

Agenda Item #5

STATE OF INDIANA
BEFORE THE INDIANA HORSE RACING COMMISSION

2014 JUN 11 P 12:52

IN RE: 2014 Application For Registration of)
Indiana Horsemen's Benevolent and Protective)
Association Pursuant to 71 IAC 13-1-1 *et seq.*)

INDIANA HORSE RACING COMMISSION

**AMENDED NOTICE OF CONTINUED HEARING AND PRE-HEARING ORDER
ON 2014 APPLICATION FOR REGISTRATION OF
INDIANA HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION
OF INDIANA PURSUANT TO 71 IAC 13-1-1 ET SEQ.**

This matter comes before the Indiana Horse Racing Commission (hereinafter "the Commission") on an Application for Approval as a Registered Horsemen's Association Pursuant to 71 IAC 13-1-1 *et seq.* for the calendar year 2014 [hereinafter "the Application"], submitted by the Indiana Horsemen's Benevolent and Protective Association (hereinafter "the Applicant" or "IHBPA") on or about September 3, 2013, and originally set for Hearing on October 29, 2013, but tabled on that date. The Commission, by its Chair, issues this notice and order pursuant to the provisions of the Indiana Administrative Orders and Procedures Act, Indiana Code sections 4-21.5-1-1 *et seq.*:

NOTICE OF HEARING

The Indiana Horse Racing Commission will hold a hearing on Thursday, June 26, 2014, at 9:00 a.m., *or* as soon as this matter advances on the Commission's agenda during its regularly scheduled meeting which will commence at 9:00 a.m. in the Indiana State Library, Author's Room, 315 W. Ohio St., Indianapolis, Indiana 46204. The Hearing will relate to the following Application that was filed with the Commission on or about September 3, 2013:

2014 Application for Registration of Indiana Horsemen's Benevolent and Protective Association Pursuant to 71 IAC 13-1-1 *et seq.*

The Hearing will be held for the purpose of providing an opportunity for the Applicant to make a presentation of its Application to the Indiana Horse Racing Commission; an opportunity for the Commission to ask questions of any party representatives and witnesses who may testify at the Hearing; and an opportunity for interested nonparty organizations and persons to provide testimony in support of or adverse to the Application.

The Hearing is to be held by the Indiana Horse Racing Commission pursuant to the authority granted to it by Indiana Code section 4-31-1-1, Indiana Code section 4-35-7-12, 71 IAC sections 13-1-1- *et seq.* and Indiana Code sections 4-21.5-3-1 *et seq.* All members of the Indiana Horse Racing Commission intend to act as the Administrative Law Judge for the Hearing. The members include: William Diener, Chairman; Steve Schaefer, Vice Chairman; Greg Schenkel, Tom Weatherwax, and George Pillow, Members. Lea Ellingwood, Esq. and Holly Newell, Esq., are and will act as legal counsel to the Indiana Horse Racing Commission during these proceedings. Joe Gorajec, Executive Director, will also appear for the Indiana Horse Racing Commission Staff and may be contacted for information concerning the proposed Hearing schedule, the procedure to be

followed at the Hearing, and for inspection of copies of the notice to the parties, at the offices of the Indiana Horse Racing Commission, 1302 North Meridian Street, Suite 175, Indianapolis, Indiana 46204 (tel. no. (317) 233-3119).

PRE-HEARING ORDER

The Commission, by its Chairman, William Diener, pursuant to Indiana Code section 4-21.5-3-19(d), issues the following Pre-Hearing Order with respect to the matters described herein:

I. Purpose of the Hearing on Applicant's Petition.

The Commission will consider IHBPA's 2014 Application for Registration as a Registered Horsemen's Association filed with the Commission on or about September 3, 2013 and any Amendments to its Application timely filed thereafter pursuant to 71 IAC sections 13-1-1 *et seq.* requesting Commission approval to serve as the registered horsemen's association for the calendar year 2014 to receive the monies specified by Indiana Code section 4-35-7-12 which will be distributed for the benefit of thoroughbred horse owners and trainers.

II. Application Process Time Line.

a. Hearing Date and Time.

The hearing will commence at the Indiana State Library, Room 203, 315 W. Ohio St., Indianapolis, Indiana, on Thursday, June 26, 2014, at 9:00 a.m. EST or as soon as it advances on the agenda of the Commission meeting commencing at 9:00 a.m. EST. This matter will be heard and will continue, with appropriate recesses until completed. The record will be closed at the conclusion of the hearing. Thereafter, the Commission will deliberate on and decide whether the Application will be approved or denied and does not comprehend discussion during the deliberation with the Applicant or other interested parties.

b. Amendments to Applications. Incorporation by Reference IHBPA 2008, 2009, 2010, 2011, 2012 and 2013 Applications and Related Materials.

The IHBPA Application requests that the Commission take official notice and incorporate by reference any documents submitted, considered or generated with respect to IHBPA's 2008-2013 Applications for Registration. The Commission will take official notice of those materials. NOTE: No substantive changes to the Application made after noon on Monday, June 16, 2014 will be considered as part of the Application.

c. Report of the Commission Staff.

The Commission Staff has reviewed the Application and related information and submitted a Staff Report Re-evaluation on the Application and its investigation of the HBPA. The Staff Report Re-evaluation was distributed to the Applicant and the Commission on April 28, 2014.

d. Exhibits the Commission Proposes to Make a Part of the Record.

