

KHRC 3-010-1 (07/2023)

**KENTUCKY HORSE RACING
COMMISSION**

**4063 Iron Works Parkway, Bldg. B
Lexington, Kentucky 40511**

Phone (859) 246-2040 / Fax (859) 246-2039

WEBSITE: khrc.ky.gov

**KENTUCKY HORSE RACING COMMISSION
INITIAL/RENEWAL APPLICATION FOR LICENSE TO CONDUCT
LIVE HORSE RACING, SIMULCASTING,
PARI-MUTUEL WAGERING, AND SPORTS WAGERING**

(Original and 6 copies must be submitted)

This application, including fingerprint impressions, must be completed before consideration will be given to the issuance of a license. Failure to respond to all questions will delay processing of or result in the denial of the application.

If the Applicant is an individual, this application must be completed by the Applicant. If the Applicant is a business entity, the chief executive officer, managing partner, or equivalent official shall complete and sign the application on behalf of the Applicant.

If space available on this application is insufficient to answer a particular question, attach a separate sheet of paper and precede each answer with a reference to the appropriate question. The person completing this form must initial each page in the blank in the lower left hand corner. By placing his or her initials on each page, the person completing the application is attesting to the accuracy and completeness of the information contained on that page.

Any misrepresentation or failure to reveal information requested in this application may be deemed to be sufficient cause to deny the Applicant a license.

The Applicant is hereby advised that issuance of a license is a privilege and not a right, and the burden of proving that the Applicant is qualified to receive a license is at all times upon the Applicant.

OPEN RECORDS ACT – KRS 61.878(1)(c)(2) exempts from disclosure under the Kentucky Open Records Act records confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary, which are compiled and maintained for the grant or review of a license to do business. The Commission considers tax returns, copies of contracts, financial documents and similar information to be confidential and proprietary and exempt from disclosure, to the extent permitted by law. ANY INFORMATION SUBMITTED WITH THIS APPLICATION THAT THE APPLICANT CONSIDERS CONFIDENTIAL OR PROPRIETARY SHOULD BE MARKED, STAMPED, OR OTHERWISE IDENTIFIED AS CONFIDENTIAL OR PROPRIETARY.

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DEFINITIONS – The following definitions are provided:

“Applicant” means the person or business entity that will conduct horse racing at a horse race meeting within the Commonwealth of Kentucky for which a license is required. **“Applicant”** does not mean a parent or affiliated entity that will not directly conduct horse racing at a horse race meeting or related activities within the Commonwealth of Kentucky.

“Investors” means investors owning a five percent (5%) or more share in the Applicant.

“Principal” means any of the following individuals associated with a partnership, trust, association, limited liability company, or corporation that is licensed to conduct a horse race meeting or an applicant for a license to conduct a horse race meeting:

- a) The chairman and all members of the board of directors of a corporation;
- b) All partners of a partnership and all participating members of a limited liability company;
- c) All trustees and trust beneficiaries of an association;
- d) The president or chief executive officer and all other officers, managers, and employees who have policy-making or fiduciary responsibility within the organization;
- e) All stockholders or other individuals who own, hold, or control, either directly or indirectly, five percent (5%) or more of stock or financial interest in the collective organization; and
- f) Any other employee, agent, guardian, personal representative, or lender or holder of indebtedness who has the power to exercise a significant influence over the Applicant's or licensee's operation.

“Relative” includes spouses, parents, step parent, children, step children, siblings, mother- and father-in-law, and sons- and daughters-in-law.

“Secondary pari-mutuel organization” or **“SPMO”** means an advance deposit account wagering licensee, a hub as defined in KRS 230.775, or any entity other than a licensed association or simulcast facility that offers and accepts pari-mutuel wagers. **“SPMO”** includes any off-track wagering system or advance deposit account wagering system, regardless of whether the off-track or advance deposit account wagering system is affiliated with a licensed association.

“Shares” refers to any type of ownership interest in the Applicant, whether the Applicant is a corporation, partnership, limited liability company, or other business entity.

PRELIMINARY INFORMATION:

1. Name of Applicant: _____
2. Present business address and phone number of Applicant: _____
3. All other names, business addresses, and phone numbers under which the Applicant does business: _____
4. Type of application: Initial Renewal

A. FOR NEW LICENSE APPLICANTS ONLY (RENEWAL APPLICANTS MAY SKIP THIS SECTION)

1. Indicate the population of the local area of the proposed racetrack, and the economic and demographic growth trends in the area. If the Applicant has conducted a market study relevant to the establishment of the racetrack, include a copy of the market study with this application. _____

2. Describe the principal businesses and sources of income of the community in the vicinity of the track: _____

3. Does the Applicant anticipate opposition to the grant of a license to conduct horse racing from any residents of the area?

Yes No If yes, describe the opposition and explain the effect such opposition will have on the economic outlook for the racetrack. _____

4. Will the Applicant lease or otherwise possess any form of non-ownership interest in the track at which the Applicant proposes to conduct a horse race meeting?

Yes No If yes, state name and address of the owner of the track. Attach a copy of the lease or other agreement with this application. _____

5. Has Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal created an agreement or covenant of any type in which any entity or individual has obtained land adjacent to the track site or obtained an option to purchase, rent, lease, or acquire in any fashion an ownership or possessive interest in any of the adjacent parcels of land in the last ten (10) years?

Yes No If yes, explain: _____

6. Has Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal pledged anything of monetary value to any entity or individual for assistance in applying for a racetrack license?

Yes No If yes, explain: _____

7. Has Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal transferred cash in any manner to a trust or other account for distribution to any entity or individual assisting in applying for a racetrack license?

Yes No If yes, explain. _____

8. If successful in obtaining a racetrack license issued by the Commission, has Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal pledged to any entity the rights to service contracts such as security, concession, and/or any of the related industries needed to service the track?

