

# **Agenda Item #3**

2013 DEC 23 P 2:08 SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into between the Indiana Horse Racing Commission ("Commission"), by Joe Gorajec, Executive Director of the Indiana Horse Racing Commission Staff ("Commission Staff") and United Tote, a licensee subject to regulation by the Commission. Collectively, the Commission Staff and United Tote shall be referred to herein as "the Parties." This Agreement is subject to the review and approval of the Commission.

#### RECITALS

1. The Indiana Horse Racing Commission is the administrative agency in the State of Indiana that regulates horse racing pursuant to provisions of the Indiana Code, Title 4, Article 31.
2. During all relevant periods, Hoosier Park maintained a contract with United Tote, pursuant to which United Tote is the exclusive provider of pari-mutuel equipment and services for all pari-mutuel activity related to horse racing conducted at Hoosier Park.
3. As the exclusive provider of aforementioned services, United Tote is required to annually obtain a vendor's license from the Indiana Horse Racing Commission.
4. All United Tote employees also are required to obtain IHRC licenses.
5. From on or about January 1, 2013 up to and including the present date, Jocelyn Jones Overby was an employee of United Tote. She worked at Hoosier Park during all periods relevant to this complaint.
6. From January 1, 2013 through October 24, 2103, Ms. Jones Overby *did not* have a valid IHRC license.
7. From on or about January 1, 2013 up to and including the present date, Mark Merritt was an employee of United Tote. He worked at Hoosier Park during all periods relevant to this complaint.
8. From January 1, 2013 through October 24, 2103, Mr. Merritt *did not* have a valid IHRC license.
9. From on or about January 1, 2013 up to and including the present date, Darryl Kendall was an employee of United Tote. He worked at Hoosier Park during all periods relevant to this complaint.
10. From January 1, 2013 through October 24, 2103, Mr. Kendall *did not* have a valid IHRC license.

11. Pursuant to 71 IAC 5-1-1, everyone participating in pari-mutuel racing under the jurisdiction of the Indiana Horse Racing Commission must be licensed by the commission.

12. 71 IAC 5-1-8 provides:

**Employer responsibility**

Sec. 8. (a) The employment or harboring of any unlicensed person at facilities under the jurisdiction of the commission is prohibited.

(b) Every employer shall report, within twenty-four (24) hours, the discharge of any licensed employee in writing to the commission or its designee, including the person's name, occupation, and reason for the discharge and shall surrender to the commission the employee's photo I.D. badge.

13. United Tote violated 71 IAC 5-1-8 based upon the fact that it employed three individuals who were not licensed by the IHRC for 297 days each. In total, United Tote employed individuals who were not licensed for 891 days during 2013.

14. Pursuant to the authority provided by 71 IAC 10-3-20, the Commission's Executive Director issued Administrative Complaint No. 213005 on or about November 20, 2013. The Executive Director's Administrative Complaint proposed the following penalty: a \$10,000.00 fine.

15. The Commission's Executive Director, given United Tote's willingness to enter into this Agreement, is executing this Agreement in lieu of prosecuting Administrative Complaint No. 213005.

16. Now, in full and complete resolution of any and all further administrative proceedings involving United Tote relative to the violations referenced in Administrative Complaint No. 213005, the Commission Staff and United Tote agree to the terms and conditions set forth in this Agreement.

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AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and the promises and covenants to be performed as set forth herein, the Parties agree as follows:

1. United Tote admits the violations outlined in Administrative Complaint 213005, specifically violation of 71 IAC 5-1-8.
2. United Tote agrees to a fine of \$7,500.00.
3. Upon approval from the Indiana Horse Racing Commission, Commission Staff will enter a ruling consistent with this Agreement, which will make clear that the sanctions set forth herein are the total sanctions for the violations referenced in this Settlement Agreement.

4. Any waiver of any provision of this Agreement must be in writing and must be approved by the Commission or the Commission Staff. No waiver of any provision of this Agreement shall constitute either a waiver of any provision hereof (whether or not similar) or a continuing waiver.

5. The Parties agree that this Agreement shall be interpreted, enforced, and governed by the laws of the State of Indiana.

6. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, fully enforceable counterpart of all purposes, but all of which constitute one and the same instrument.

7. United Tote represents that he has carefully read and reviewed the foregoing Agreement, acknowledges its contents, has had the right to consult with his own counsel, and agrees to be bound by its terms. United Tote acknowledges that it has voluntarily entered into this Agreement as of the date and year herein set forth.

IN WITNESS HEREOF, the Parties have executed this Agreement on the dates listed below.

I swear, under penalties for perjury, that the foregoing representations that have been made by me are true and correct.

12/13/13  
Date

7/6/13  
United Tote

Witnessed and Approved:

[Signature]

ON BEHALF OF THE INDIANA HORSE RACING COMMISSION:

12/23/13  
Date

[Signature]  
Joe Gorajec, Executive Director

Approved as to form:

[Signature]  
Holly Newell, Deputy General Counsel

# **Agenda Item #4**

# Ruling Log

Ruling Number	Ruling Date	Name	Breed	Violation Date	Violation	Fines	Suspended From	Suspended To	Days Suspended
13208	12/3/2013	David Miller	SB	11/1/2013	Whip-bleeding/welts	\$1,000			
13209	12/4/2013	Ronald Piron	SB	7/9/2013	Restored-misc.				
13210	12/31/2013	Kevin Mack	SB	5/4/2013	License surrendered				
13211	12/31/2013	Roger Welch	SB	7/11/2013	Drug test - equine	\$500	12/29/2013	1/12/2014	15
13691	12/31/2013	Janey Adams	TB	7/27/2011	Neglect of horse		12/14/2012	12/12/2017	1825
14500	1/8/2014	Robert Woodard	TB	9/2/2013	Restored - fine paid				

# **Agenda Item #5**

# Split Sample Laboratories

1. **University of California-Davis**  
Thurman Laboratory
2. **Industrial Laboratories, Co.**

Note: *All laboratories are ISO 17025 accredited.*



# **Agenda Item #6**

# Indiana Horse Racing Commission

## Approved Laboratories

### Out of Competition Testing

The following laboratories are approved by the Indiana Horse Racing Commission for out of competition testing pursuant to 71 IAC 8-3-5(h) and 8.5-2-5(h).

71 IAC 8-3-5 and 8.5-2-5	
Primary Screening Laboratory	(f) 1-5 HFL Sport Science, Inc.
Primary Confirmation Laboratory	(f) 1-5 HFL Sport Science, Inc.
Split Sample Laboratories	(f) 1 -5 University of California – Davis Thurman Laboratory
	(f) 1-5 University of Pennsylvania New Bolton Center Equine Toxicology Laboratory

- (f) Prohibited substances, practices, and procedures are defined as the following:
- (1) blood doping agents including, but not limited to, erythropoietin (EPO), darbepoetin, Oxyglobin, Hemopure, Aranesp, or any substance that abnormally enhances the oxygenation of body tissues;
  - (2) gene doping agents or the nontherapeutic use of genes, genetic elements, and/or cells that have the capacity to enhance athletic performance or produce analgesia;
  - (3) naturally produced venoms, synthetic analogues of venoms, derivatives of venoms, or synthetic analogues of derivatives of venoms;
  - (4) substances capable of producing a repartitioning effect that are not FDA-approved for use in horses, including, but not limited to, ractopamine, zilpaterol, or any similar agent;
  - (5) AAS (androgenic-anabolic steroids) other than endogenous concentrations of nandrolone, boldenone, testosterone, and metabolites thereof.