A list of exhibits which the Commission intends to make a part of the record may be prepared by the Commission's counsel and distributed to the Applicant's representative or counsel for the Applicant on or before the close of business on Thursday, June 19, 2014. It should be understood that even in the absence of filing a list of exhibits, the Commission will offer into evidence the Application, any amendments or supplements thereto timely filed by the Applicant and any Staff Report issued by the Commission Staff. It should also be understood that the Commission will take official notice of any records of prior related hearings (including Final Orders) involving the Applicant, pursuant to Indiana Code section 4-21.5-3-26(c). The Applicant must notify the Commission in writing of any exhibits to which it objects on or before noon on Monday, June 23, 2014. If no objection is timely made, all specified exhibits will be made a part of the record at the commencement of the hearing. The Commission may expand that list prior to or at the scheduled hearing, however, the Applicant will be given an opportunity to make an objection to any such additional materials.

e. Witness and Exhibits Lists of Applicant.

Unless the Applicant intends to submit an additional filing or supplement to the Application, no Witness List is contemplated. In the event that the Applicant does submit an additional filing, or otherwise determines that witness testimony is necessary, any such Witness and Exhibit Lists are to be filed with the Commission on or before noon on Friday, June 20, 2014. When the Applicant files the Witness and Exhibit List, copies of the exhibits are to be left with the Commission so that they can be marked sequentially by the court reporter. While the Applicant may retain its oversized exhibits, reduced copies must be made available to the Commission on or before noon on Friday, June 20, 2014. Documents or exhibits not identified on Applicant's Exhibit List may not be introduced into the record by Applicant.

f. Request for Official Notice.

The Applicant should submit in writing any request for matters to be officially noticed pursuant to Indiana Code section 4-21.5-3-26(f) on or before noon on Friday, June 20, 2014.

g. Issuance of Subpoenas.

The Applicant should submit proposed subpoenas to be issued by the Commission no later than the time that the Witness and Exhibit Lists are filed so that they can be issued pursuant to Indiana Code section 4-21.5-3-22. Subpoenas shall be issued on the signature of the Chair, or on the signature of the Vice Chairman in the event that the Chair is unavailable.

III. Matters Relating to the Conduct of the Hearing.

a. The Commission will be sitting as an Administrative Law Judge at the Hearing.

The Commission is sitting both as Administrative Law Judge and as "ultimate authority" (pursuant to Indiana Code section 4-21.5-1-15) with respect to this Application for Registration. Indiana Code section 4-21.5-3-11 provides in part that an Administrative Law Judge serving in a proceeding may not communicate, directly or indirectly, regarding any issue in the proceeding while the proceeding is pending with any party or any individual who has a direct or indirect interest in the outcome of the proceeding. Such communications are prohibited and are referred to as "ex parte communications." Additionally, while a Commission Member may communicate separately with another Commission Member and may receive aid from members of the Commission's Staff, the Commission Staff is prohibited from having ex parte communications with a Commission Member which contain information that would furnish, augment, diminish, or modify the evidence in the record. If the Commission receives an ex parte communication in violation of this statute, please contact counsel for the Commission so that an appropriate public disclosure can be prepared pursuant to the Administration Orders and Procedures Act. In appropriate circumstances a Commission Member receiving or otherwise participating in such a prohibited communication can be disqualified from acting further on the Application before the Commission.

Additionally, when acting as an Administrative Law Judge, each Commission Member is prohibited (pursuant to Indiana Code section 4-21.5-3-12) from commenting publicly, except as to hearing schedules or procedures, about pending proceedings. Accordingly, both the Commission Members and the members of the public are to be mindful of this limitation as the Commission moves forward to consider the evidence and to make a decision on the Application.

b. Hearing to be Conducted under Oath.

The hearing will be conducted under oath or affirmation pursuant to Indiana Code section 4-21.5-3-26(b). In order to insure consistency, any non-party statements are to be given under oath or affirmation pursuant to Indiana Code section 4-21.5-3-25(f).

c. Staff Review and Presentation of Findings.

The Commission Staff is conducting a review of the Application and may speak to its report (*see* § II.c. *supra*) at the hearing.

d. Application Hearing Time Schedule.

The maximum time allotted for each part of the hearing is as follows:

Opening Statement of Applicant

Up to 10 minutes

Oral Presentation by Applicant	Up to 15 minutes
Testimony of Commission Staff	Up to 10 minutes
Testimony of Interested Persons And Organizations	Up to 10 minutes
Rebuttal and Final Statement	Up to 5 minutes

e. Chairman to Rule on Procedural Issues.

The Chair will rule on any procedural issues requiring an immediate ruling which are raised at the hearing on the Application.

f. Commission Free to Ask Questions.

During the hearing on Applicant's presentation, any Commissioner, the Commission's counsel or the Commission's Executive Director may ask questions of any witness in the nature of cross-examination or to assist the Commission's understanding of the issues relevant to the Application and any appropriate action to be taken.

g. Individuals Requesting Time to Speak to the Application.