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Yes No If yes, explain: _____

ALL APPLICANTS FOR INITIAL AND RENEWAL LICENSES SHALL COMPLETE THE FOLLOWING SECTIONS OF THE APPLICATION.

B. INDIVIDUAL COMPLETING THE APPLICATION

- 1. Name of individual completing the application: _____
- 2. Occupation: _____
- 3. Relationship to Applicant: _____
- 4. Date on which relationship with Applicant commenced: _____
- 5. Address: _____
- 6. Phone: _____
- 7. Date of birth: _____ Sex: _____
- 8. Place of birth (City, County, State/ZIP, Country): _____
- 9. Personal description:

Social Security Number	Color of Eyes	Color of Hair	Weight	Height
Driver's License Number			State of Issuance	

- 10. Is the person completing the application a citizen of the United States? Yes No

If alien, registration number: _____

If naturalized, certificate number: _____

Date: _____

Place: _____ (If naturalized, document must be verified.)

11. EMPLOYMENT (of person completing the application):

List all present and all previous employment for the last ten (10) years in reverse chronological order. Add another page, if necessary.

Present employment: _____ Supervisor: _____

Address: _____ Phone: (_____) _____

Starting Date of Current Employment _____ Position: _____

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Previous employment: _____ Supervisor: _____
Address: _____ Phone: (_____) _____
Dates of Employment: From _____ to _____ Position: _____
Reason for leaving: _____

Previous employment: _____ Supervisor: _____
Address: _____ Phone: (_____) _____
Dates of Employment: From _____ to _____ Position: _____
Reason for leaving: _____

Previous employment: _____ Supervisor: _____
Address: _____ Phone: (_____) _____
Dates of Employment: From _____ to _____ Position: _____
Reason for leaving: _____

C. ORGANIZATIONAL AND FINANCIAL INFORMATION:

1. _____ Address
Trade or Corporate Name of Applicant

If the application is for a license to replace a license obtained under another trade or corporate name, provide the former name below.

_____ Address
Former Trade or Corporate Name

2. Check the appropriate box to indicate whether the Applicant is:

An Individual Partnership Limited Liability Company Corporation

Other (describe): _____

3. If the Applicant is a corporation, limited liability company, partnership or other entity:

a) In what year was the Applicant formed? _____

b) In what state was the Applicant formed? _____

c) Attach a certified copy of the articles of incorporation, bylaws, partnership agreement, articles of organization, operating agreement, or other organizational document of the Applicant, and any amendments to the document(s).

d) Is Applicant in good standing with the state of formation?

Yes No

If yes, attach certificate of existence and good standing issued by the state of formation.

If not, why not? _____

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e) If the Applicant was not formed in the Commonwealth of Kentucky, is Applicant authorized to do business in the Commonwealth of Kentucky?

Yes No

If yes, attach certificate of authorization issued by Kentucky.

If not, why not? _____

f) Have all Kentucky laws relating to corporations or other relevant business entities been complied with?

Yes No (If not, explain). _____

g) Name and address of registered agent: _____

4. If the Applicant is a corporation, limited liability company, partnership, or other organization, complete the following:

TYPE OF OWNERSHIP INTEREST (e.g. common stock, preferred stock, membership interest, partnership interest)

Authorized

Issued

Unissued

In Treasury

5. If the Applicant is an individual, partnership, limited liability company, or other organization other than a corporation, give the full name, residence, address, nationality, and nature and amount of investment of the individual, all partners, or all members therein; if the Applicant is a corporation, furnish the same information for all corporate officials*, directors, and shareholders (including other corporations or business organizations owning shares) owning or holding directly, indirectly or beneficially, five percent (5%) or more of the shares of the Applicant. USE A SEPARATE SHEET IF NECESSARY AND ATTACH IT TO THIS APPLICATION.

* "Corporate officials" include the president, vice president, secretary, treasurer and any other executive official, manager, or other person who performs policymaking or managerial functions for the Applicant.

a) _____
Name Address

Title Shares Issued

Nature and/or % Of Interest

b) _____
Name Address

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Title Shares Issued

Nature and/or % Of Interest

c) _____
Name Address

Title Shares Issued

Nature and/or % Of Interest

d) _____
Name Address

Title Shares Issued

Nature and/or % Of Interest

6. List below the names and addresses of any persons not listed in question 5 above who will receive, directly or indirectly, any compensation, rents, or other financial benefit based on a percentage or share of the proceeds of live horse racing, simulcasting, pari-mutuel wagering, SPMO, or historical horse race wagering.

a) _____
Name Address

Title

Nature and/or % Of Interest

b) _____
Name Address

Title

Nature and/or % Of Interest

c) _____
Name Address

Title

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Nature and/or % Of Interest

d) _____
Name Address

Title

Nature and/or % Of Interest

7. List all criminal felonies or Class A misdemeanors, and all misdemeanors related to horse racing or any form of wagering, gambling, or gaming, in any jurisdiction for which any individual in questions 5 or 6 above has been charged or convicted.

List all pending criminal charges in any jurisdiction for which any individual in questions 5 and 6 above has been arrested or indicted and the current status of the charge, and any current or ongoing criminal investigation of which any of the individuals in questions 5 or 6 is the subject.

8. List below the names and addresses of any persons or organizations that have issued loans or advances that are still outstanding to the Applicant to finance live horse racing, simulcasting, pari-mutuel wagering historical horse race wagering, or an SPMO.

a) _____
Name Address

Amount of Loan or Advance

b) _____
Name Address

Amount of Loan or Advance

c) _____
Name Address

Amount of Loan or Advance

d) _____
Name Address

Amount of Loan or Advance

Set forth below a list of any loan or advance (individually or a series of loans) of two hundred fifty thousand dollars (\$250,000) or greater, and the terms of the agreement creating any security interest. (Loan documents, including any security agreement, shall be made available for inspection at the Commission office upon request.)