# **Agenda Item #7**

**Rule 2. General Authority**  
**71 IAC 2-2-1 General authority**

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 1. (a) The commission shall regulate each race meeting and the persons who participate in each race meeting.

(b) Pursuant to the authority granted in the Act, the commission may delegate to the executive director and the judges all powers and duties necessary to fully implement the purposes of the Act.

(c) The commission or the executive director may waive a rule upon a showing of good cause by an association or licensee, or if compliance with a rule is impractical or unduly burdensome, provided that the grant of the requested waiver would ensure that pari-mutuel wagering on horse races in Indiana would continue to be conducted with the highest standards and the greatest level of integrity. (*Indiana Horse Racing Commission; 71 IAC 2-2-1; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1124; emergency rule filed Mar 25, 1996, 10:15 a.m.: 19 IR 2068; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA; readopted filed Nov 26, 2013, 11:25 a.m.: 20131225-IR-071130345RFA*)

## 71 IAC 5.5-3-1 Eligibility

Authority: IC 4-31-6-2

Affected: IC 4-31

Sec. 1. (a) An applicant for a license as trainer or assistant trainer shall:

- (1) be at least eighteen (18) years of age; and
- (2) be qualified, as determined by the stewards or other commission designee, by reason of experience, background, and knowledge of racing.

(b) A trainer's license from another jurisdiction, having been issued within a prior period as determined by the commission, may be accepted as evidence of experience and qualifications. Evidence of qualifications may require passing one (1) or more of the following:

- (1) A written examination.
- (2) An interview or oral examination.
- (3) A demonstration of practical skills in a barn test.

(c) An applicant not previously licensed as a trainer shall be required to pass a written or oral examination and a demonstration of practical skills, administered by the stewards, prior to being licensed as a trainer.

(d) Each licensed trainer is responsible for disclosure to the commission or its designee of the true and entire ownership of each of his or her horses registered with the racing secretary. Any change in ownership of a horse registered with the racing secretary shall be approved by the stewards. Each owner shall comply with all licensing requirements.

(e) Each licensed owner and trainer is responsible for disclosure to the commission or its designee of the true and bona fide trainer of each of his or her horses registered with the racing secretary. Any change in the trainer of a horse registered with the racing secretary shall be approved by the stewards. Each trainer shall comply with all licensing requirements.

(f) The commission may deny, suspend, or revoke a trainer's license for the spouse, member of the immediate family, or household of a person ineligible to be licensed as a trainer, unless there is a showing, by clear and convincing evidence, on the part of the licensed trainer, applicant, or licensed owner (and the commission determines) that participation in racing will not permit a person to serve as a substitute for an ineligible person. The transfer of a horse to a trainer who would circumvent the intent of a commission rule or ruling is prohibited.

(g) The commission's designee may refuse a trainer's license for the spouse, member of the immediate family, or household of a person ineligible to be licensed as a trainer, unless there is a showing, by clear and convincing evidence, on the part of the licensed trainer, applicant, or licensed owner (and the commission determines) that participation in racing will not permit a person to serve as a substitute for an ineligible person.

(h) To the extent the commission or its designee obtains information that raises a reasonable suspicion that any other person may be serving as a substitute for a person ineligible to be licensed as a trainer, any horse that the substitute is training may be placed on the stewards' list. In such event, any horse involving an issue of the true and bona fide trainer is ineligible to race until such time that the issue is proven by the entrant of the horse by clear and convincing evidence in accordance with the provisions of 71 IAC 7.5-5-2.

(i) Beginning in 2014, trainers must demonstrate, prior to licensure, that they have attended a three (3) hour continuing education course approved by the commission within the past two (2) calendar years. Trainers completing an approved continuing education course in 2011 or 2012 will have met this requirement through the 2014 racing season. The continuing education requirement does not apply to trainers who have started horses six (6) or fewer times in Indiana the previous year. Such trainers may start up to six (6) horses in a year before he or she must fulfill the continuing education requirement. The following qualifications will exempt a trainer from being required to complete the continuing education requirement:

- (1) Member of the Official National Thoroughbred Racing Hall of Fame or the American Quarter Horse Hall of Fame;
- (2) Recipient of an Eclipse Award for Trainer of the Year;
- (3) Trainer of a horse at the time the horse earned an Eclipse Award for Horse of the year;
- (4) Trainer of a horse at the time the horse won a Triple Crown race; or
- (5) Trainer of a horse at the time the horse won a Breeders' Cup World Thoroughbred Championship race.

# **Agenda Item #8**

February 10, 2014

To: Lea Ellingwood  
General Counsel  
Indiana Horse Racing Commission

Pursuant to '71 IAC 2-12-1 Procedures,' Indiana Breeder & Owner Protection, Inc. (IBOP) is requesting that the Indiana Horse Racing Commission (IHRC) consider the striking (repeal) of '71 IAC 10-3-20(b)' from the Indiana Administrative Code. Please consider this correspondence as IBOP's official petition to do so. Our view, which is explained below, is that '71 IAC 10-3-20(b)' was not modified as required by changes to IC 4-31-12-16 and IC 4-31-13-1 effective as of January 1, 2014. We would appreciate this request be considered as an agenda item at the next regularly scheduled IHRC meeting.

In the 2013 legislative session, Senate Bill 609 (SB 609) was designed to implement recommendations of Indiana's Inspector General (IG) stemming from the investigation into the practices of the Indiana Horse Racing Commission (IHRC). There were a number of reforms recommended to the IHRC and the legislature in the IG's report regarding the IHRC's due process and disciplinary action procedures. As part of the preamble to those recommendations the IG's report states, "Our investigation, however, revealed that this current system provides many challenges which may, in fact, be detrimental to the horse racing community as the adjudication is currently being applied by the HRC." In our review, the "current system" has changed very little in light of the IG's recommendations and, more importantly, the changes to the IHRC authorizing statute made by SB 609.

IBOP sees SB 609 as modifying certain aspects of the IHRC's authority by removing specific language. Effective January 1, 2014, the following change was made to a portion of the 'Medication of Race Horses' section of Indiana law:

SECTION 8. IC 4-31-12-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 16. The commission ~~or the commission's designee, as determined under the rules of the commission, on its own motion or in addition to a penalty assessed by the stewards and judges,~~ may impose one (1) or more of the following sanctions against a licensee who violates sections 2 through 13 of this chapter:

- (1) Revocation of a license held by the licensee.
- (2) Suspension of a license held by the licensee.
- (3) A civil penalty not to exceed five thousand dollars (\$5,000).

One of the concerns that the IG had regarding adjudication of violations at the IHRC was the lack of involvement of the commission, meaning the commissioners themselves, in lieu of the Executive Director ("the commission's designee"). The IG's report expressed a concern that having to navigate through multiple levels of the IHRC staff is essentially ".....the same persons (or their co-workers) who have issued the violations, thereby challenging the appearance of impartiality." The IG also felt that "this current procedure

loses the independence the HRC Commission could add by being the adjudicating body." SB 609 eliminated the language which allowed the IHRC to delegate their authority to fine a horseman or to revoke or to suspend a license to a "designee." While the judges and stewards still have authority to issue fines and suspensions for violations, the Executive Director as a "designee" should not have that authority post-January 1, 2014. Simply put, IBOP's view is that IC 4-31-12-16 does not have the same meaning after January 1, 2014, as it did before January 1, 2014. Otherwise, there would be no meaning or legislative intent to the removal of "designee" and the removal of "or in addition to a penalty assessed by the stewards and judges."