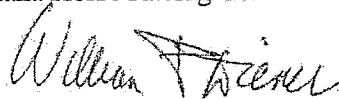
A sign-up sheet will be made available on the date of the hearing for those interested in speaking during the time allotted for Testimony of Interested Persons and Organizations. An appropriate amount of time will be determined by the Chair at the hearing with consideration of the number of individuals who wish to speak and the total amount of time available in which to do so.

IV. Notice of Pre-Hearing Order.

This Notice of Hearing and Pre-Hearing Order will be served within nine days of its issuance, by electronic mail, to the individuals and organizations identified on the list which is attached and identified as Exhibit "A". This Notice will also be published to the Indiana Horse Racing Commission website within nine days of its issuance.

The Applicant is advised that if it fails to attend or participate in the scheduled hearing, or any other stage of the proceeding, the proceeding may be dismissed pursuant to Indiana Code section 4-21.5-3-24.

This Pre-Hearing Order is issued by the Indiana Horse Racing Commission this 11th day of June, 2014.



William Diener, Chair
On Behalf of the Indiana Horse Racing Commission

CERTIFICATE OF SERVICE

I hereby certify that the a copy of the foregoing has been served upon the following parties by first class United States mail, postage prepaid, this 11th day of June, 2014.

Greg Schenkel
INDIANA PACERS
125 South Pennsylvania Street
Indianapolis, IN 46204

Joe Gorajec, Executive Director
INDIANA HORSE RACING COMMISSION
ISTA Center, Suite 530
150 West Market Street
Indianapolis, IN 46204

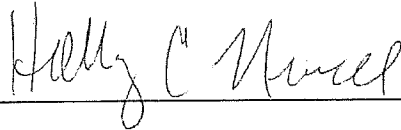
George Pillow
Pillow Logistics
4005 Vincennes Road
Indianapolis, IN 46268

Mike Brown
HBPA Executive Director
32 Holloway Boulevard
Brownsburg, IN 46112

Steve Schaefer
10987 Innisbrooke Lane
Fishers, IN 46037

Steve Shockley
Taft Stettinius & Hollister, LLP
One Indiana Square
Suite 3500
Indianapolis, IN 46204

Tom Weatherwax
3012 Woodland Drive
Logansport, IN 46947





Chairman Diener
Indiana Horse Racing Commission
1302 N Meridian Street
Suite 175
Indianapolis, Indiana 46202

October 25, 2013

Dear Chairman Diener,

My name is Kim Hobson and I am one of the Directors on the Indiana HBPA board. Recently, I have been asked to sign an affidavit attesting to the fact that directors believe that all expenditures of slot revenues were made in the best interests of Indiana horsemen. If I signed this affidavit, I would be committing perjury. After consulting with my lawyer, he advised me not to sign the affidavit. Thus, I declined signing it and am providing you with this letter to explain my reasons for not signing it.

Last year was my first term serving as a member of the board. I decided to run for a seat on the board because many of the horsemen told me about their concerns and complaints with the HBPA; they wanted change. I started looking into some of stories and found that most of them were true. Many people had improperly received benevolence funds. For example, people related to HBPA personnel or board members, including then-current president Randy Klopp, have received benevolence funds in violation of the spirit and letter of the rules.

One of the requirements is that a recipient of benevolence funds must hold a current IHRC license. To get around this requirement, recipients of funds were issued licenses under the supervision of a trainer holding an IHRC license. These people were not true employees of the licensed trainer; rather, they received a "license" so they could "qualify" to receive benevolence funds. There are numerous examples I can provide.

One example of a person who improperly received benevolence funds is Debra LeAnn Wallen Hawkins. She held a grooms license for 2010, 2011 and 2012 under IHRC licensed trainer Dave Stephens, who happens to be her brother-in law. Debra Hawkins is also the sister of Lisa Wallen Stephens, who worked as a staff member of the HBPA office at that time and has since been promoted to Director of the Benevolence Trust. Although Dave Stephens held a trainer's license during these years—he did race two horses in 2010 and one horse in 2012—his actual job was working as a groom for another trainer, Ron Brown. To my knowledge, Dave Stephens the trainer never employed a groom. Rather, Debra Hawkins works full time for the Grant County Sheriff's department; she is not a racetrack employee and does not work with horses. A review of the tax returns for Debra Hawkins and Dave Stephens during these years would corroborate these improper payments.

Another example of how benevolence funds have been inappropriately used involves reimbursement of attorney consultation fees. If you hold an IHRC license and meet the other requirements you can apply for reimbursement of your attorneys fees up to the maximum amount of benefits paid per year. One of the other requirements is based on your income—to be eligible, a single person cannot make over \$36,000 a year; for a married couple, the annual salary limitation is over \$54,000.

Roger Speiss was the recipient of benevolence funds for attorney fees and I believe he does not meet this salary limitation. Randy Klopp happens to train and co-own some of Roger Speiss' horses. Roger Speiss

purchased a horse through the ITOBA sale but decided the following day he did not want the horse. The dispute ended up in court, where the attorney for ITOBA--John Shanks--tried to settle the case quickly and in a cost effective manner. Roger Speiss' attorney, however, told Mr. Shanks that the HBPA was covering his legal fees and therefore he had unlimited resources. I confirmed this directly with Mr. Shanks after I heard about it through the grapevine. Mr. Shanks is more than willing to meet with you to discuss the situation.