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9. Briefly summarize any ownership interest in the Applicant allowing a debt holder to convert debt to equity and assert financial or managerial control over the Applicant. _____

10. Outline briefly all ownership interests in the Applicant, whether issued or authorized to be issued, including any options, dividend rights, voting rights, liquidation rights, pre-emptive rights, conversion rights and redemption provisions relating to issued stock as well as treasury stock. _____

11. May the rights of holders of shares be modified otherwise than by a vote of the majority or more of the shares outstanding, voting as a class? Yes No If yes, explain briefly. _____

12. If the Applicant is other than an individual, was the Applicant formed within the last five (5) years?

Yes No If yes, furnish the following information:

- a) the names of any persons involved in the formation of the Applicant;
- b) the nature and amount of any financial benefit to be received by each person, directly or indirectly, from the Applicant for services performed or contemplated to be performed if the application is approved; and
- c) the nature and amount of any assets, services or other consideration received, or to be received, by the Applicant from the person.

13. Provide the following:

- a) Kentucky Department of Revenue tax identification number: _____
- b) Federal Taxpayer Identification Number: _____

D. RELATIVES EMPLOYED BY THE COMMONWEALTH OF KENTUCKY:

On a separate sheet of paper, list any principal(s) or relatives of principals of the Applicant who are employed by the Commonwealth of Kentucky, or who serve on any board, committee, or commission for the Commonwealth of Kentucky. This request also applies to the agent, officer, or employee completing the application on behalf of the Applicant. Indicate whether the agent, officer, or employee information presented applies to the Applicant or the person completing the application.

E. CRIMINAL HISTORY:

Does the Applicant perform background checks on its employees? Yes No
On its vendors? Yes No

1. Has the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal ever been convicted of any crime of moral turpitude embezzlement, or larceny, or any violation of any law pertaining to illegal gaming or gambling, or any crime that is harmful to the declared policy of the Commonwealth of Kentucky with regard to horse racing and pari-mutuel wagering thereon? Yes No If yes, furnish details on a separate page.

2. Has Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal ever been convicted in any jurisdiction of any crime that is or would be a felony or class A misdemeanor in the Commonwealth of Kentucky? Yes No If yes, furnish details on a separate page.



3. Has the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal ever been arrested, indicted or the subject of any current or ongoing criminal investigation for any criminal activities in any jurisdiction? Yes No

If yes, give details on a separate sheet of paper attached to the application as to the criminal charge(s) involved, name(s) address(es) and telephone number(s) of federal, state, or local agency(ies) and individual(s) which investigated and/or prosecuted, and disposition of the investigation(s)/charge(s). List all cases without exception.

4. Has a criminal indictment, information, or complaint ever been returned against the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal for which no one was arrested, or in which any of these entities or individuals were named as an un-indicted co-party? Yes No If yes, furnish details on a separate page.

5. Has the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal ever received a pardon for any criminal offense?

Yes No If yes, when? _____

List City, County, and State/ZIP: _____

6. Has the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal ever been identified in the published reports of any federal or state legislative or executive body as being a member or associate of organized crime, or of being of notorious or unsavory reputation? Yes No If yes, furnish details on a separate page.

7. Is the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal currently in the custody of any federal, state, or local law enforcement authority? Yes No If yes, furnish details on a separate page.

F. CIVIL COURT RECORDS:

List all occasions in the last five (5) years when the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal has/have been a party in a court action regarding activities associated with their duties with the Applicant with respect to racing, or that call into question the integrity of the Applicant, including:

1. Every instance in which the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal has been a party to litigation over business practices, disciplinary actions over a business license, or refusal to renew a license;
2. Every instance in which the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal has been a party to proceedings in which unfair labor practices, discrimination, or violation of government regulations pertaining to racing or gaming laws was an issue, or bankruptcy proceedings;
3. Every instance in which the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal has failed to satisfy judgments, orders, or decrees; and
4. Every instance in which the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal has been delinquent in filing tax reports or remitting taxes.

Date: _____ City: _____ State/ZIP: _____
Court: _____
Nature and disposition of case: _____

Date: _____ City: _____ State/ZIP: _____
Court: _____

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Nature and disposition of case: _____

G. OWNERSHIP INTERESTS:

List any corporation, partnership, proprietorship, trust, joint venture and every other business interest, including land used for profit or not for profit, that the Applicant, its parent, or any of its subsidiaries owns or has owned within the preceding five (5) years as a legal or equitable interest exceeding two hundred fifty thousand dollars (\$250,000) or five percent (5%), whichever is less. The value or percentage of a business interest is to be determined as of the time of the filing of this application. The value assigned to a holding is the fair market value. A business interest includes ownership of mineral rights. The address reported for land should include the rural route, town and state or township, county and state. Use a separate sheet of paper, if necessary.

BUSINESS NAME AND ADDRESS	TYPE OF BUSINESS	DESCRIPTION OF INTEREST, INCLUDING PERCENTAGE OF OWNERSHIP IN BUSINESS	HELD BY WHOM
NAME ADDRESS			
NAME ADDRESS			
NAME ADDRESS			

H. DIRECT BUSINESS ORGANIZATIONAL CHART:

Attach a DIAGRAM of corporate or other business relationships of the Applicant. Include all relationships with investors, parent companies, subsidiaries, or other affiliated entities involving an ownership or control interest of five percent (5%) or more.