Similar to the "Medication of Race Horses" chapter, there are changes in the portion of the IHRC's authorizing statute regarding "Offenses and Enforcement" for non-medication violations. Using the same logic, removal of specific language from statute reduces the IHRC's authority to delegate which, in turn, requires a modification of '71 IAC 10-3-20(b).' The modifications as per SB 609 to IC 4-31-13-1 can be seen below:

SECTION 9. IC 4-31-13-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 1. (a) ~~The commission or the commission's designee, as determined under the rules of the commission, on its own motion or in addition to a penalty assessed by the stewards and judges, may issue orders under IC 4-21.5 to:~~

- (1) ~~issue, deny, suspend, diminish, or revoke permits and licenses as authorized by this article; and~~
- (2) ~~impose civil penalties, in addition to any other penalty imposed by the commission on a person who violates this article or a rule or an order of the commission. and~~
- (3)(b) The commission or the commission's designee, as determined under the rules of the commission, on its own motion or in addition to a penalty assessed by the stewards and judges, may issue orders under IC 4-21.5 to rule a person off one (1) or more permit holders' premises, if necessary in the public interest to maintain proper control over recognized meetings.**
- ~~(b) Except as provided in IC 4-31-12-16; (c) A civil penalty imposed against a licensee under subsection (a)(2) may not exceed five thousand dollars (\$5,000). For purposes of subsection (a)(2), each day during which a violation of this article or a rule or an order of the commission continues to occur constitutes a separate offense.~~
- ~~(e) (d) Civil penalties imposed under this article shall be deposited in the state general fund.~~

At the September 17, 2013 IHRC meeting, you presented the commissioners in attendance with emergency rules that were characterized as "the administrative rules that we believed would require some kind of adjustment, amendment, or creation" given the changes in the law. One of those changes was to '71 IAC 10-2-3 Summary suspension.' What you presented was a rule that removed subsection (d) which delegated the commission's authority to summarily suspend a license to the Executive Director. This change was approved. Eliminating the Executive Director's authority within this aspect of the disciplinary process was exactly what the IG had recommended and what was codified in SB 609. Here's how the change was presented to the commissioners:



71 IAC 10-2-3 Summary suspension

Authority: IC 4-31-3-9

Affected: IC 4-21.5-4; IC 4-31-13

Sec. 3. (a) If the judges determine that a licensee's actions constitute an immediate danger to the public health, safety, or welfare, or are not in the best interest of racing, or compromise the integrity of operations at a track or satellite facility, the judges may summarily suspend the license pending a hearing pursuant to the provisions of IC 4-21.5-4.

(b) A licensee whose license has been summarily suspended by the judges is entitled to a hearing following a written request by the licensee.

(c) The judges shall conduct a hearing on the summary suspension in the same manner as other disciplinary hearings. At a hearing on a summary suspension, the sole issue is whether the licensee's license should remain suspended pending a final disciplinary hearing and ruling.

~~(d) Notwithstanding the provisions of 71 IAC 10-3-20, the commission delegates to the executive director the authority to summarily suspend licenses at any time that a live race meeting is not being conducted on association premises or when the judges are not otherwise available. The commission delegates to the executive director the authority to summarily suspend licenses at satellite facilities at any time. In the event of a summary suspension by the executive director and if the licensee makes a written request for a hearing, a hearing on the summary suspension shall be conducted by the commission or an administrative law judge as quickly as is practicable.~~

(Indiana Horse Racing Commission; 71 IAC 10-2-3; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1198; emergency rule filed Jan 27, 1995, 3:30 p.m.: 18 IR 1505; emergency rule filed Nov 30, 1995, 1:00 p.m.: 19 IR 688; emergency rule filed Mar 25, 1997, 10:00 a.m.: 20 IR 2162; emergency rule filed Feb 13, 1998, 10:00 a.m.: 21 IR 2426; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA)

The impression you gave, which is confirmed by no further action prior to January 1, 2014, was that the staff's review of the administrative rules for SB 609-related changes was complete. We see the removal of '71 IAC 10-3-20(b)' from the "Administrative Complaints" rule as necessary for the same reason '71 IAC 10-2-3(d)' WAS removed.

As you may recall, prior to the IG's report, '71 IAC 10-3-20' was titled as "Preliminary reports" instead of "Administrative complaints." In his report, the IG stated, "We also recommend the elimination or modification of the "preliminary report" procedure granted by promulgation to the HRC Executive Director. 71 IAC 10-3-20(b)." In January, 2012, instead of eliminating '71 IAC 10-3-20(b),' the IHRC chose to modify the "preliminary report" rule by simply changing those two words to "administrative complaint" as they appear in the rule today. Given that the SB 609 removed, in two separate chapters of the pari-mutuel wagering statute, "commission's designee" and "in addition to a penalty assessed by the stewards and judges," '71 IAC 10-3-20(b)' should have been modified by repeal. IBOP's view is this should have been done prior to January 1, 2014. For your convenience, this administrative rule is copied below:

## 71 IAC 10-3-20 Administrative complaints

Authority: IC 4-31-3-9

Affected: IC 4-31-13

Sec. 20. (a) If the commission determines that a person regulated under the Act has violated the Act or a rule or order adopted under the Act in a manner that constitutes a ground for disciplinary action under the Act, the commission may assess an administrative penalty against that person as provided by this section.

(b) The commission delegates to the executive director the authority to prepare and issue administrative complaints pursuant to the Act. If, after examination of a possible violation and the facts relating to that possible violation, the executive director determines that a violation has occurred, the executive director shall issue an administrative complaint that states the facts on which the conclusion is based, the fact that an administrative penalty is to be imposed, the amount to be assessed, and any other proposed sanction, including suspension, or revocation. Furthermore, when the judges have issued a ruling that a violation has occurred, the executive director may issue an administrative complaint identifying the underlying ruling that serves as the basis for the administrative complaint, the fact that an administrative penalty is to be imposed, the additional amount to be assessed, and any other proposed sanction including additional suspension or revocation. The amount of the penalty may not exceed five thousand dollars (\$5,000) for each violation. Each day or occurrence that a violation continues may be considered a separate violation. In determining the administrative penalty, the executive director shall consider the seriousness of the violation.

(Please note that subsections(c) through (f) were removed for brevity's sake yet would need some attention should **71 IAC 10-3-20(b)** be repealed per this petition.)

(Indiana Horse Racing Commission; 71 IAC 10-3-20; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1208; emergency rule filed Jan 27, 1995, 3:30 p.m.: 18 IR 1507; errata filed Mar 23, 1995, 4:30 p.m.: 18 IR 2126; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Mar 20, 2007, 1:43 p.m.: 20070404-IR-071070198ERA, eff Mar 16, 2007 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #07-198(E) was filed with the Publisher March 20, 2007.]; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA; emergency rule filed Jan 25, 2012, 12:20 p.m.: 20120201-IR-071120056ERA)

Effectively, the changes to SB 609 should have eliminated also the IHRC's authority to keep '**71 IAC 10-3-20(b)**' in the administrative code. In that light, we see no difference between what was already removed in '**71 IAC 10-2-3**' and what we are petitioning to be removed in '**71 IAC 10-3-20**.' What we find interesting is that the first line of '**71 IAC 10-3-20(b)**' states that the IHRC "delegates to the executive director.....pursuant to the Act," yet beginning January 1, 2014, the "Act" no longer allows for the delegation of the actions outlined. Also, per the changes established by SB 609, the IHRC should no longer have the authority, with the exception of ruling a person off, to add their own penalty to a ruling by the judges and stewards, yet '**71 IAC 10-3-20(b)**' currently allows for this type of action as well.