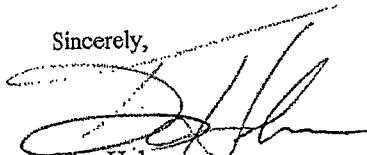
Never during my tenure as a member of the HBPA board have I been granted access to the financial records and relevant books, even though I am also on the Finance Committee (which just happens to be the only committee that has still not had a formal meeting). The only thing the members of the HBPA board receive is a financial report at the beginning of each meeting. This report does not include corroborating documentation, so we must take the report as gospel. And, I keep receiving calls from horsemen who have been denied benevolence funds and reports of others receiving benevolence who clearly do not qualify. I believe there should be a full investigation and audit of the books for fraudulent expenditures and activity.

Although the HBPA serves a vital purpose, it needs to be cleaned up. It needs to be run by good honest people who are neither self motivated nor afraid to do the right thing.

A final reason I cannot execute the affidavit is because the benevolence board acts as an organization separate from the HBPA board. The HBPA board has no authority over the benevolence board. Therefore, the benevolence board should apply on its own for the funding and sign an affidavit attesting to its own expenditures. According to Indiana Code (IC 4-35-7-12(h)) the commission staff and the commissioners should also be the ones signing the affidavit as well.

I would welcome an opportunity to meet with you, together with my lawyer, to discuss the foregoing matters and provide you with more examples of inappropriate expenditures of benevolence funds.

Sincerely,



Kim Hobson

In the box I provided them there are several folders

- 1) Titled Shanks has all of the emails from you about the Roger Spelss case.
- 2) Abner/Klopp folder has a group of falsified IHRC license applications:
Tyler Abner Randy's nephew, Dornie Abner Randy Klopp's step-brother, Karen Abner Randy's mother and Shannon Wyatt Randy's sister. ***Notice many of these applications were incomplete and I have never heard of anyone being allowed to turn in an incomplete IHRC license application. Who is on Randy Klopp's badge list and on his work comp as he has a lot of employees!
- 3) Mimi Gilbert folder contains her license application. Her father has worked for Randy for years. She is a full time nursing student. The tape recording was of Mimi Gilbert. Randy told her to get her license so she could get the operation on her feet and get her teeth fixed before he was out of office. ** Also, incomplete license application. Nancy Adams played this recording to the board members and they did not want to be involved in this.
- 4) Dave Stephens (wife Lisa Stephens) folder - falsified IHRC license application for Debra LeAnn Wallen Hawkins is Lisa Stephens sister who works full time at the Grant County Sheriff's office and is not race track affiliated. **also incomplete applications. You will note several of these years Dave Stephens had several grooms but yet only ran a few horses and was also cited for program training. He worked as a groom for Ron Brown. Debra Wallen Hawkins also received a \$2500 scholarship for the Alabama Sleep Medicine & Technology Institute. Lindsay Larimore (Lisa's daughter) worked for HBPA and employees do not receive benevolence so she licenses under Dave Stephens as well. I was told HBPA money bailed her out of jail. Megan Larimore (Lisa's daughter) received a \$2500 scholarship for the Alabama Sleep Medicine & Technology Institute. When I looked into the Alabama Sleep Institute most of the classes train on machinery or instruments involved in sleep studies and such and required some nursing degree or some special education so I wonder did they even really went there. Kortni Marquette and Dawn Caylor went to Vet Tech program and were both denied scholarship's so, I ask which has more to do with horses racing?
- 5) Christina Estvanko is the wife of Anthony Granitz's assistant trainer who is not an eligible trainer as he runs the majority of his horse outside of the state of Indiana. She applied for an IHRC license under Randy so she could receive daycare and benevolence benefits.
- 6) Craig Daligian (aka Double Wide) He has worked as a valet, clocker and identifier. He applied for a groom's license to receive benevolence. He had some kind of heart surgery and was told to get licensed so they could help him with the bills. **Another point of interest, you will notice he had been convicted of race fixing/gambling conspiracy.
- 7) Indiana Eventing Club applied for \$6000. Dale (on the Trust Board) and Cindy Huber are in this club. Applied for the \$6000 because Dale told her she could get that and she needed to apply. Who got this money? Did it go to Off Track Thoroughbreds? Their tax return shows they have \$84,702 cash on hand.
- 8) Folder with examples of Financial Records the board receives. We received our first Profit and Loss in May 2013 and it was incomplete. How can any of us sign an affidavit when this is an example of Financial records we are presented? How can any of us honestly sign an affidavit when we all knew about the Roger Spelss case and the Mimi Gilbert incident? How can we sign when we have repeatedly been denied access to the books?
- 9) Chaplain Pay/ Steve Stultz folder December 29, 2009 minutes show Steve Stultz was to receive \$52,000 yearly salary but instead you will notice in the tax records he really received \$58000 yearly plus perks! The Chaplain was to receive \$30,000 but he never did notice his W-2's. When

confronted at the HBPA meeting Steve stated he really didn't know how much he made! Really, this was our numbers man.

10) Look into credit card expenditures-Steve Stultz, Lisa Stephens, Randy Klopp, Joe Davis and Mike Brown.

11) Ask Jim Hartman about his conversation with Mike Brown regarding a complaint he had received at IBOP concerning Randy Klopp spending benevolence money on his family members unrelated to the track.