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I. FINANCIAL INFORMATION:

1. What amount of capital is Applicant investing in the proposed racetrack? (For renewal applicants operating existing tracks, describe the capitalization pertaining to the racetrack that the Applicant is applying for a license to operate.) _____

2. From what source(s) did Applicant receive the capital for the investment in the proposed racetrack, or to operate the existing racetrack? Identify fully each source of funding, including any loans, loan guarantees or commitment letters from individuals or entities. _____

3. Did Applicant obtain a loan for the investment?

Yes No If yes, list and provide a copy of any promissory note, loan guarantee, commitment letter, or any other type of legal covenant evidencing the loan with this application. _____

4. If Applicant is investing its own capital, how was the capital accumulated? _____

5. Has Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal signed contracts or covenants of two hundred fifty thousand dollars (\$250,000) or more relating to the racetrack with any person?

Yes No If yes, provide a list of the contracts or covenants. _____

6. Explain whether the Applicant will have sole decision-making authority, or will share such authority with any other entity or person, including investors. _____

7. Identify any failed or abandoned business projects in the last five (5) years, in which the Applicant or any of its investors, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal was an investor owning an interest of five percent (5%) or greater. _____

8. List all organizational or personal bankruptcies filed in the United States by the Applicant or its investors, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal. _____

9. List all foreign investments held by the Applicant or its investors, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal. _____

10. Has the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal ever held a financial interest in a gambling venture, including but not limited to a race track, dog track, simulcasting, SPMO, lottery, casino, bookmaking operation, or pari-mutuel operation in the last ten (10) years? Yes No

If yes:

(a) Identify the name and location of the gambling venture(s). _____

(b) State the nature of any investigation or disciplinary action taken against the gambling venture, if any. _____

(c) State when and where the interest was held and give names and locations of the businesses involved and the names and addresses of all partners or investors owning an interest of five percent (5%) or more in the gambling venture. _____

11. Identify current and past CPAs and attorneys of the Applicant in the last five (5) years. _____

Name: _____ Phone: (_____) _____

Address: _____ City: _____ State/ZIP: _____

Business name: _____ Phone: (_____) _____

Address: _____ City: _____ State/ZIP: _____

Name: _____ Phone: (_____) _____

Address: _____ City: _____ State/ZIP: _____

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Business name: _____ Phone: (_____) _____
Address: _____ City: _____ State/ZIP: _____

Name: _____ Phone: (_____) _____
Address: _____ City: _____ State/ZIP: _____
Business name: _____ Phone: (_____) _____
Address: _____ City: _____ State/ZIP: _____

Name: _____ Phone: (_____) _____
Address: _____ City: _____ State/ZIP: _____
Business name: _____ Phone: (_____) _____
Address: _____ City: _____ State/ZIP: _____

Name: _____ Phone: (_____) _____
Address: _____ City: _____ State/ZIP: _____
Business name: _____ Phone: (_____) _____
Address: _____ City: _____ State/ZIP: _____



J. SERVICES RENDERED:

1. Identify any individuals, groups, lobbyists, CPAs, consultants, attorneys, or managerial agents of any kind retained to represent the Applicant's horse racing and/or regulatory interests in Kentucky, either currently or in the last five (5) years.

NAME	OCCUPATION
ADDRESS	PHONE
NAME	OCCUPATION
ADDRESS	PHONE
NAME	OCCUPATION
ADDRESS	PHONE
NAME	OCCUPATION
ADDRESS	PHONE
NAME	OCCUPATION
ADDRESS	PHONE

2. Describe the fee arrangements made with the entities or individuals identified in the preceding question. _____

3. Has Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or relative of a principal supplied a cash fund to any of the entities or individuals listed in Question I. 1 above? Yes No If yes, supply an inventory list of the expenditures. _____

K. OTHER RACING AND GAMING OPERATIONS AND PROFESSIONAL LICENSES

1. Is the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal authorized to operate a pari-mutuel racetrack or any SPMO in any jurisdiction inside or outside the United States?

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Yes No If so, list all applicable jurisdictions and the name of the racetrack or SPMO. _____

2. Has the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal ever had a license to operate a pari-mutuel racetrack or any SPMO in any jurisdiction inside or outside the United States denied, revoked, suspended, withdrawn, or otherwise subject to disciplinary action?

Yes No If so, identify the racetrack or SPMO, and explain the circumstances. _____

3. Does the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal conduct any other racing or gaming business in any other state or jurisdiction?

Yes No

If yes, give the name and address of the business and describe the nature of the business for each state or jurisdiction.

4. Has the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal ever withdrawn, or ever had revoked, suspended, or denied for cause, a gaming or racing license of any kind in any state or jurisdiction on grounds that would have been grounds for revoking the license in Kentucky?

Yes No

If yes, explain in detail the circumstances of the license withdrawal, revocation, suspension, or denial, including the identity of the affected licensee, the nature of the affected license, and the reason for the action. If the withdrawal, revocation, suspension, or denial was in the form of an order or other writing, attach a complete copy of the order or writing to this application.

5. Has the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal had any disciplinary action(s) taken against a professional license of any kind in any state in the last ten (10) years.

Yes No

If yes, state type of license, where the license was issued, years the license was held, and the nature of any disciplinary action(s) taken against the license in the last ten (10) years: _____

6. Does the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal have any contracts in any state or jurisdiction to supply gaming or racing goods or services?

Yes No

If yes, describe the nature of the goods or services organized by jurisdiction and, within each jurisdiction, by individual or entity supplying the goods or services.

7. Does the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal have a joint venture or other contractual agreement with any entity to supply any state or jurisdiction with gaming or racing goods or services?

Yes No

If yes, identify the state or jurisdiction and describe in detail the joint venture or other contractual agreement.

8. Has the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal in the last five (5) years contributed to any Kentucky local or state political candidate or committee where such contributions were reportable under any existing state or federal law?

Yes No

If yes, list all the contributions, including to whom the contribution was made, by whom the contribution was made, the amount of the contribution, and the date of the contribution.

9. Has Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal ever been the subject of any order, judgment, or decree of any federal or state regulatory body barring, suspending, or otherwise limiting the ability to engage in any professional or business practice or activity related to racing or gaming?