Overall, we don't see any way in which '71 IAC 10-3-20(b)' should have been allowed to exist 'as is' in the Indiana Administrative Code after January 1, 2014. Yet, this subsection still remains with the rule of law. Please contact me with any questions.

Thank You,

Jim Hartman  
IBOP Vice-President

CC: Executive Director Gorajec  
Chairman Diener  
Vice-Chairman Schaefer  
Commissioner Schenkel  
Commissioner Weatherwax  
Commissioner Pillow

# **Agenda Item #9**

February 6, 2014

To: Lea Ellingwood  
General Counsel  
Indiana Horse Racing Commission

Pursuant to '71 IAC 2-12-1 Procedures,' Indiana Breeder & Owner Protection, Inc. (IBOP) is requesting that the Indiana Horse Racing Commission (IHRC) consider the striking (repeal) of '71 IAC 1.5-1-40 "Foreign substance" defined' from the Indiana Administrative Code. Please consider this correspondence as IBOP's official petition to do so. Our view, which is supported by Indiana statute, is that this definition is an unnecessary duplication of 'IC 4-31-2-7 "Foreign substances."' We would appreciate this request be considered as an agenda item at the next regularly scheduled IHRC meeting.

For your convenience, this administrative rule appears in '71 IAC 1.5. Flat Racing; Definitions' and is copied below:

**71 IAC 1.5-1-40 "Foreign substance" defined**

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 40. "Foreign substance" means all substances except those that exist naturally in an untreated horse at normal physiological concentration, and includes all narcotics, stimulants, depressants, or other drugs or medications of any type. (Indiana Horse Racing Commission; 71 IAC 1.5-1-40; emergency rule filed Jun 15, 1995, 5:00 p.m.: 18 IR 2818, eff Jul 1, 1995; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA; readopted filed Nov 26, 2013, 11:25 a.m.: 20131225-IR-071130345RFA)

Clearly, '71 IAC 1.5-1-40' copies verbatim the definition of "Foreign substances" found in 'IC 4-31-2-7,' which is copied below for your convenience:

**IC 4-31-2-7**

**"Foreign substances"**

Sec. 7. "Foreign substances" means all substances except those that exist naturally in an untreated horse at normal physiological concentration, and includes all narcotics, stimulants, depressants, or other drugs or medications of any type.

*As added by P.L.341-1989(ss), SEC.2.*

Given this obvious and direct duplication of Indiana statute, we believe that '71 IAC 1.5-1-40' does not meet the standard for administrative rules as cited by 'IC 4-22-2-19.5(a)(3)' which is copied below for your convenience:

**IC 4-22-2-19.5**

**Standards for rules**

Sec. 19.5. (a) To the extent possible, a rule adopted under this article or under IC 13-14-9.5 shall comply with the following:

(1) Minimize the expenses to:

(A) regulated entities that are required to comply with the rule;

(B) persons who pay taxes or pay fees for government services affected by the rule;

and

(C) consumers of products and services of regulated entities affected by the rule.

(2) Achieve the regulatory goal in the least restrictive manner.

(3) Avoid duplicating standards found in state or federal laws.

(4) Be written for ease of comprehension.

(5) Have practicable enforcement.

(b) Subsection (a) does not apply to a rule that must be adopted in a certain form to comply with federal law.

*As added by P.L.17-1996, SEC.2.*

We see the approval of this petition as possible given the standard of "To the extent possible" in 'IC 4-22-2-19.5.' This is especially true given that the 'Foreign substance' definition in '71 IAC 1. Definitions,' the portion of the administrative code dealing with standardbred racing, was not readopted in 2013 and no longer exists. That portion of the Indiana Administrative Code now reads as follows:

**71 IAC 1-1-42.1 "Foreign substance" defined (Expired)**

Sec. 42.1. (Expired under IC 4-22-2.5, effective January 1, 2014.)

Logic dictates that neither '71 IAC 1-1-42.1' and '71 IAC 1.5-1-40' were ever necessary given the exact same definition exists in 'IC 4-31-2-7,' and therefore, applies to both flat racing and standardbred racing without any further need for the same definition in the Indiana Administrative Code. Should you believe otherwise, then efforts should be made to promulgate another "Foreign substance" definition within the standardbred rulebook via **71 IAC 1. Definitions.**

Thank You,

Jim Hartman  
IBOP Vice-President

CC: Executive Director Gorajec  
Chairman Diener  
Vice-Chairman Schaefer  
Commissioner Schenkel  
Commissioner Weatherwax  
Commissioner Pillow

# **Agenda Item #10**

# **Thoroughbred Breed Development Advisory Committee**

## **2014 Approved Program**

*Approved by the Thoroughbred Breed Development Advisory Committee on December 18, 2013*

In planning the proposal for 2014, the Thoroughbred Breed Development Advisory Committee worked closely with the racetracks and IHRC staff. In addition, public meetings were held in which horsemen had the opportunity to voice their opinions.

The proposed program is as follows:

### **Budget Overview**

#### **Projected Revenue:**

Revenue From Breakages & Outs	\$465,000
Projected Revenue from Slots	\$9,528,143
Available from Reserves <i>(per schedule approved by IHRC in 2013)</i>	\$400,000
<b>TOTAL</b>	<b>\$10,393,143</b>

*Slot revenue predicted by actual 2013 Calendar Revenue*

#### **2014 Budget:**

#### **Overall Budget**

Administrative Costs	\$206,586
Out-of-State Breeder's Awards	\$50,000
Open Race Awards	\$250,000
<b>TOTAL</b>	<b>\$506,586</b>

**REMAINING AVAILABLE FOR TRACK** **\$9,886,557**

#### **Indiana Downs Budget - Proposed**

Stakes - Purses	\$1,200,000
Overnight Program - Purses	\$4,684,000
Breeders Awards - All	\$2,172,200
Stallion Owner Awards - All	\$543,050
Discretionary Race Fund - Purses	\$1,275,000
<b>TOTAL</b>	<b>\$9,874,250</b>

### **Proposed Program and Guidelines**

#### **Discretionary Race Fund:**

Included in the 2014 proposal is the inclusion of a "Discretionary Race Fund" to be utilized by the racing secretary at the track. This element, added to the program in 2012, works by giving the racing secretary



the authority to make adjustments to the program to accommodate the population of horses available to race. In addition, funds allocated for regularly scheduled races that do not fill may be added to the Discretionary Race Fund throughout the meet. The track will be limited to the overall Breed Development budget amount approved for the race track.

Please see Attachment A for detailed information outlining the proposed race program.

### **Signature Stake Races:**

The year 2012 was the inaugural year for the Signature Stake Races in Indiana. The Signature Stake races will continue as they did in 2014. The proposed stakes are as follows:

The Governor's Stake	3YR Olds	1MI 70 Yards – Dirt	\$150,000 Guaranteed
The First Lady Stake	3 YR Old Fillies	1 MI 70 Yards – Dirt	\$150,000 Guaranteed
The Too Much Coffee	3 YR Olds & UP	1 1/16 MI – Dirt	\$150,000 Guaranteed
The Francis Slocum	3 YR Olds & Up Fillies/Mares	1 1/16 MI – Dirt	\$150,000 Guaranteed

### **Remaining Stakes Program:**

The Committee proposes that the remaining stakes format remain the same except for the following modifications:

There will be an addition of two Sired Stakes races. They are as follows:

“The Sired Swifty”	3 YR Fillies	6 Furlongs – Dirt	\$85,000
“The Sagamore”	3 YR Open	6 Furlongs – Dirt	\$85,000

The distance of the Miss Indiana Stakes and Indiana Futurity will be changed from 1 mile to 1 mile 70 yards.