12) Look at all benevolence payments-- we paid jockeys, Julio Rubio (Spanish translator from Churchill), friends and family. Employees of the track (like Craig Daligian...)

13) I spoke with Buddy Rickly this year because his daughter was denied benevolence and he did not understand why. He claimed that he and his entire family always got benevolence no questions asked. Buddy is a farrier and on the gate crew so I explained he could only qualify as a family member of his trainer, wife (Stefanie). Stefanie ran more Quarter horses so I advised them to apply with the Quarter Horses. While discussing this Joe Reidy stated that he had received Benevolence this year. I questioned him and he said yes this year under the new board. He said he had a broken crown and Buddy told him to go get the HBPA to pay for it so he went in the office to apply. Lisa told him he would need to get a groom's license so she could pay him. She said this was a requirement so he did. He went back with his groom's license and asked if he could use his own dentist and Lisa said "certainly" but you will have to pay for it and then we will reimburse you but if you use our dentist we just pay him direct and you have no out of pocket cost. Joe then asked if he could get some of his lumineers fixed. This is a cosmetic teeth whitening procedure not a necessity. Lisa said certainly. Joe gets his teeth fixed at his dentist and takes the receipts back and is totally reimbursed without any hassle. This incident clearly shows they are still continuing to violate the Benevolence program and it's guidelines. Lisa is not alone in this because someone signs the checks and Mike Brown is in charge of overlooking this operation.

14) I am told many of the gate crew is well taken care of so, I would suggest looking into all of them. Below is a partial list.

Gate crew current and past (below is a partial list):

Keith Lejeune

Joe Reidy

Buddy Rickly

Antonio Cazares

Miguel Cazares

Rene Cazares

Raymond Radford

Justin Bailey

Danny Brown

Alex

Fernando

Israel

Rick

15) Look at who received all of the door prizes including the promotional laptop drawings (last fall at Hoosier the majority went to Steve Stultz's table). This year look at who got the door prizes at the picnic because all of Joe Davis's grooms had new bikes on their facebook pages.

- 16) Laptops the entire HBPA board had provided to them for personal use courtesy of the HBPA—where are they now?
- 17) The office Steve Stultz had at his home provided by the HBPA but he only returned an older computer and printer. Each year Steve had a Christmas party for the board and was bragging about his expensive office furniture the HBPA paid for. Where is it?
- 18) Look at itemized bills from the Law firms for personal or family and friends billing as well as what they called "consultation fees"
- 19) Cell phone texts and calls—confidential information about people and their benevolence requests were leaked on the backside as soon as applications were turned into Lisa—HIPPA violation
- 20) Look into who received scholarships and did they really qualify? Megan Larimore (Lisa Stevens daughter) and Debra Hawkins (Lisa's Sister) received \$2500 each for Alabama School of Sleep Science Medicine. Sara Huber daughter of Dale Huber and she applied under Dale Huber who is a farrier and not HBPA member. Sara Lauer daughter of Mike and Penny Lauer did they meet the income eligibility?
- 21) All expenses—Look at all vendors for instance: Wortendyke Construction Who is he related to? Who did all of the trailer repairs? Lots of repairs and lots of office furniture. I am told there was a tiny tear in the linoleum where Lisa slid a file cabinet that cost thousands in repair.
- 22) Did Steve Stultz receive severance pay? He resigned and our by laws state he should not have received severance pay.
- 23) How much did our Horsemen's picnic's cost? We never voted on a dollar figure and we never received a report. This is how the HBPA operates.
- 24) Randy and Steve got a big fat envelope and thanks for all of their dedicated work when they departed but the board did not vote on that and I don't know what was in them but they were big fat envelopes. Is this in the best interest of Horse racing?
- 25) Look at the Gordon Food bills. This company delivers so why do we risk the drive and added expense of gas. Lisa shops there but she doesn't unload the entire contents of the van so where does the rest of it go? What all do we buy there because we only put out assorted bowl of candy and an occasional breakfast bar or two, coffee and tea. At one time we had toast, muffins, donuts and all sorts of fruits and foods available all morning at least until the track closed.
- 26) Why does Lisa get the van all of the time. Why were her unlicensed daughters driving it last winter?
- 27) We pay Julio Rubio to come from Churchill to translate and he is officially our Spanish Liaison and I ask why. We have several Spanish people who speak fluent English. He is paid by the HBPA and also charges the Mexicans. He also receives benevolence. He has been seen sitting in the dentist chair on many occasions.
- 28) Look at the BOOKS. Look at the past 4 years at the very least.

*Obituary &
Service Details*

D. F. Abner

Provided by Miller, Moster, Robbins Funeral Home

Obituary

Service Summary

Visitation

12:00 PM to 2:00 PM, Wed Apr 04, 2012

Our Funeral Home

1704 Grand Ave
Connersville, Indiana 47331

Funeral Service

2:00 PM Wed Apr 04, 2012

Our Funeral Home

1704 Grand Ave
Connersville, Indiana 47331

Born: Friday, October 12, 1934

Died: Saturday, March 31, 2012

D. F. Abner

D. F. Abner, 77, of Laurel, passed away Saturday, March 31, 2012 at the Brookville Healthcare Center where he had been a resident since September 2011.

He was born October 12, 1934 in Clay County, Kentucky one of four children of Clyde and Chloe Sizemore Abner. He came to Indiana with his family in 1944.

