

Minutes of the Regular Meeting of the
Indiana Horse Racing Commission

November 17, 2014

Indiana State Library, Author's Room 203
315 W. Ohio Street
Indianapolis, IN 46204

Commission members present: Thomas Weatherwax, Chairman; Greg Schenkel, Vice-Chairman; Commissioners Susie Lightle, George Pillow and William McCarty. Also present were Joe Gorajec, IHRC Executive Director; Lea Ellingwood, IHRC General Counsel; Holly Newell, IHRC Deputy General Counsel; Deena Pitman, IHRC Assistant Executive Director; Jessica Barnes, IHRC Director of Racing and Breed Development; Tom Mosley, QHRAI Director of Industry Relations; Steve Shockley, Attorney for IHBPA; Dennis Hash, CPA, Bookkeeper and Accountant for INHBPA; Mike Brown, Executive Director of Indiana HBPA; Robin Babbitt, Attorney for Ice Miller; Jack Kieninger, President of the Indiana Standardbred Association; Brian Elmore, Vice-President of Racing for Centaur.

I. Call to Order

Chairman Weatherwax introduced new Commissioner William McCarty. Chairman Weatherwax swore in Robin Martz, Court Reporter.

Chairman Weatherwax then called the meeting to order at approximately 9:00 a.m. A quorum was present.

II. Approval of the October 8, 2014 meeting minutes.

Vice Chairman Schenkel moved to accept the minutes for the October 8, 2014 meeting. Commissioner Lightle seconded. The October 8, 2014 minutes were unanimously approved.

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. Hearing on Renewal Application of Quarter Horse Racing Association of Indiana for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 *et seq.* (Notice of Hearing and Pre-Hearing Order issued on or about October 30, 2014).

Tom Mosley, Director of Industry Relations for the QHRAI presented the application, highlighting some of the Association's accomplishments over the last several years. He spoke of the good relationship between the horsemen and the Association and how the main goal and mission is to promote quarter horse racing, breeding, and ownership in the state of Indiana, to foster humane treatment of racing quarter horses and to promote a better understanding of quarter horse racing to the general public.

Commissioner Schenkel moved for approval of the QHRAI application. Commissioner McCarty seconded the motion. The Commission approved the QHRAI application 5-0.

2. Hearing on Renewal Application of Indiana Thoroughbred Owners and Breeders

Association for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 *et seq.* (Notice of Hearing and Pre-Hearing Order issued on or about October 30, 2014).

Attorney Pete Sacopulos presented the ITOBA application. Mr. Sacopulos described the programs and activities conducted by the Association in the past year. Commissioner Pillow made the motion that the application be approved on the condition that all forms be completed by December 31, 2014. Commissioner Lightle seconded the motion. The Commission unanimously approved the application with the noted conditions.

3. Hearing on Renewal Application of Indiana Horsemen's Benevolent & Protective Association for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 *et seq.* (Notice of Hearing and Pre-Hearing Order issued on or about October 30, 2014).

Attorney Steve Shockley, Executive Director Mike Brown, and CPA Dennis Hash appeared to present the Association's application. Mr. Brown then spoke about what the Association does with the dedicated revenue streams. He stated that the Association proposed to continue their efforts of equine welfare and programs, services and activities as works of benevolence through the funds if granted for 2015. Mr. Brown said the Association has rewritten and enhanced their guidelines and rules. The benevolence application was also revised accordingly. The Association believes that the revisions to the process has made the program more effective, transparent, and more accountable.

Ms. Ellingwood requested that the Commission make a part of the record the letters that she sent to Ms. Kim Hobson and Mr. Mickel Norris in regard to their conflict of interest statements and further comment. Ms. Ellingwood recommended that the IHBPA's application be conditionally approved subject to the submission by December 31, 2014, of the conflict of interest statements and statement that to the best of their knowledge no evidence of expenditures that were not in the best interest of horse racing.

Her recommendation was received as the motion and it was accepted as stated and moved by Commissioner Schenkel. Commissioner McCarty seconded the motion. The Commissioners voted unanimously conditionally approve the application.

4. Hearing on Renewal Application of Indiana Standardbred Association for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 *et seq.* (pursuant to Notice of Hearing and Pre-Hearing Order issued on or about October 30, 2014).