All regular stake races will include an option of a supplemental nomination of \$850.

Preference for all stake races or two and three year olds will be high weights preferred, second preference lifetime earnings. Races for three year olds & older will be high weights preferred, second preference highest lifetime earnings.

Breed Development will be contributing funding to the ITOBA Stallion Stakes. Breed Development will contribute \$25,000 to each race (for a total expenditure of \$50,000) as follows:

- Race for Fillies – 1 Mile on Dirt – \$75,000 Total Purse
- Race for Colts – 1 Mile on Dirt - \$75,000 Total Purse

### **General Program Guidelines:**

- Each regularly scheduled overnight race that fills with eight (8) or more betting interests will be carded. It is the discretion of the racing secretary as whether to utilize races with fewer than eight (8) betting interests.
- Stake races are not required to have eight (8) starters to be used.
- If a regularly scheduled race fails to be carded due to a lack of eight (8) betting interest, but contains at least six (6) preferred betting interests, the racing secretary shall bring that race back the following day. Should the race not fill with eight (8) betting interests again, the purse money from that race will be allocated to the Discretionary Race Fund.
- In order for a race to be split, it must contain at least eight (8) betting interests in each.

- The racing secretary has the discretion to write Indiana-bred claiming races at a level below \$10,000 as needed. These races will not be used to replace any race in the Thoroughbred Breed Development Program.
- All stakes, with the exception of the Signature Stakes, shall be “added money” with the nomination, entry and starting fees contributing to the purse as indicated in 71 IAC 1.5-1-97.
- One-third of all allowance races, including maiden special weights, are to be written for Indiana – sired horses. The racing secretary shall make every attempt to write Indiana-sired races in advance of Indiana-bred races for the same condition. In addition, the Committee would encourage the racing secretary to increase the number of Sired races in excess of this guideline as needed.
- The racing secretary shall make every attempt to provide 50% racing opportunities for colts and geldings and 50% for fillies and mares in the overnight program.
- The racing secretary shall make every attempt to write 30% of all maiden and allowance races going long.
- Recognizing the importance of turf racing for Indiana Bred/Sired horses, the racing secretary shall make every attempt to write an appropriate number of turf races.

**Indiana –Bred Preference:**

**Allowance and Maiden Special Weight**

Preference will be given to horses that have not started for less than \$10,000 in their last five starts. A horse can regain preference by running 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> for \$10,000 or more since last starting for less than \$10,000.

**Indiana – Bred Maiden Eligibility:**

Horses that have not finished 5th or better in one of their last five starts are not eligible for Maiden Special Weight Races.

**Limited Preferred Starter Status for Indiana-Breds in Open Company Races (Stakes Excluded):**

Once a registered Indiana-bred receives an R Date or E Date, it will receive Starter Preferences over Non Indiana-bred horses that have equal R Dates or E Dates. Indiana-breds will NOT receive starter preference over Non Indiana-breds with better R Dates, E Dates or when both horses have 0 dates. Preference dates will not supersede conditions of a race.

**Exclusion of Indiana – Bred Wins in Open Other Than Conditioned Allowance Races**

The Racing Secretary has agreed to include the words “Indiana-bred Race” in all other than open Allowances.

Examples:

- (1) Non winners of a race other than Maiden, Claiming or Indiana-bred race.
- (2) Non winners of two races other than Maiden, Claiming or Indiana-bred race.
- (3) Non winners of three races other than Maiden, Claiming or Indiana-bred race.

**Indiana- Bred Weight Allowance:**

Registered Indiana-breds shall automatically receive a 3 lb. weight allowance when competing in races not restricted to Indiana-breds. Stakes races will be exempt from this requirement.

**Indiana – Sired Weight Allowance in Indiana Bred Races:**

In Indiana restricted races, registered Indiana – sired horses shall receive a weight allowance of 3 lbs. when running less than seven and one-half furlongs (7 ½) and 5 lbs. when running seven and one-half furlongs or greater.

## Proposed rule changes:

The following rule change allows an out-of-state breeder's award to be paid to a horse than wins an eligible race in Puerto Rico.

### 71 IAC 13.5-3-3 Out-of-state breeder's awards

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 3. An out-of-state breeder's award is ~~the~~ **an** award paid to the breeder of a registered Indiana bred which wins a flat race in another state, **Puerto Rico**, or Canada. The amount of the award is ten percent (10%) of the winner's share of the purse for any race when entered for a claiming price of greater than or equal to ten thousand dollars (\$10,000). This award is applicable only when there is no live thoroughbred race meet in progress in Indiana (except for stake races and for two-year-olds winning out of state prior to July 1 of the race meet). Awards will be paid by the commission. Out-of-state breeder's awards shall be limited to a single race award not to exceed ten thousand dollars (\$10,000). (*Indiana Horse Racing Commission; 71 IAC 13.5-3-3; emergency rule filed Jun 22, 2000, 3:05 p.m.: 23 IR 2787; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Jan 28, 2003, 2:20 p.m.: 26 IR 1952; emergency rule filed Jan 21, 2004, 2:30 p.m.: 27 IR 1922; emergency rule filed May 10, 2005, 3:20 p.m.: 28 IR 2751; emergency rule filed Jun 10, 2009, 12:45 p.m.: 20090617-IR-071090464ERA, eff May 29, 2009 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the Publisher. LSA Document #09-464(E) was filed with the Publisher June 10, 2009.]; emergency rule filed Apr 5, 2013, 3:50 p.m.: 20130410-IR-071130135ERA*)

The following rule change is proposed to make the language in 71 IAC 13.5-3-5 consistent with the language in 71 IAC 13.5-3-2.

### 71 IAC 13.5-3-5 Purse supplement in open races

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 5. (a) A purse supplement is to be paid to the owner of an Indiana bred that places first, second, or third in **the following races**:

- (1) all open allowance, including:
  - a. maiden special weights;
  - b. **starter allowance for ten thousand dollars (\$10,000) or more;**
  - c. **optional claiming for ten thousand dollars (\$10,000) or more; or**
  - d. **maiden optional claiming for ten thousand dollars (\$10,000) or more.**
- (2) open stakes.
- (3) open claiming, when entered for a claiming price of greater than or equal to ten thousand dollars (\$10,000).

