

Memorandum of the Special (public) Meeting of the
Indiana Horse Racing Commission

August 20, 2019

The Hoosier Lottery Building – Weliever Conference Room
1302 N. Meridian Street
Indianapolis, IN 46202

Commission members present: Philip C. Borst, Chairman; Greg Schenkel, Vice Chairman; George Pillow, member; and William McCarty (via telephone), member.
Commission Staff members present: Mike Smith, IHRC Executive Director; Deena Pitman, IHRC Assistant Executive Director; Dale Lee Pennycuff, IHRC Counsel; Noah Jackson, IHRC Deputy General Counsel; Jessica Barnes, IHRC Breed Development Director; Wendi Samuelson-Dull, IHRC Controller; Megan Arszman, Communications Coordinator; Debria Brown, Administrative Assistant; and Sara Distler, Thoroughbred and Quarter Horse Breed Development Coordinator.
Speakers from the audience: Nat Hill, Indiana Standardbred Association Board of Directors.

I. Call to Order

Chairman Borst called the meeting to order at approximately 10:05 a.m. A quorum was present.

II. Approval of memorandum from the March 12, 2019, Commission Meeting; approval of memorandum from the March 12, 2019, Executive Session; approval of memorandum from the April 11, 2019, Executive Session; and approval of memorandum from the August 8, 2019, Executive Session.

Chairman Borst asked for a motion for approval of the memorandum from the March 12, 2019, Commission Meeting; approval of memorandum from the March 12, 2019, Executive Session; approval of memorandum from the April 11, 2019, Executive Session; and approval of memorandum from the August 8, 2019, Executive Session. Motion for approval by Vice Chairman Schenkel. Commissioner McCarty seconded the motion. The vote, by roll call, was unanimous 3-0 (Commissioner Pillow was delayed for this vote) for approval of all four memorandums.

III. Agenda

Note: All items on the agenda were transcribed by a court reporter from Stewart Richardson. Transcripts are available at www.in.gov/hrc.

1. Readoption of administrative rules scheduled to expire.

Indiana Horse Racing Commission (“IHRC”) Counsel Pennycuff stated the Commission's administrative rules automatically expire every seven years, and the Commission is given the opportunity to readopt these rules without changing them in a shortened rule readoption process. A large portion of the rules are scheduled to expire at the end of the year and are up for readoption, as listed on the Notice of Intent to Readopt, LSA Document #19-319.

IHRC Counsel Pennycuff stated those rules have been posted by the agency on the Legislative Service Agency's website (i.e. the Indiana Register), as required by statute. It gave the opportunity for members of the public to ask the IHRC to consider making

changes to those rules. There were no requests to do so. Commission Staff respectfully requested that the Commission approve the rules up for reoption.

Vice Chairman Schenkel asked if the rules had met all the requirements for public comment. IHRC Counsel Pennycuff stated that the rules were posted to the Indiana Register for the required time, and extra days were allowed for any requested sent by mail, with no comments or requests being received. Chairman Borst asked for a motion to readopt the rules. Commissioner McCarty moved to approve and readopt the rules. Vice Chairman Schenkel seconded the motion. The vote, by roll call, was unanimous 4-0 for approval.

2. Consideration of Settlement Agreement between the IHRC Staff and Alvin Schwartz.

IHRC Deputy General Counsel Noah Jackson stated that Mr. Schwartz failed to properly register the stallion Stevensville as required by 71 IAC 14-2-1. Further, Stevensville was bred to approximately 37 mares during the 2019 breeding season, at least 28 of which were not owned by Mr. Schwartz himself. As a result of this failure, Mr. Schwartz had agreed to a monetary fine of \$5,000.00 as outlined in the Settlement Agreement. Commission Staff respectfully requested that the Commission approve the settlement agreement between the IHRC Staff and Mr. Schwartz.

Executive Director Mike Smith stated it was a provable clerical error on Mr. Schwartz's part, Commission Staff had certified the stud was where he was supposed to be, and the error held potentially catastrophic consequences for the 28 people who bred mares to Stevensville.

Chairman Borst asked for a motion to accept the settlement agreement. Vice Chairman Schenkel moved to accept the settlement agreement. Commissioner Pillow seconded the motion. The vote, by roll call, was unanimous 4-0 for approval of the Settlement Agreement between the IHRC Staff and Alvin Schwartz.

3. Consideration of Waiver of rule 71 IAC 14-2-1, stallion registration, regarding Alvin Schwartz and the stallion Stevensville.

IHRC Deputy General Counsel Jackson noted that pursuant to 71 IAC 2-2-1(c), the Commission may waive a rule that it considers unduly burdensome, provided that it ensures that horse racing and pari-mutuel wagering in Indiana continue to operate with the greatest level of integrity and the highest of standards. Further, the waiver in question specifically waives the provisions of 71 IAC 14-2-1 and will allow the stallion Stevensville to be considered as a properly registered stallion for the purposes of

allowing the foals sired by Stevensville to be eligible as Indiana sired or Indiana sired and bred foals and/or eligible for breeder awards. However, the waiver does not relieve Mr. Schwartz of any responsibility for violation of 71 IAC 14-2-1 as was discussed with the settlement agreement. Commission Staff respectfully requested that the Commission approve the waiver of rule 71 IAC 14-2-1, stallion registration, regarding Alvin Schwartz and the stallion Stevensville.

Vice Chairman Schenkel stated publically the importance of the paragraphs in the waiver which state that the waiver is not a blanket waiver and is a one case only-type of situation. Vice Chairman Schenkel then moved for acceptance. Commissioner Pillow seconded the motion. The vote, by roll call, was unanimous 4-0 for approval of the waiver of rule 71 IAC 14-2-1, stallion registration.

4. Consideration of IHRC personnel matters.

Chairman Borst noted the previously announced retirement of Executive Director Mike Smith. The Commission received seventeen applications and interviewed four people several times. Chairman Borst stated Mr. Smith was going to be working some special projects for the Commission, including the impending sale of Caesars to Eldorado.

Chairman Borst asked for a motion on the Executive Director's position. Vice Chairman Schenkel moved to appoint and hire Deena Pitman. Commissioner Pillow seconded the motion. The Commissions stated why they thought Ms. Pitman was the best choice. The vote, by roll call, was unanimous 4-0 to appoint Deena Pitman as Executive Director of the Indiana Horse Racing Commission.

Chairman Borst asked for a motion on the Deputy Executive Director's position. Vice Chairman Schenkel moved to appoint and hire Tom Linkmeyer. Commissioner Pillow seconded the motion. Chairman Borst stated why Mr. Linkmeyer's past experience made him suitable for the role. The vote, by roll call, was unanimous 4-0 to appoint Tom Linkmeyer as Deputy Executive Director.

III. Old Business

There was no old business.

IV. New Business

No new business was brought before the Commission.

V. Adjournment

Before the meeting was adjourned, Nat Hill, Indiana Standardbred Association Board of Directors, spoke about the benefits of having the Standardbred exhibit at the Indiana State Fair where the public could come in and learn about Standardbred racing, its impact on the State, and interact with Standardbred race horses.

The meeting was adjourned at 10:30 a.m.

DRAFT