz requested a motion from the Board to approve the Voluntary Implementation Agreement with the Horseracing Integrity and Safety Authority, Inc. and the Horseracing Integrity and Welfare Unit for 2025. Motion by Mr. Shoop and second by Vice Chair O'Connor.</p> <p>KHRGC Senior Vice President of Gaming, Travers Manley, was assigned the floor and explained that in the meeting materials was the voluntary implementation agreement with HISA and HIWU and that the current agreement expires on December 31, 2024.</p>	<p>Chair Rabinowitz called for a vote to approve the Voluntary Implementation Agreement with the Horseracing Integrity and Safety Authority, Inc. and the Horseracing Integrity and Welfare Unit for 2025. Motion carried with no objections or abstentions.</p>

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Tab 4: Request for Approval of Totalizator Service Licenses for 2025	11-13	<p>Chair Rabinowitz requested a motion from the Board to approve the Totalizator Service Licenses for 2025. Motion by Mr. Berry and second by Mr. Harvey.</p> <p>KHRGC Senior Vice President of Gaming, Travers Manley, shared the memorandum for the applications to offer totalizator services in Kentucky for 2025. Three entities applied to renew their licenses. KHRGC Staff reviewed all material and recommended approval.</p>	Chair Rabinowitz called for a vote to approve the request for Approval of Totalizator Service Licenses for 2025. Motion carried with no objections or abstentions.
Tab 5: Request for Approval of Advance Deposit Wagering Licenses for 2025	13-14	<p>Chair Rabinowitz requested a motion from the Board to approve the request for Approval of Advance Deposit Wagering Licenses for 2025. Motion by Ms. Howard and second by Mr. Berry.</p> <p>KHRGC Senior Vice President of Gaming Travers Manley was assigned the floor and explained eight entities applied to renew their licenses. KHRGC staff reviewed all submitted materials from AmWest Entertainment, LLC, eBet Technologies, Inc., Lien Games Racing, LLC, NYRABets LLC, ODS Technologies LP doing business as TVG and FanDuel Racing, Churchill Downs Technology Initiatives Company, WatchandWager.com LLC and Xpressbet LLC and recommend approval.</p>	Chair Rabinowitz called for a vote to approve the request for Approval of Advance Deposit Wagering Licenses for 2025. Motion carried with no objections or abstentions.
Tab 6: Outsourced Finance and Human	14-19	Chair Rabinowitz requested a motion from the Board to approve the Outsourced Finance and Human Resources	Chair Rabinowitz called for a vote to approve

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Resources Services Successful Bidder and Contract		<p>Services Successful Bidder and Contract. Motion by Mr. Worley and second by Mr. Shoop.</p> <p>Chief Operating Officer Susan Speckert was assigned to floor and shared that the successful bidder was Dean Dorton Allen Ford, PLLC. The first piece of their duties includes the transition of services from the state to the Corporation, which includes creating a new process and system for finance and human resources. The second part is to perform the outsourced services.</p> <p>Chief Legal Officer Ashleigh Bailey added that no conflicts of interest were found in hiring Dean Dorton for professional services.</p>	<p>Outsourced Finance and Human Resources Services Successful Bidder and Contract. Motion carried with no objections or abstentions.</p>
Tab 7: Ratification of President Eads' Approval of Turfway Park LLC's Backside Improvement Request	<p>20-21</p>	<p>Chair Rabinowitz requested a motion from the Board to approve Ratification of President Eads' Approval of Turfway Park LLC's Backside Improvement Request. Motion by Mr. Berry and second by Vice Chair O'Connor.</p> <p>Director of Incentives and Development Drew Conners was assigned the floor and explained that in the meeting materials there is a letter from Turfway Park asking for permission to use backside improvement funds to build a new single muck bin on their facility. The total cost is \$18,885.00. The KTA, KTOB and the Kentucky HBPA were contacted prior to President Eads' final approval. Staff has confirmed that this meets the statutory and regulatory</p>	<p>Chair Rabinowitz called for a vote to approve Ratification of President Eads' Approval of Turfway Park LLC's Backside Improvement Request. Motion carried with no objections or abstentions.</p>

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		requirements and that funding is available. KHRGC staff recommended approval.	
Tab 8: Release of Uncashed Pari-mutuel Tickets	21-24	<p>Chair Rabinowitz requested a motion from the Board to approve the Release of Uncashed Pari-mutuel Tickets. Motion by Ms. Parke and second by Mr. Harvey.</p> <p>Director of Incentives and Development Drew Conners was assigned the floor and explained that pursuant to KRS 230.362 any reported pari-mutuel ticket that has not been claimed within 1 year from the time the ticket becomes payable is presumed abandoned. These funds are to be paid to the Corporation and shall be paid to the Kentucky Health and Welfare Fund, Inc. That total was \$1,977,211.47 this year.</p>	Chair Rabinowitz called for a vote to approve the Release of Uncashed Pari-mutuel Tickets. Motion carried with no objections or abstentions.
Tab 9: The 2025 Kentucky Sire Stakes, Commonwealth, Goldenrod, Mini-Series and KY Proud Series Race Dates and Conditions	24-26	<p>Chair Rabinowitz requested a motion from the Board to approve the 2025 Kentucky Sire Stakes, Commonwealth, Goldenrod, Mini-Series and KY Proud Series Race Dates and Conditions. Motion by Mr. Worley and second by Mr. Shoop.</p> <p>Director of Incentives and Development Drew Conners was assigned the floor and explained that this Kentucky circuit begins in March and ends in November with racing across the entire state. A 33% increase is expected in all divisions based on increased nominations of 2024 yearlings. Race dates were approved by the Kentucky Standardbred</p>	Chair Rabinowitz called for a vote to approve the 2025 Kentucky Sire Stakes, Commonwealth, Goldenrod, Mini-Series and KY Proud Series Race Dates and Conditions. Motion carried with no objections or abstentions.