(b) The award shall be 40% of the purse earned and paid by the association (race track) with track purse funds generated from pari-mutuel handle. The association may, with the approval of the commission, elect to increase the purse supplement. (*Indiana Horse Racing Commission; 71 IAC 13.5-3-5; emergency rule filed Jul 19, 2010, 12:22 p.m.: 20100728-IR-071100480ERA; emergency rule filed Jul 5, 2012, 2:14 p.m.: 20120718-IR-071120402ERA*)

**Breed Development Stakes Program:**

**2 Year Olds**

	DISTANCE	PURSE	SEX
The Hillsdale Stakes	6 Furlongs	\$85,000 added	
The City of Anderson	6 Furlongs	\$85,000 added	Filly
The Indiana Futurity	1 Mile 70 Yds	\$85,000 added	
The Miss Indiana Stakes	1 Mile 70 Yds	\$85,000 added	Filly
The Indiana Stallion Stakes (Sired Filly)	6 Furlongs	\$85,000 added	Filly
The Crown Ambassador (Sired)	6 Furlongs	\$85,000 added	

**3 Year Olds**

	DISTANCE	PURSE	SEX
The Ellen's Lucky Star Stakes	1 Mile Turf	\$85,000 added	Filly
The Snack Stakes	1 Mile Turf	\$85,000 added	
Hoosier Breeders Sophomore Stakes	1 1/16 Mile	\$85,000 added	
Hoosier Breeders Sophomore Stakes (Filly)	1 1/16 Mile	\$85,000 added	Filly
Sagamore	6 Furlongs	\$85,000 added	
The Sired Swifty	6 Furlongs	\$85,000 added	Filly
<b>The Indiana First Lady Stakes</b>	<b>1 Mile 70 Yds</b>	<b>\$150,000 guaranteed</b>	<b>Filly</b>
<b>The Governor's Stakes</b>	<b>1 Mile 70 Yds</b>	<b>\$150,000 guaranteed</b>	

### 3 Year Old & Up

	DISTANCE	PURSE	SEX
The Shelby County Stakes (Sired)	6 Furlongs	\$85,000 added	Filly/Mare
The William Henry Harrison Stakes (Sired)	6 Furlongs	\$85,000 added	
The Florence Henderson Stakes	1 1/16 Mile Turf	\$85,000 added	Filly/Mare
The A.J. Foyt Stakes	1 1/16 Mile Turf	\$85,000 added	
The Merrillville Stakes	6 Furlongs	\$85,000 added	Filly/Mare
The Brickyard Stakes	6 Furlongs	\$85,000 added	
The Gus Grissom Stakes (Sired)	1 1/16 Mile	\$85,000 added	
The Richmond Stakes (Sired)	1 1/16 Mile	\$85,000 added	Filly/Mare
<b>The Frances Slocum Stakes</b>	<b>1 1/16 Mile</b>	<b>\$150,000 guaranteed</b>	<b>Filly/Mare</b>
<b>The Too Much Coffee Stakes</b>	<b>1 1/16 Mile</b>	<b>\$150,000 guaranteed</b>	



# **Agenda Item #11**

## 2014 Quarter Horse Breed Development Proposed Program

*Approved by Quarter Horse Breed Development Advisory Committee on December 19, 2013.*

The Quarter Horse racing industry in Indiana is continuing to grow and improve each year. When looking at the program for the year 2014, the Committee continues the task of improving a program which already has a strong foundation while maintaining a balance with the open racing program. If anything, the success of this program continues to give the committee some challenges when trying to stay within the available budget. At the recommendation of the IHRC staff, the Committee will be maintaining a reserve of \$250,000 in the fund to allow for any items which go over budget. In developing this proposal, the Committee held public meetings and worked closely with Indiana Downs and the QHRAI.

### Budget Overview

#### Projected Revenue:

Projected Slots Revenue for 2014	\$1,238,838
Revenue From Outs	\$40,000
Revenue From Breakages	\$35,000
<b>Projected Revenue for 2014</b>	<b>\$1,313,838</b>

Amt. Needed to Meet Reserves	\$241,580.36
Amt. Allocated to Administrative Exp.	\$28,000
<b>Amt. Available for 2014 Program</b>	<b>\$1,044,257.64</b>

*\*Slots revenue predicted based on estimated 2013 calendar year revenue.*

#### 2014 Budget:

Below is the proposed budget for the 2014 Quarter Horse Breed Development Program.

#### Overall Budget:

OVERALL	PROPOSED
# of Overnight Races Supplemented	68
Number of Stake Races/Trials	27
Total Number of Races Proposed	95
BDF \$ to Purses	\$370,150
Owner Awards (IB Races)	\$225,000
Breeder Awards (IB Races)	\$225,000
Sire Awards (IB Races)	\$75,000



Owner, Breeder and Sire Awards (Open Races)	\$50,000
Sired Supplement to IB Races	\$30,000
Purse Supplement – IB in Open Races	\$100,000
<b>TOTAL</b>	<b>\$1,075,150</b>

Please see *Attachment A* for additional information on the program for Indiana Downs.

### Program Overview

#### Overall Modifications to Program

- ✓ Eliminate Sired overnights- institute bonus program for Sired horses competing in Indiana Bred races. This will provide incentive to increase the quality of Sired horses. The bonus will be 20% and be paid to any Sired horse that finishes 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> in an Indiana Bred race. The bonus will be paid through the purse account, with Breed Development reimbursing the purse account for these payments.
- ✓ Eliminate claiming races from the Breed Development program.
- ✓ Modify the current purse supplement paid to Indiana Bred horses that finish 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> in open races. Change the supplement from \$15,000 to 50%. This will allow the amount of the supplement to adjust based on the purse of the race.
  - Because of the success of the purse supplement program in the past, we would propose that this program be closely monitored by IHRC staff in 2014. We would like to have the ability to evaluate this program prior to the beginning of the “Fall” portion of the meet (August 1) and make adjustments if the supplement element of the program is on track to exceed budget. We request that the IHRC gives the Executive Director the ability to approve changes if there is not the ability to have this go before the Commission.
- ✓ Stakes for 2014 will be determined by 2013/2014 earnings when trials do not occur.

#### Stake Races

• Gordon Mobley	Sired 2 YR Olds	Spring	\$150,000
• Jaguar Rocket	Bred 2 YR Olds	Spring	\$100,000
• Miss Roxie Little	Bred 2 YR Olds	Fall	\$150,000
• Blue River Derby	Bred 3 YR Olds	Spring	\$100,000
• Sterlie Bertram Mem.	Bred 3 YR Olds	Fall	\$100,000
• Born Runner Classic	Sired 3 YR & UP	Spring	\$100,000
• Hoosier Classic	Bred 4 YR & UP	Fall	\$ 75,000
• Bob Woodard Classic	Bred 4 YR & Up	Spring	\$ 75,000

## Applicable Rule Changes

### 71 IAC 14.5-3-4 Purse supplement in open races

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 4. A purse supplement ~~of fifteen thousand dollars (\$15,000) is to~~ **shall** be paid to the owner of an Indiana bred that finishes first, second, or third when competing in any open overnight race, excluding trials and claiming races. The supplement shall be **50% of the purse earned and must be** distributed in the same manner and percentages in which purses are paid. (*Indiana Horse Racing Commission; 71 LAC 14.5-3-4;*

*emergency rule filed Mar 3, 2011, 11:50 a.m.: 20110309-IR-071110100ERA; emergency rule filed Apr 4, 2013, 1:05 p.m.: 20130410-IR-071130134ERA)*

### 71 IAC 14.5-3-6 Sired purse supplement

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 6. A purse supplement shall be paid to the owner of an Indiana sired horse that finishes first, second, or third when competing in any Indiana bred overnight race, excluding trials and claiming races. The supplement shall be **20% of the purse earned and must be** distributed in the same manner and percentages in which purses are paid.