He was married to Noretia McFarland of Laurel and she passed away in 1980.

He had been employed at International Furniture Co. in Rushville for many years and had also been a bus driver for Franklin Co. School Corporation and had farmed in Franklin County.

A horse trainer for most of his life, he started contesting with quarter horses, then quarter horse racing, followed by training thoroughbreds. He trained horses for racing at Turfway Park and River Downs and had also raced horses at Churchill Downs, Keenland, Waterford Park and Beulah Park.

He was a member of HPPA.

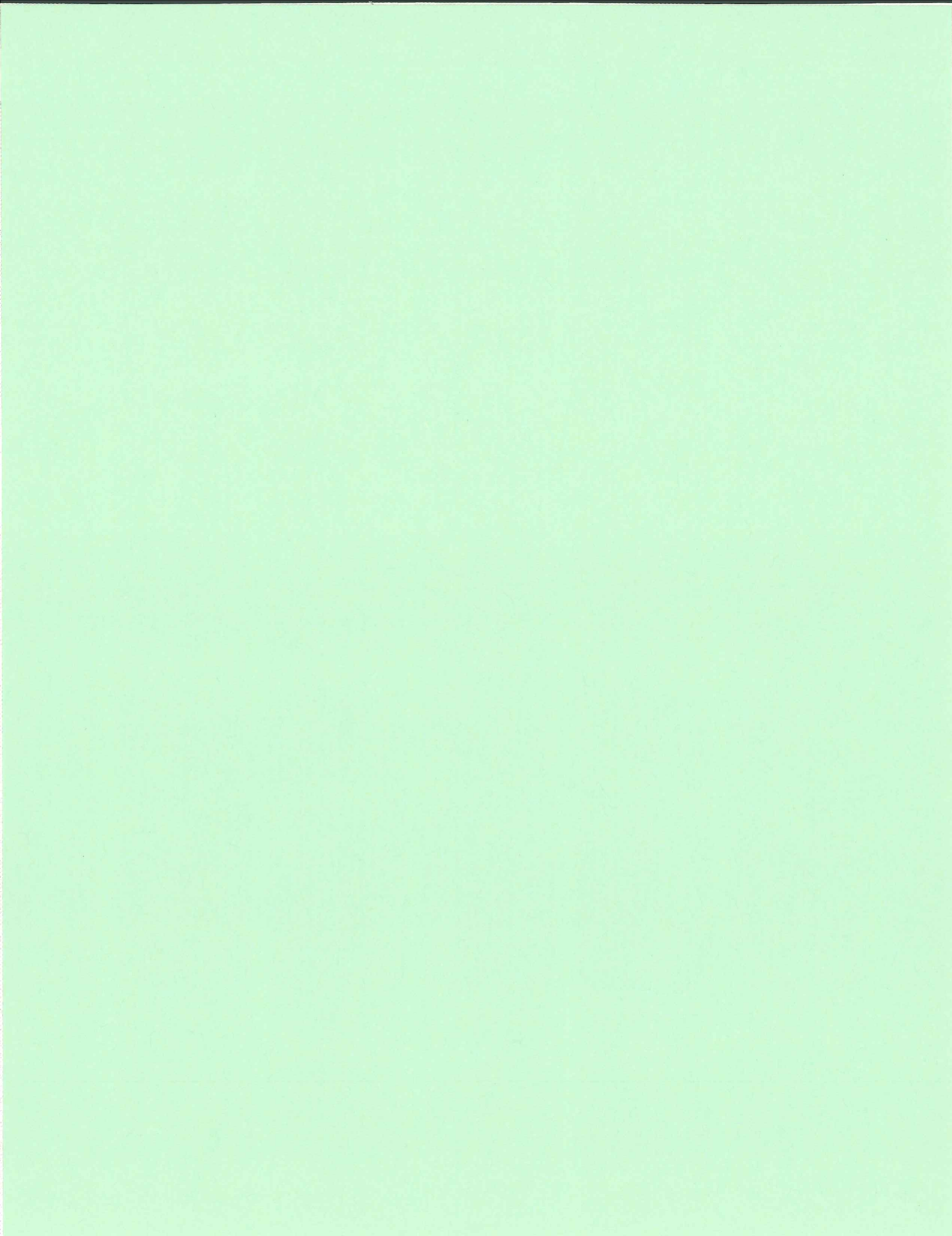
Survivors include: a daughter, Teresa Ford and husband, Mike of Laurel; a son, Mike Johnson and wife, Melody, of Laurel; three grandchildren: Matt Johnson, Shawna Johnson and Cody Ford; two great grandchildren: Landon Ford and Kolton Johnson; two sisters, Vivian Haynes of Muncie, IN, Lettie Mae Burch of Covington, KY.; a brother, Walter Ray Abner of Anderson, IN.; a number of nieces and nephews. Besides his wife, he was preceded in death by his parents.

Funeral services will be conducted by Rev. John Johnson at 2 PM Wednesday, April 4, 2012 in Miller Moster Robbins Funeral Home, where friends may call from noon until the time of the service on Wednesday.

Burial will be in Laurel North Cemetery.

Memorial contributions may be made to the Cancer Fund.

Friends may visit anytime online at millermosterrobbs.com to sign the guest book or leave a message of sympathy for D.F.'s family.