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		Development Fund and the Kentucky Standardbred Breeders' Incentive Fund Advisory Committee. KHRGC Staff also recommend approval.	
Tab 10: Period VIII-KY Horse Breeders' Incentive Fund (KHBIF) Applications	26-28	<p>Chair Rabinowitz requested a motion from the Board to approve the Kentucky Horse Breeders' Incentive Fund Applications. Motion by Ms. Parke and second by Mr. Harvey.</p> <p>Director of Incentives and Development Drew Conners was assigned the floor and explained that KHBIF accepted 11 applications for participants reapplying from their three-year period. These applications were reviewed pursuant to 810 KAR 7:050 and KHRGC staff recommend approval.</p>	Chair Rabinowitz called for a vote to approve the Kentucky Horse Breeders' Incentive Fund Applications. Motion carried with no objections or abstentions.
Tab 11: Request for all Sports Wagering Catalog Additions and Clarifications	28-30	<p>Chair Rabinowitz requested a motion from the Board to approve the request for all Sports Wagering Catalog Additions and Clarifications. Motion by Mr. Worley and second by Mr. Landes.</p> <p>Sports Wagering Director Hannah Simms was assigned the floor and explained that the meeting materials contain updates to the KHRGC Sports Wagering Catalog. Updates include renaming entries, introducing new sporting events and governing bodies as well as clarifying existing offerings. The entries have been reviewed by staff for compliance with regulatory standards. Staff recommended approval.</p>	Chair Rabinowitz called for a vote to approve the request for all Sports Wagering Catalog Additions and Clarifications. Motion carried with no objections or abstentions.

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<p>Tab 12: Request for Approval of Sports Wagering Service Provider License Renewals for 2025</p>	<p>30-32</p>	<p>Chair Rabinowitz requested a motion from the Board to approve the request for Approval of Sports Wagering Service Provider License Renewals for 2025. Motion by Mr. Shoop and second by Ms. Howard.</p> <p>Sports Wagering Director Hannah Simms was assigned the floor and explained that the memo in the meeting materials summarized the renewal applications from the nine sports wagering service providers who had active 2024 licenses. Staff reviewed and confirmed regulatory compliance and also recommended approval.</p>	<p>Chair Rabinowitz called for a vote to approve the request for Approval of Sports Wagering Service Provider License Renewals for 2025. Motion carried with no objections or abstentions.</p>
<p>Tab 13: Request for Approval of Initial Sports Wagering Service Provider License for Prime Sports KY</p>	<p>32-33</p>	<p>Chair Rabinowitz requested a motion from the Board to approve the Initial Sports Wagering Service Provider License for Prime Sports KY. Motion by Mr. Berry and second by Ms. Parke.</p> <p>Sports Wagering Director Hannah Simms was assigned the floor and explained that Prime Sports KY's application for an initial sports wagering service provider license was in the meeting materials. Staff recommended approval.</p>	<p>Chair Rabinowitz called for a vote to approve the Initial Sports Wagering Service Provider License for Prime Sports KY. Motion carried with no objections or abstentions.</p>

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Division Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division	34 – 42 34-35 35-36 36-38 38-40	Senior Vice President of Racing and Chief State Steward Barb Borden presented the Thoroughbred Rulings. Her first report was of Thoroughbred Rulings that had been issued since the last meeting and the other report was of all Thoroughbred Rulings since January 1 st . Presiding Judge Patricia Cooksey presented the Standardbred Rulings by sharing that the report was not up to date and all fines had been paid. Interim Medical Director Dr. Mundy and Chief Racing Vet Dr. Smith were assigned the floor. Dr. Smith presented the reports by starting with the Keeneland Fall Meet report. In that meet there were 1,544 total starts with 409 samples tested. There were 3 horses that bled during the meet and 4 that were treated for heart distress. There was a total of 7 ambulance runs and 2 racing fatalities both of which were musculoskeletal. The second report was from Cumberland Run, which had 1,078 total starts and 215 post-race samples. There were no ambulance runs and no fatalities. The last report was the chart of Thoroughbred fatalities since 2007 that is updated thorough October 2024. Pari-Mutuel Wagering Division Resource Management Analyst Melissa Combs-Wright presented the reports for months of September and October 2024 and Fiscal Year	No action taken. Information purposes only.

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<p>d. Pari-Mutuel Wagering Division</p> <p>e. Sport's Wagering Division</p>	<p>40-42</p>	<p>2024. Live wagers saw a 2% increase for a total of \$17.3 million. Kentucky tracks saw 7.5 million in simulcast wagers and historical racing wagers equaled 819 million. Total advance deposit wagering handle for October equaled \$29.8M. Fiscal year to date for live wagers equaled \$25.8 million, simulcast was \$30.7 million and historical horse racing was \$3.3 billion. FYTD for advanced deposited wagers was \$111 million.</p> <p>Sports Wagering Director Hannah Simms was assigned the floor and shared that renewal applications were being reviewed. Total dollars wagered on sports for the year, which is September 2023 to October 2024 is \$2.9 billion across retail and online areas. The Kentucky excise tax total is up to \$46.1 million.</p>	
<p>III. Adjournment</p>	<p>43</p>	<p>With no other business, Chair Rabinowitz requested a motion from the Board to adjourn the October 29, 2024 special meeting. Motion by Mr. Berry and second by Mr. Worley. Meeting adjourned.</p>	<p>Chair Rabinowitz called for a vote to adjourn. Motion carried with no objections or abstentions.</p>

NOTE: The meeting 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.