Yes No

If yes, attach a complete copy of the order, judgment, or decree to this application and describe the circumstances of the regulatory action.

10. Has the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal ever been the subject of any order, judgment, or decree of any court of competent jurisdiction permanently or temporarily enjoining the right to engage in any professional or business practice or activity related to racing or gaming?

Yes No

If yes, attach a complete copy of the order, judgment, or decree to this application and describe the circumstances of the of the court's action.

11. Has the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal in the last ten (10) years been employed by, compensated by or held a financial interest in any business or person connected in any way with an illegal gambling or gaming enterprise?

Yes No

If yes, provide complete details of the relationship, including when, where, and with whom, and the amount of compensation or the financial interest, and the nature of the illegal gambling or gaming enterprise.

12. During the last five (5) years, has the Applicant, or any parent organization, subsidiary, or affiliate of the Applicant, or any principal or any relative of any principal engaged in any type of unlawful gambling or gaming enterprise?

Yes No

If yes, provide complete details of the unlawful gambling or gaming enterprise, including when and where it was undertaken, and the nature and extent of the enterprise.

L. CREDIT REFERENCES OF APPLICANT:

List all primary lenders of the Applicant to whom the Applicant currently owes money, and provide a letter of good standing from each lender.

Bank/business name: _____ Account number: _____
Address: _____ Phone: (_____) _____
Type/amount of account: _____

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Bank/business name: _____ Account number: _____
Address: _____ Phone: (_____) _____
Type/amount of account: _____

Bank/business name: _____ Account number: _____
Address: _____ Phone: (_____) _____
Type/amount of account: _____

Bank/business name: _____ Account number: _____
Address: _____ Phone: (_____) _____
Type/amount of account: _____

State whether the Applicant has at all times remained current on payment obligations to the lenders listed above.

Yes No

If no, explain the circumstances. _____

M. FINANCIAL STATEMENT:

1. Attach to this application a copy of the Applicant's audited financial statements for each of the three (3) fiscal years immediately preceding the application, or for the period of organization if less than three (3) years. The financial statements **must** be included with this application; making the statements available for review is insufficient and may be grounds for denial of the license.

2. If the Applicant has not completed a full fiscal year since its organization, or if it acquires or is to acquire the majority of its assets from a predecessor within the current fiscal year, attach to this application financial information for the current fiscal year.

All financial information provided in response to question 1 or 2 shall be accompanied by an unqualified opinion of a licensed certified public accountant, or if the opinion is given with qualifications, the reasons for the qualifications must be stated.

NOTE: If an Applicant engages in any horse racing or pari-mutuel operations through a subsidiary, the finances of the subsidiary should be reflected in the provided financial statements or a separate financial statement for the subsidiary must be provided. Additional financial information, including that of an Applicant's parent and affiliates, may be requested by the Commission but shall not be included with the initial application.

N. ANNUAL REPORT AND SEC REPORT:

If applicable, attach to this application copies of the most recent annual reports and Securities and Exchange Commission ("SEC") reports of the Applicant.

O. FEDERAL AND STATE INCOME TAX RETURNS:

Attach to this application a copy of the Applicant's most recent Federal and State tax returns.

P. DELINQUENT TAXES

Attach to this application:

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1. A statement from the Kentucky Department of Revenue that there are no delinquent taxes or other financial obligations owed by the Applicant to the state or any of its agencies or departments.
2. A statement from the county treasurer of the county in which the Applicant conducts or proposes to conduct horse racing meetings that there are no delinquent real or personal property taxes owed by the Applicant.

Q. MANAGEMENT

Identify the name, address, and qualifications of the managing agent(s) of the racetrack. _____

R. RACING AND PARI-MUTUEL WAGERING OPERATIONS:

1. Applicant hereby requests racing dates and hours of operation for the calendar year _____ as follows (include each month and the exact dates and hours of operation and days of the week on which racing will be conducted): _____

Total Days Requested: _____

2. State the types of races the Applicant seeks to conduct (Thoroughbred, Standardbred, Quarter Horse, Appaloosa, or other breed). State below the number of each type of race to be run. Include the proposed purse schedule, showing minimum purse, average daily distribution, and added money for each stake, if any. _____

3. How many races does the Applicant propose to run each day, and what will be the hours of racing on each day?

- Sunday: _____
- Monday: _____
- Tuesday: _____
- Wednesday: _____
- Thursday: _____
- Friday: _____
- Saturday: _____

4. Outline the types, number, and denominations of exotic wagers the Applicant proposes to offer, and for which races on each day. "Exotic wagering" includes the sale of pari-mutuel tickets other than win, place, or show tickets. _____

5. On a separate sheet, describe the method of calculating and distributing the wagering pools for each type of wager to be offered. Also include the procedures to be employed in granting refunds, in cancelling races on wagers involving more than one race, and in the event of a totalizator breakdown.

Provide the name of the totalizator company that will control wagering.

Name: _____
 Address: _____
 Contact person at totalizator company: _____ Phone number: (_____) _____

6. Does the Applicant or any parent, subsidiary, or affiliate of the Applicant issue credit to any person for the purposes of pari-mutuel wagering? Yes No If yes, explain. _____

7. Submit copies of the contract(s) between the Applicant and the totalizator company, and the Applicant and any advance deposit wagering company that will provide wagering services to the Applicant and its patrons.