# QHRAI 2014 Race Proposal

Last Modified 2/24/2014

Attachment A

	2014				2013
<b>Overnight</b>					
<b>Indiana Bred</b>					
Allowance	6	\$20,000	\$120,000	7	\$23,000
Allow. NW3	4	\$18,500	\$74,000	5	\$20,000
Allow. NW2	12	\$17,500	\$210,000	16	\$18,000
Allow. NW OT	4	\$16,500	\$66,000	3	\$10,000
Maiden	<u>42</u>	<u>\$16,000</u>	<u>\$672,000</u>	<u>45</u>	<u>\$15,250</u>
<b>Total Races</b>	<b>68</b>		<b>\$1,142,000</b>	<b>76</b>	<b>\$1,265,250</b>

	2014				2013
<b>Open</b>					
Allowance	6	\$18,000	\$108,000	9	\$15,000
NW Year	1	\$12,000	\$12,000	1	\$10,000
NW 2 OT	2	\$16,000	\$32,000	1	\$10,000
Allow. NW3	6	\$15,000	\$90,000	7	\$13,000
Allow. NW2	15	\$13,000	\$195,000	19	\$10,000
Maiden	<u>40</u>	<u>\$11,000</u>	<u>\$440,000</u>	<u>44</u>	<u>\$8,500</u>
<b>Total Races</b>	<b>70</b>		<b>\$877,000</b>	<b>81</b>	<b>\$810,000</b>

### Changes To The Open Program

- 1 Notice the slight reduction in Race Count . 8 Less Bred Races and 11 Less Open Races, this was only done to accommodate the 2014 Budget.
- 2 Recommending a Significant increase in the Open Purses, Primarily for 2 Reasons. 1) To keep our open program in step with similar programs around the country, while attracting higher quality Open horses to Indiana. 2) To allow a "Percentage Based" bonus program to work, encouraging Indiana Bred and Sired Horses to stay competitive with Open horses.
- 3 The elimination of claiming races from both the bred and open program, and replace those races with new conditions listed above.
- 4 A Slight Purse modification to races above the maiden races. This was done purely to accommodate the 2014 Budget. The thought behind only reducing purses above maiden is that there have been significant increases to the stakes program and allowance horses would tend to be the group benefiting the most from those increases.
- 5 Elimination of "Sired" Races, and recommending a preference added to key "Bred" races to allow Sired horses to prep for Sired Stakes.

## QHRAI 2014 Race Proposal

Last Modified 2/24/2014

Indiana Bred Stakes		2014	2013
Gordon Mobley	Spring	\$150,000	Sired 2yr Olds
Jaguar Rocket	Spring	\$100,000	Bred 2yr Olds
Miss Roxie Little	Fall	\$150,000	Bred 2yr Olds
Blue River Derby	Spring	\$100,000	Bred 3yr Olds
Sterile Bertram	Fall	\$100,000	Bred 3yr Olds
Born Runner	Spring	\$100,000	Sired 3&Up
Hoosier Classic	Fall	\$75,000	Bred 4&Up
Bob Woodard	Spring	\$75,000	Bred 4&Up
19 Trials @\$5k	<u>19</u>	<u>\$95,000</u>	21 Trials @\$5k
<b>Total Races</b>	<b>27</b>	<b>\$945,000</b>	<b>28 Total Races</b>
<b>Open Stakes</b>		<b>2014</b>	<b>2013</b>
Heartland Fut.	Spring	\$50,000	Open 2yr Old
Governors Stk.	Fall	\$100,000	Open 2yr Old
SSA Futurity	Fall	\$100,000	Open 2yr Old
Sale Stake	Fall	\$25,000	Open 2yr Old
QHRAI Derby	Fall	\$100,000	Open 3yr Old
Indiana Grand Dby	Spring	\$50,000	Open 3yr Old
SSA Derby	Fall	\$50,000	Open 3yr Old
Indy Dns Classic	Spring	\$35,000	Open Aged F/M
Bradford Stake	Spring	\$35,000	Open Aged C/G
Indiana Champ.	Fall	\$75,000	Open Aged
Circle City	Eliminated	\$0	
Pride and Progress	Eliminated	\$0	
Leader of the Class	Spring	\$25,000	Open 3&Up
SSA Championship	Eliminated	\$0	
23 Trials @\$3.5k	<u>23</u>	<u>\$80,500</u>	18 Trials @\$3.5k
<b>Total Races</b>	<b>34</b>	<b>\$725,500</b>	<b>32 Total Races</b>

### Changes to the Stakes Program

- 1 The Elimination, Condition Changes, and Placement Changes to several Stakes to 1) Attract Better Horses 2) Keep Horses from moving to Prairie Meadows.
- 3) Allow more horses to be competitive in more stakes. 4) Cause multiple stakes to receive graded status over the next 2 years.
- 2 Increase Purses on Key Open Stakes, and 1 Indiana Sired Stake.

# QHRAI 2014 Race Proposal

Last Modified 2/24/2014

## Summary

Bred Program	Total # of Races	Open Program
Bred Program	95	Total # of Races 104
BDF to Puruses	\$370,150	Total Open Puruses \$1,602,500
Owner Awards	\$225,000	
Breeder Awards	\$225,000	
Sire Awards	\$75,000	
Sire Sup. Bred Races	\$30,000	
Awards Sup. Open Races:	\$50,000	
Purse Supplement		
Open Races	\$100,000	
<b>Total B.D. Expenses</b>	<b>\$1,075,150</b>	
Budgeted Revenue	1139000	
	Plus \$16,600	

Sired Supplement Calculated Estimate

Sired Sup Bred Races	\$1,142,000	Total Bred Purse
20% of total purse	\$228,400.0	Purse * 20%
1st,2nd,3rd Max 85%	\$194,140.0	Total Bonus * 85%
15%= Historic avg. excl stakes	\$29,121.00	15% of total Available

**Sired Purse Levels With 20% Bonus**

	Open	Bred	W/Bonus	Sired/bred
Allowance	\$18,000	20000	\$27,000	24000
NW Year	\$12,000	N/A		
NW 2 OT	\$16,000	N/A		
Allow. NW3	\$15,000	18500	22500	22000
Allow. NW2	\$13,000	17500	19500	21000
Maiden	\$11,000	16000	16500	19200

Sired Horses will be running for Substantially more money when running in a bred race than when running in an Open Race

# QHRAI 2014 Race Proposal

Last Modified 2/24/2014

## Purse Supplement for Open Races

Max. Bonus Potential	2014	2013	
Total Races	70	81	
(Total Open Purse * 50%)	372725	1032750	81 * (\$15,000) * 85%
<b>64% decreased Liability</b>			

**2013 payout was 24% of Max liability**  
 24% Max Liability      \$89,453      \$243,750

## 2013 Exact Supplement Distribution using 50% instead of \$15,000 and considering the reduction in the number of Races

	17-1st		Awards for Supplement		
2013	\$140,250	Actual Payout	17531.25	Bred	
2014	\$79,475	(17K * 50%) * .55 * 17	17531.25	Owner	Total
			6187.5	Sires	41250
	21-2nds				
2013	\$72,000	Actual Payout	12993.75	Bred	Total
2014	\$35,700	(17K*50%) * .2 * 21	12993.75	Owner	29700
			3712.5	Sires	
					<b>Total Awards Paid on Supplement</b>
					<b>90750</b>
	21 3rds				
2013	\$31,500	Actual Payout	8662.5	Bred	Total
2014	\$17,850	(17k * 50%) * 10% * 21	8662.5	Owner	19800
			2475	Sires	
2013 Total	\$243,750	Actual total Purse Supplement			
2014 Total	\$133,025	Using 2013 Attempts, Total Supplement for Purse			

## QHRAI 2014 Race Proposal

Last Modified 2/24/2014

### COMMENTS/NOTES

QHRAI has attempted to make as an exact estimate for the supplement as possible because of it's significant overage in 2013. We believe that the numbers we have used in the budget summary should be a very accurate estimate. This worksheet shows different formulas we used when making this expenditure estimate, you will see that we have lowered the estimated awards and supplements roughly 21% from the EXACT payouts from 2013. Primarily the reasoning is that the SIGNIFICANT decrease (\$15,000 to \$6,500) we believe will cause horsemen to use open races for preps or "set ups" instead a shot a "stake type" purse as was the case in 2013. Additionally, with the advent of the bonus for sired horses in bred races, it would be hard to imagine the scenario that a sired horse would run for \$16,500 against Open Horses instead of \$19,500 against Indiana Bred and Sired Horses. This alone we believe will cause a significant decrease in the level of participation.