Staff Report

Re-evaluation

**Indiana HBPA Petition for Registration
for 2014 Funding**

April 28, 2014

Joe Gorajec

Executive Director

Indiana Horse Racing Commission

April 28, 2014

Staff Report

Executive Summary

On October 18, 2013, the Indiana Horse Racing Commission's ("IHRC") Executive Director, Joe Gorajec, issued a staff report regarding the Indiana Horsemen's Benevolent and Protective Association's ("IHBPA") application for registration to receive designated slot machine revenue in 2014 for benevolence and other purposes pursuant to 71 IAC 13-1-1 et seq. The staff report indicated "*no substantive deficiencies in the application for registration.*"

On October 26, 2013, an IHBPA board member filed a complaint with the IHRC regarding IHBPA benevolence expenditures. In response to that complaint, commission staff immediately initiated an investigation. The IHRC deferred consideration of the IHBPA application pending the results of the investigation.¹ This report re-evaluates the IHBPA application in light of information discovered during the course of the investigation.

Based upon this re-evaluation, the commission staff recommends that the IHBPA application be DENIED. As an alternative to denial, staff recommends the IHBPA submit a supplemental filing to its original application addressing the deficiencies identified in this report.

Governance and Benevolence

In 2013, the IHBPA received \$1,114,476.40 from a statutorily-mandated allocation of adjusted gross receipts ("AGR") of slot machine revenue under IC 4-35-7-12. Of these monies, the largest share - \$633,686.22 - is earmarked for backside benevolence. The balance is allocated either to a fund for equine promotion and welfare or utilized for general administrative purposes. Due to the nature of the complaint, the focus of the investigation has been on expenditures from the benevolence fund. IHBPA benevolence includes medical, dental and chiropractic benefits to qualified individuals, and in most cases, their spouses and dependent children. These benefits are subject to an annual cap of \$6,000.00 per qualified recipient.² Other benefits, which are not subject to the cap, include burial assistance, emergency assistance, daycare and scholarships.

¹ Pursuant to 71 IAC 13-1-1(c), the money allotted for thoroughbred interests that has traditionally been awarded to the IHBPA is currently being held in escrow until the IHBPA application is considered by the Commission.

² The amount of the cap has varied from year to year. The IHBPA Application from Registration for 2014 monies indicates a benevolence cap of \$5,000.00.

Complaint

On October 26, 2013, the IHRC received a complaint from IHBPA board member Kim Hobson alleging questionable expenditures of IHBPA benevolence monies. Subsequently, Ms. Hobson submitted additional information related to her initial complaint. The complaint made some specific allegations of questionable expenditures but also included several vague, second-hand allegations that proved to be unfounded, untrue, or lacked sufficient information necessary for investigation.

Findings

As a result of its investigation, commission staff has determined that the way in which the IHBPA has administered its benevolence fund program is in need of some material revision. This report discusses commission staff's concerns about the IHBPA application in light of its investigative findings, as well as recommending corrective action steps to address those concerns. The areas of concern are:

- Eligibility Requirements and Program Administration
- Program Participation and Information Dissemination
- Attorney Fees
- Conflict of Interest Violation
- Transparency and Accountability

Eligibility Requirements and Program Administration

Full-Time Employment

Eligibility requirements for benevolence benefits can be found in the Indiana HBPA Benefit Trust's Benevolence Benefit Guidelines (See 2011 Indiana HBPA Benefit Trust Benevolence Benefits Guidelines – "Attachment A"). These eligibility requirements allow for an assistant trainer, groom, hot walker, exercise rider or other stable employee to receive benefits if they "work full-time at their licensed trade." (Emphasis added.) The guidelines do not include a definition of full time. The Application for Benefits form, which is completed by each benevolence applicant, does not include any questions about hours worked per week.

The term "full-time" is important because it is central to the complaint; however, it is an ambiguous term, which, without a definition, is a difficult standard to manage³. Much of the complaint involves allegations that several employees/relatives of Randy Klopp and Lisa Stephens did not qualify for the benefits they received because they did not meet all eligibility requirements, specifically, they were not full-time employees. Mr. Klopp was the

³ The Fair Labor Standards Act does not define full-time; rather, it leaves to the employer the responsibility of defining "full time." Although the federal government leaves to the employer to define "full time", commission staff could find no authority defining "full time" as being any fewer than thirty (30) hours per week.

Indiana HBPA President from 2005–2012. Ms. Stephens is employed by the IHBPA as its Benevolence Trust Administrator since January 1, 2013. Prior to that she acted as an office manager for the IHBPA.

Mr. Klopp (licensed owner/trainer) employed at least six (6) relatives who worked for him at his farm and at the track. These relatives included his mother, half-brother, half-sister, two uncles, and a nephew. Most of these employees worked an average of 10-20 hours per week during the race meet. In addition, Mr. Klopp employed several non-relatives, many of whom were full-time employees. Most of Mr. Klopp's relatives had no previous IHRC licensing history prior to 2009. As a group Mr. Klopp's relatives were very active participants in the benevolence program. For example, in the three-year period (2010-2012) these relatives received \$55,280.89 in benevolence benefits while working for Mr. Klopp.