8. Provide the names and positions of all racing officials. _____



S. LOCATION AND PHYSICAL PLANT:

1. Location of race track: _____
2. Legal description of site: _____
3. Title holders of real property of site: _____
4. Mortgage and Security Interests in Real Property (provide a listing of the name and address of interest holders and make available upon request the document evidencing such interest): _____
5. Distance of track from nearest population center: _____ miles.
6. Briefly describe the transportation facilities serving the track from nearest population center. Include description of access from the nearest interstate highway.
7. Indicate the exact dimensions of the track: _____
8. Describe size, construction, and seating capacity of the grandstand, clubhouse, or other seating facilities. Submit at least one copy of a photo or architect's rendering showing details of the present or proposed construction. _____
9. Briefly describe the efforts made to ensure the security, safety and comfort of patrons and license holders. _____
10. Describe the parking and transportation facilities available. _____
11. Indicate the number and type of construction of stables, other barn areas, forecourt and paddock areas, indicating capacities and fire prevention facilities for all areas. _____
12. Provide a description of the systems of security services and fire protection to be provided at the track. Attach to this application a copy of the security services and fire protection contracts or similar written proof of the security services and the persons or entities who will provide those services and fire protection. _____
13. Briefly describe the facilities to be provided for owners, trainers, jockeys, drivers, grooms and other racing personnel. _____
14. Briefly describe the arrangements for food and drink concessions, clubs, entertainment, and any other special facilities for patrons. _____
15. VENDORS: Provide a list of all vendors of Applicant used in the last twelve (12) months, all vendors with whom the Applicant has a contractual relationship, and all vendors who will enter upon association grounds. Provide contact information for the vendor(s), including the name of a representative of the vendor, with address and telephone number. _____
16. Describe the track's pari-mutuel sale operations, including the number of teller positions to be used, qualifications necessary for employment, the number and type of remote teller machines, and any arrangements for the use of account wagering. _____
17. Are background checks or other current security measures undertaken with regard to pari-mutuel personnel?
Yes No Explain. _____
18. List and make available all public liability insurance policies in force and the coverage under each policy. _____
19. State the dates on which the stable areas will be open and closed, and how many stalls are available. _____

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20. Describe in detail how stables are assigned, and indicate whether any individuals or groups or classes of individuals are given preference in the assignment of stables. If preferences are given, describe any such preferences in detail.

21. Describe any available off-season stabling and training accommodations. _____

22. Describe the size and location of the paddock area, and the arrangements provided for the safety of patrons. _____

23. Describe the facilities available and arrangements for equine drug testing, including a) the test barn b) the detention barn and c) quarantine facilities. _____

24. Outline the proposed schedule of admission charges. _____

25. Outline the publicity and advertising arrangements, and the name and address of the manager of the advertising department. _____

26. Describe the method and equipment used to visually record races, and the type and quality of patrol film to be used.

T. SIMULCASTING:

Submit a schedule of proposed simulcast signals to be sent and received by the racetrack during the calendar year covered by the license.

Any and all contracts between the Applicant and organizations representing the horsemen that will govern simulcasting rights and obligations, and any and all contracts between the Applicant and simulcasting television networks shall be made available to the Commission for inspection upon request.

U. ADDITIONAL INFORMATION

On a separate sheet, include any other information the Applicant believes would be helpful to the Commission in evaluating the application.

SWORN STATEMENT ENDORSING APPLICATION

I, _____, under penalty of perjury being duly sworn, depose and say that the above statements are true and correct and that this application and accompanying documents are executed with the knowledge that misrepresentations or failure to reveal information requested may be deemed sufficient cause for denial of a license and any other penalties permitted by law. I understand that the application for a license, which I have submitted, is a matter of public record, subject to any exceptions permitted by KRS 61.878. Furthermore, I understand that the Commission may conduct an investigation of my personal and financial background, and/or that of the Applicant, and I hereby authorize the appropriate background checks. I understand that I will be required to pay the cost of any background checks. I understand that I may be asked to answer questions in open public meetings of the Commission.

I further understand that in the event of the denial or withdrawal of this application, any application fees submitted by the Applicant shall not be refunded except to the extent that the fees have not been expended in the application process.

I hereby expressly waive, release and forever discharge the Commonwealth of Kentucky, and its agents, from any and all manner of action and causes of action whatsoever, which I, my administrators or executors can, shall, or may have against the Commonwealth of Kentucky, or its agents, as a result of my applying for a license to conduct a horse race meeting in the Commonwealth of Kentucky.

Signature
Subscribed and sworn to before me this _____ day of _____, 20____.

Notary Public
My commission Expires: _____

I, _____, under the penalty of perjury being duly sworn, deposes and says that the above statements are true and correct to the best of his/her knowledge and belief and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the refusal to issue or revocation of a state horse racing license and criminal prosecution.

Signatory for Applicant
Subscribed and sworn to before me this _____ day of _____, 20____.

Notary Public
My Commission Expires: _____



AUTHORIZATION FOR EXAMINATION AND RELEASE OF INFORMATION

I, _____, hereby authorize a review, full disclosure and release of any and all records concerning myself to any agent or independent contractor of the Commission, whether the records are of a public, private, or confidential nature, with the following understanding:

1. The information reviewed, disclosed, and/or released may be used by the Commission, its officers, agents, employees, and independent contractors for any lawful purpose and/or to determine suitability for licensure, appointment, or employment.
2. I specifically authorize review, full disclosure, and release of any and all records pertaining to any present or past credit, employment, medical treatment (physical or emotional), state, federal, and local taxation, professional licensure and discipline, education, criminal history, bankruptcy, civil lawsuit (as plaintiff or defendant) or pertaining to my character or integrity.
3. I release the providers and users of the information collected pursuant to this authorization from any liability under state or federal laws and further release the Commission, its officers, agents, employees, and independent contractors from any liability which may be incurred as a result of the collection and use of the information.
4. If this authorization is not sufficient to obtain access to certain records, it is understood that I may be requested to execute other appropriate authorization or release, and that any failure to do so may be taken into consideration.
5. I understand that I may revoke this authorization in writing at any time. Such revocation of this authorization may be taken into consideration by the Commission in the course of reviewing this application.
6. This authorization will automatically expire one year from the date it is signed by me.