Additionally, we believe that the entire bonus and supplement purse and award payouts need to be closely monitored in 2014, we already have put together contact people on our board to get regular updates from IHRC staff so we can stay on top of this in 2014. QHRAI has demonstrated over the past several years to have exceptional communication with it's horsemen throughout the year, and our board believes that we can look at these numbers prior to the "Fall" portion of the meet begins and make any adjustments needed to stay within our budget. We feel that it is of the utmost importance to start out 2015 with our ENTIRE budget intact.

### Misc. Notes

- 50% bonus for Bred running in Open
- 20% bonus for Sired running in Bred
- 50% Bonus will only raise purse slightly above Bred Purse
- Stakes 2013 & 2014 Earnings when no trials
- Placement of Stakes and NW o.t. very critical
- Purse for a sired running in a Bred race will be substantially higher than for an Open Race

# **Agenda Item #12**



STATE OF INDIANA  
BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:

THE PETITION OF CENTAUR HOLINGS, LLC,     )  
NEW CENTAUR, LLC, AND                     )  
CENTAUR ACQUISITION, LLC                 )  
REQUESTING THAT THE COMMISSION         )     SS  
APPROVE PARI-MUTUEL WAGERING ON         )  
THE RACE MEETING GROUNDS OF INDIANA     )  
GRAND UTILIZING FAST BET MOBILE®         )

PETITION

COMES NOW Petitioners, Centaur Holdings, LLC (Centaur), New Centaur, LLC (New Centaur) and Centaur Acquisition, LLC (Grand), by counsel, and respectfully requests that the Indiana Horse Racing Commission (Commission) approve pari-mutuel wagering on the race meeting grounds of Grand utilizing Fast Bet Mobile®.

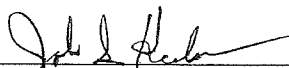
In support of such Petition, Petitioners show the Commission as follows:

1. Centaur is the owner of New Centaur, which is the owner of Grand and Hoosier Park, LLC (Hoosier);
2. Grand is the holder of a permit to conduct a horse racing at Indiana Grand Racing and Casino f/k/a Indiana Downs, which permit was transferred by the Commission to Grand by order of the Commission dated January 7, 2013;
3. Hoosier is the holder of a permit to conduct horse racing at Hoosier Park in Anderson (Hoosier Park) and Hoosier is the holder of a satellite facility license in Indianapolis (Winner's Circle);
4. Fast Bet Mobile® is a pari-mutuel wagering system offered by United Tote, the company which effective as of December 1, 2013, provides totalizer systems to both Grand and Hoosier Park. Prior to the Commission's approval on October 29, 2012 of a new totalizator contract with United Tote to service both Grand and Hoosier Park, Grand was served by another tote company which did not offer mobile wagering. Fast Bet Mobile® works in concert with the totalizator system. It allows customers to place wagers, utilizing funds on deposit, by means of terminals, handheld devices and E terminals with video;
5. On April 19, 2012, at its regular meeting the Commission authorized the use of Fast Bet Mobile® at the Winner's Circle as a Pilot Project;

6. Fast Bet Mobile® has been successfully deployed at the Winner's Circle since on or about June 18, 2012 utilizing electronic tablets owned by Hoosier and customer owned handheld electronic devices;
7. Fast Bet Mobile® was approved by the Commission for use on the race meeting grounds of Hoosier Park on August 30, 2012 and has been utilized successfully and without incident since on or about the date it was approved;
8. The Commission promulgated rules governing the use and operation of mobile gaming systems such as Fast Bet Mobile® effective as of December 31, 2012. 71 IAC 9-1.1; 71 IAC 9-1.5. A copy of these rules are attached as Exhibit A;
9. On December 10, 2013 the Commission authorized the use of Fast Bet Mobile® at the new satellite facility of Hoosier in New Haven, Indiana, which should be in operation by approximately July, 2014;
10. Fast Bet Mobile® accounted for approximately 5% of the handle wagered on the race meeting grounds of Hoosier Park during 2013. However; as customers became more familiar with its operation, Fast Bet Mobile's percentage of handle increased to 14% in December of 2013; and
11. Allowing Fast Bet Mobile® to be offered at the race meeting grounds of Grand is in the best interests of horse racing and will not be detrimental to the high standards and integrity of pari-mutuel wagering on horses. Specifically, it is anticipated that handle will increase at Grand, as it has at Hoosier Park and the Winner's Circle, because of the opportunity for fans to wager in a social environment, without the need to constantly visit a teller or teller terminal, utilizing technology that is convenient, familiar and safe.

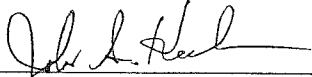
WHEREFORE, Petitioners respectfully request that the Commission: (1) Approve the pari-mutuel wagering on the race meeting grounds of Grand utilizing Fast Bet Mobile®; and (2) Grant such other relief as may be right and proper in the premises.

Respectfully Submitted,

  
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John S. Keeler  
Attorney for Petitioners, Centaur, New Centaur  
and Centaur Acquisition, LLC

Certificate of Service


I hereby certify that a copy of the foregoing was served upon Ms. Lea Ellingwood, Esq., 1302 N. Meridian Street, Suite 175, Indianapolis, Indiana 46202 by hand delivery, this 19<sup>th</sup> day of February, 2014.

  
\_\_\_\_\_  
John S. Keeler

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# **Agenda Item #13**

# Memorandum

**To:** Joe Gorajec, Executive Director  
**From:** Rick Moore, VP/General Manager of Racing   
**Date:** January 28, 2014  
**Re:** 2014 Standardbred Meet Officials

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Please find below the list of racing officials for the upcoming 2014 Hoosier Park Standardbred Meet as required by IHRC 71 IAC 3-1-1. The meet begins on Friday, March 28.

Most of the individuals listed have been licensed by the IHRC in the past. A background check is in process for Sharon Beeman and we will forward results as soon as they are received. Please let us know if any other background checks are required.

As always, please do not hesitate to contact me if you have any questions or require additional information.

Racing Secretary	Scott Peine
Paddock Judge	Stephanie Howard
Horse Identifier	Sharon Beeman
Asst. Racing Secretary, Clerk of Course	Cindy Tetuan
Official Starter/Patrol Judge	Todd Nixon
Official Charter/Program Director	Bobbi Hansen
Official Timer	International Sound
Photo Finish Technician	Amie Alexander
Racing Veterinarians	Dr. Dan Eichhorn
	Dr. Aaron Smiley
	Dr. Michael Hardy
Integrity	Kim Stalhiem
Judges Stand Tote Asst.	Kristen Stahl