Jack Kieninger, president of the ISA, and Attorney Roger Young presented the ISA application, highlighting the Association's activities of past years. Mr. Kieninger stated how proud he and the Association were to be working with Centaur Gaming to enhance horse racing, breeding, and training in Indiana.

General Counsel, Lea Ellingwood confirmed that the ISA application was complete as submitted. The record was closed and Commissioner McCarty moved to approve the ISA application. Commissioner Pillow seconded. ISA Application approved, 5-0.

5. Review of Commission Rulings – August 1, 2014 through October 31, 2014.

Ms. Newell presented the rulings to the Commissioners, and invited questions. She advised the Commission that upon their review and approval, the ruling list would be posted on the IHRC website. There were no questions from the Commissioners.

6. Discussion regarding Initial Distribution Agreement pursuant to I.C. 4-35-7-17. (Notice of Hearing and Pre-Hearing Order issued on or about November 13, 2013).

Attorney Robin Babbitt presented an update of the Initial Distribution Agreement (“IDA”) to the Commission for John Keeler, Vice President and General Counsel of Centaur Gaming. The basic terms of the IDA essentially provide for an agreement between the track and the horsemen’s associations, stating that the tracks are going to pay the maximum 12 percent of slot revenues to the horsemen’s associations. Since there has been no opt out, the agreement continues for a subsequent term, which will start January 1, 2015 and will run through the end of next year. The extended terms to the agreement would provide for a refinance and the potential restructuring of ownership.

7. Review of Hoosier Park’s permit renewal application and consideration of pari-mutuel permit for 2015 in accordance with 71 IAC 11-1-21 and consideration of Hoosier Park’s request for live racing dates for 2015 pursuant to IC 4-31-5-9, IC 4-31-5-10 and 71 IAC 11-1-7.

Brian Elmore, Vice President of Racing for Centaur, presented Hoosier Park’s permit renewal application and the amended 2015 race dates. Commissioner McCarty moved to approve the application and the submitted revised schedule. Commissioner Lightle seconded the motion. The application was approved, 5-0.

8. Approval of the renewal of Hoosier Park’s satellite facility licenses in Merrillville, Fort Wayne and Indianapolis for 2015 in accordance with 71 IAC 12-1-23.

Mr. Elmore requested approval for renewal of the three satellite OTB facilities in Indianapolis, Merrillville and Fort Wayne.

Commissioner Schenkel moved to approve. Commissioner Pillow seconded the motion. The renewal was approved, 5-0.

9. Review of Indiana Grand’s permit renewal application and consideration of pari-mutuel permit for 2015 in accordance with 71 IAC 11-1-21 and consideration of Indiana Grand’s request for live racing dates for 2015 pursuant to IC 4-31-5-9, IC 4-31-5-1-10 and 71 IAC 11-1-7.

Mr. Elmore requested approval for renewal of the permit for Indiana Grand, and the Indiana Grand 2015 race dates. Chairman Weatherwax confirmed that there will be the same number of race dates as 2014. Commissioner Lightle moved for approval; Vice Chairman Schenkel

seconded. Motion carried, 5-0.

10. Approval of the renewal of Indiana Grand's satellite facility license in Clarksville for 2015 in accordance with 71 IAC 12-1-23.

Mr. Elmore requested approval of the Indiana Grand's Clarksville satellite facility. Commissioner Pillow moved to approve the renewal application; Commissioner Lightle seconded. Commission approved the renewal, 5-0.

11. Consideration of an emergency rule regarding the definition of maiden race 71 IAC 1.5-1-52.

Commissioner McCarthy moved to approve the emergency rule; Vice Chairman Schenkel seconded. The emergency rule was approved, 5-0.

12. Readoption without change of rules scheduled to expire on December 31, 2014.

Ms. Ellingwood explained that emergency rules automatically expire seven years after adoption. Staff requested that the Commission move to adopt these rules without change. The list of rules reflects the list submitted to the staff by the Indiana Register and included every rule that is scheduled to automatically expire on December 31, 2014. Commissioner McCarty moved to readopt the rules; Commissioner Lightle seconded. The Commission unanimously approved readoption.

IV. Old Business

There was none.

V. New Business

Executive Director, Joe Gorajec gave a preview of what will be on the agenda to be considered and approved at both the January 28, 2015 and March 10, 2015 meetings.

VI. Adjournment

Chairman Weatherwax adjourned the meeting at 11:15 a.m.