DATE: _____, 20_____

Date of Birth: _____

Social Security Number: _____

Signature _____

Applicant's Name: _____

Subscribed and sworn to before me on this the _____ day of _____, 20_____ .

Notary Public in and for _____

County, State of _____

My Commission Expires: _____

Sports Wagering Operator License Application Form
KHRC 3-010-1

Initial Application Fee: **\$500,000 per track location**
Annual Renewal Application Fee: **\$50,000**

I. CONTACT INFORMATION

Entity Name: _____ Date: _____

Trade Name/dba Name: _____ Phone: _____

Physical Address: _____

City: _____ State: _____ Country: _____ Zip Code: _____

Mailing Address: _____

City: _____ State: _____ Country: _____ Zip Code: _____

Company Headquarters? Yes No Website: _____

Parent Company: _____ Phone: _____

Mailing Address: _____

City: _____ State: _____ Country: _____ Zip Code: _____

Company Headquarters? Yes No Website: _____

Contact Person for Sports Wagering: _____ Phone: _____

Position: _____ Email address: _____

Initials of Person Completing Application



II. GAMING LICENSES

List all gaming licenses issued to the Applicant or pending with other jurisdictions:

Please attach a separate sheet of paper with this information included, if needed.

Agency	Agency's city/state	Type of license	Date issued	Date expired	Status	Letters of concern, violations, hearings, or settlements re: license or permit to conduct business in gaming jurisdiction

III. SERVICE PROVIDERS AND OCCUPATIONAL LICENSEES

List all service providers, information services, and key employee licensees with whom the Applicant is partnering to provide sports wagering as of the date of this application. Per 810 KAR 3:010, to the extent that Applicant partners with additional service providers or occupational licensees subsequently to the submission of this application, Applicant shall promptly provide the Commission with written notice of such additional partners.

Please attach a separate sheet of paper with this information included, if needed.

Please attach the contract with each service provider that is listed below. Upon request from the Commission, please attach the contract with each information services and key employee licensee that is listed below, within seven (7) calendar days of such request.

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Service provider or Occupational licensee	Service provider or Occupational licensee's trade name or dba name	Service provider or Occupational licensee's mailing address	Service provider or Occupational licensee's contact person

IV. INTERNAL CONTROLS

For 2023 applicants, internal controls shall be produced to the Commission thirty (30) calendar days before accepting sports wagers. For applicants in 2024 and subsequent years, internal controls shall be produced to the commission simultaneously with licensure applications.

A condition of licensure is approved internal controls. The Commission may grant a temporary license for 2023 applicants who have not had their internal controls approved prior to accepting wagers.

Please attach all documents evidencing internal controls for the following regarding sports wagering:

1. In the event of a failure of the sports wagering system's ability to pay winning wagers, the Applicant shall have internal controls detailing the method of paying winning wagers. The Applicant shall also file an incident report for each system failure and document the date, time, and reason for the failure along with the date and time the system is restored with the Commission.
2. User access controls for all sports wagering personnel.
3. Segregation of duties.
4. Automated and manual risk management procedures.
5. Procedures for identifying and reporting fraud and suspicious conduct, including identifying unusual wagering activity and reporting such activity to an Independent Integrity Monitoring Provider approved by the Commission Director or his/her designee to receive reports of unusual wagering activity from a sports wagering operator, for the purpose of assisting in identifying suspicious wagering activity.
6. Procedures for Applicant-imposed exclusion of patrons, including the following:
 - a. Providing a notification containing operator-imposed exclusion status and general instructions for resolution;
 - b. Ensuring that immediately upon executing the operator-imposed exclusion order, no new wagers or deposits are accepted from the patron, until such time as the operator-imposed exclusion has been revoked; and
 - c. As applicable for online patrons, ensuring that the patron is not prevented from withdrawing any or all of their account balance, provided that the Applicant acknowledges that the funds have cleared, and that the reason(s) for exclusion would not prohibit a withdrawal.
7. Description of anti-money laundering compliance standards, which shall include limitations placed on anonymous wagering at the sports wagering kiosks;
8. Process for reporting of all types of wagers available to be offered by the system;
9. Description of process for accepting wagers and issuing pay outs, plus any additional controls for accepting wagers in excess of \$10,000 and issuing pay outs in excess of \$10,000;



10. Description of a process for accepting multiple wagers from one patron in a twenty-four (24) hour cycle, including a process to identify patron structuring of wagers to circumvent recording and reporting requirements;
11. Detail the procedure for reconciliation of assets and documents contained in a sports wagering area cashier's drawer, sports wagering kiosks, and online sports wagering, which shall include the drop and count procedures for sports wagering kiosks;
12. Procedures for cashing winning tickets at the cage after the sports wagering area has closed, if applicable;
13. Procedures for accepting value game chips for sports wagers, if applicable;
14. Procedures for issuance and acceptance of promotional funds and free bets for sports wagering, if applicable;
15. Description of all integrated third-party systems;
16. Identifying and restricting prohibited sports wagering participants;
17. Instituting a process to close out dormant accounts;
18. Detail procedures for making adjustments to a patron's account, providing a method for a patron to close out an account, and detail how a patron will be refunded after the closure of an account;
19. If the sports wagering system allows online wagering, a method for verifying geolocation systems to establish patrons' geographic locations;
20. Maintaining the security of identity and financial information of patrons;
21. Detailed problem gambling program procedures;
22. Method for securely issuing, modifying, and resetting a patron's account password, Personal Identification Number (PIN), biometric login, or other approved security feature, when applicable;
23. Methods of patron notification including any password or security modification via electronic or regular mail, text message, or other manner approved by the Director or Director's designee. Such methods shall include at a minimum:
 - (a) Proof of identity, if in person;
 - (b) The correct response to two or more challenge questions;
 - (c) Strong authentication; or
 - (d) Two factor authentication.
24. Procedures for receiving, investigating and responding to all patron complaints and submitting any unresolved patron complaint reports to the Commission;
25. Detail the location of the sports wagering servers, including any third party remote location servers, and what controls will be in place to ensure security of the sports wagering servers;
 26. Procedures for reporting all operational software in use and identify software that is regulated.
 27. A process for the Commission to verify the digital signatures of all regulated software in use has been certified by an approved independent test lab.
 28. Terms and conditions for sports wagering shall be included as an appendix;
 29. Description of the process for line setting and line moving;
 30. If allowed, method of redeeming lost tickets;
 31. Method by which the Applicant will identify and cancel wagers discretionarily in the event of an obvious error or a change of circumstances that makes grading the wager an impossibility. Obvious error shall be defined in the Applicant's house rules. Any cancellation of wagers shall be reported to the Commission;

32. A process for voiding wagers.
33. A change management process;
34. Procedures that ensure that all sports wagering operations follow the current IRS standards before making sports wagering payments;
35. The Applicant shall stamp or otherwise mark each page of the internal control procedures submitted to the Commission with the word "CONFIDENTIAL" if the Applicant believes that the material submitted may not be subject to disclosure under the Open Records Act.

State of _____)
County of _____)

I, _____, being duly sworn, depose and say that this application is true and correct to the best of my knowledge and belief and that this oath is executed with the knowledge that false or incomplete answers could result in criminal prosecution and the denial, or subsequent revocation, of state license by the Kentucky Horse Racing Commission. Further, that I am voluntarily submitting this application under oath and with full knowledge that it will be reviewed by appropriate Commonwealth authorities charged by law with granting gaming licenses.

Signature of Applicant

Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20 ____

Notary Public

My commission expires: _____

Initials of Person Completing Application



APPLICANT'S REQUEST TO RELEASE INFORMATION

TO _____
Leave Blank - To Be Completed By the Kentucky Horse Racing Commission

FROM _____
Name of Business Entity

1. I hereby authorize and request all persons to whom this request is presented having information relating to or concerning me to furnish such information to a duly appointed agent of the Kentucky Horse Racing Commission, whether or not such information would otherwise be protected from disclosure by any constitutional, statutory or common law privilege.

2. I hereby authorize and request all persons to whom this request is presented having documents relating to or concerning me to permit a duly appointed agent of the Kentucky Horse Racing Commission to review and copy any such documents, whether or not such documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.

3. If the person to whom this request is presented is a brokerage firm, bank, savings and loan, or other financial institution or an officer of the same, I hereby authorize and request that a duly appointed agent of the Kentucky Horse Racing Commission be permitted to review and obtain copies of any and all documents, records or correspondence pertaining to me, including but not limited to, past loan information, notes co-signed by me, checking account records, savings deposit records, safe deposit records, passbook records, and general ledger folio sheets.

4. This authorization ends eighteen (18) months from the date of execution.

5. I have filed with the Kentucky Horse Racing Commission an "application" for an annual Sports Wagering Operator’s License. I understand that I am seeking the granting of a privilege and acknowledge that the burden of proving my qualifications for a favorable determination is at all times on me.

6. I do, for myself, my heirs, executors, administrators, successors and assignees, hereby release, remise, and forever discharge the person to whom this request is presented, and his agents and employees from all manner of actions, causes of action, suits, debts, judgments, executions, claims, demands whatsoever, known or unknown, in law or equity, which I ever had, now have, may have, or claim to have against the person to whom this request is presented or his agents or employees arising out of or by reason of complying with this request.

7. I agree to indemnify and hold harmless the person to whom this request is presented and his agents and employees from and against all claims, damages, losses, and expenses, including reasonable attorneys' fees arising out of or by reason of complying with this request.

8. A reproduction of this request by photocopy or similar process shall be for all intents and purposes as valid as the original.

Initials of Person Completing Application



I have executed this request at _____ on the _____ day of _____, 20 _____.

Signature of Officer, Member, Partner or Owner

Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20 _____.

County of _____, State _____

Notary Public

My commission expires _____

Date _____

Signature of Kentucky Horse Racing Commission Employee presenting this request

Initials of Person Completing Application



APPLICANT'S AUTHORIZATION TO RELEASE CREDIT INFORMATION

To: Kentucky Horse Racing Commission

From: _____
Name of Business Entity

RE: Sports Wagering License with the Kentucky Horse Racing Commission

1. In accordance with the Fair Credit Reporting Act, section 604(a)(2) & (3)(D), I hereby authorize and request all persons to whom this authorization is presented having information relating to or concerning me to furnish a consumer report of such information to duly appointed agents of the Kentucky Horse Racing Commission, whether or not such information would otherwise be protected from disclosure by any constitutional, statutory or common law privilege.

2. I have filed with the Kentucky Horse Racing Commission an application for a sports wagering operator's license, of which this document is a part. I understand that I am seeking the granting of a privilege and acknowledge that the burden for proving my qualifications for a favorable determination is at all times on me. I accept any risk of adverse public notice, embarrassment, criticism or other financial loss which may result from the action with respect to this application.

3. I hereby authorize the Kentucky Horse Racing Commission to use the information contained in the consumer report and/or the consumer report for License purposes, including but not limited to investigation, licensing, certification, any court or administrative proceeding and any and all other procedures set forth in KRS Chapter 230 and/or Titles 809 and 810 of the Kentucky Administrative Regulations.

4. A reproduction of this request by photo copy or similar process shall be for all intents and purposes as valid as the original.

I have executed this authorization on the _____ day of _____, 20____.

Applicant's Signature

State of _____)
County of _____)

Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20____.

Notary Public

My commission expires: _____

Initials of Person Completing Application