Lisa Stephens' husband, Dave Stephens, is a licensed trainer who employed his wife's sister, Debra Hawkins, as a groom. Ms. Hawkins worked for Mr. Stephens primarily at his farm (but occasionally at the track). Ms. Hawkins also was (and still is) employed full time at the Grant County Sheriff's Department.

For the four-year period from 2009-2012, the Indiana HBPA failed to enforce its requirement that benevolence recipients be full-time employees. During this period, fifty-nine (59) individuals were denied benefits. Upon review of all refusals, the commission staff could find no instance of a benevolence applicant being refused benefits because the applicant did not work full time. The commission staff finds no wrongdoing by any legitimate part-time employee who received benefits, as they were never asked how often they worked nor were they requested to provide any documentation regarding hours worked.

Equal Treatment of Licensees

The full-time employment criterion is not the only requirement that was not enforced. There were several others, including a requirement that any owner, trainer, groom, hotwalker or other stable employee be licensed in the State of Indiana for a period of one year prior to making application for benefits.⁴

The commission staff's concerns with the benevolence criteria are not limited to the enforcement of eligibility requirements. Staff's concerns also extend to the issues involving equal treatment of licensees and inclusiveness.

⁴ The fact that the IHBPA is not enforcing its eligibility requirements does not necessarily mean that its actions are contrary to the best interest of racing. As an example, the above referenced requirement to be licensed in Indiana for a one-year period preceding an application for benefits is overly burdensome. Enforcing this requirement would exclude some needy and deserving benevolence applicants from receiving benefits. The way forward, however, is not to ignore poorly drafted requirements. This report should spur the IHBPA to re-evaluate and revise its eligibility guidelines. The results of these revisions should be requirements that are both "enforceable" and "enforced".

With regard to equal treatment, there appears to be a substantially different threshold in the eligibility requirements for horse owners and trainers compared to grooms and other stable employees. An owner or trainer can become eligible by starting a horse(s) five (5) times in Indiana in a given year. This is a very low threshold requiring minimal effort or commitment. A groom or stablehand, however, must presumably be a full-time employee and have been employed a full year. The commission staff finds no sound rationale for this disparity.

The IHBPA benefit criterion also excludes some deserving, needy, hardworking people. It is not uncommon in the stable area for people to cobble together various jobs in order to make a living. We often refer to these people as “dual licensees” because they are licensed by the Commission for more than one job (licensing category). These dual licensees include people who work as grooms, exercise riders, pony riders and on the gate crew, among other jobs. They are often among the hardest working people in the stable area. The nature of these jobs, however, does not require full-time employees. Some of these people may be employed by a trainer or the racetrack, or freelance for a combination of these. Because they may work only part time in a job eligible for benefits, they are excluded from receiving the help they need. In addition, current eligibility criteria may lead people to seek licensure (with minimal actual work in eligible jobs) solely for the purpose of obtaining benefits.

This issue of excluding deserving licensees is in need of serious review and reconsideration. The IHBPA should strive to serve the needs of all the hardworking people who toil in the stable area.

Program Participation and Information Dissemination

The concentration of substantial benefit expenditures among IHBPA “insiders” (Mr. Klopp’s and Ms. Stephens’ extended family as described above), has led staff to question whether eligible licensees know about the benefits available to them.⁵ During the course of the investigation, commission staff was repeatedly advised that the vast majority of licensees learn about the availability of benevolence funds by “word of mouth”.

Inquiry into this matter leads the commission staff to conclude that greater efforts should be made to increase awareness among eligible licensees. Flyers, posters, Facebook, condition books and overnights are just a few examples of some under-utilized ways of disseminating this important information.

⁵ The appearance, if not the fact, that IHBPA “insiders” are benefiting disproportionately in relation to the general population of horsemen is not limited to Mr. Klopp’s relatives. In 2010-2012, scholarships valued at \$30,920.00 were awarded to ten individuals. Of this amount, \$10,000.00 (or almost one-third) was awarded to four relatives of IHBPA Directors, Trustees, or employees. Although this sum is modest (and the scholarship program has been discontinued) it is instructive to look at why such a disproportionate distribution came to be. The commission staff found that no eligible student was denied a scholarship. The staff concludes that lack of apparent interest was likely due to eligible students and their parents being unaware of the availability of funds.

Attorney Fees

In the fall of 2011, Roger Spiess (horse owner, IHBPA member) purchased a yearling horse at the Indiana Thoroughbred Owners and Breeders' Auction. The horse was purchased from Roger and Mary Pardieck. Within a few days of purchase, Mr. Spiess requested the horse be returned and his money refunded due to alleged soundness. Mr. Parkieck refused. Attornies subsequently became involved in the dispute, which is still outstanding.

From December 2011 to February 2012, the IHBPA paid Jonathan Palmer, an IHBPA attorney, \$2,355.85 to represent Mr. Spiess in the matter. On April 16, 2012, Steve Stults, then the Director of the IHBPA Benevolence Trust informed Mr. Spiess by letter that – *“Beginning March 6, 2012, the cost for services in this case became your responsibility”*.

Mr. Stults provided the reasoning behind suspending payments as follows:

“It was determined that this case, in fact, was, involved the [ITOBA] Sale, and that it, it was not proper for us, according to our own guidelines, to assist, assist someone who was, who was in, in, in some type of legal action with one of our Indiana organizations that was also funded by the Commission.” - Steve Stults, Interview conducted February 25, 2014.

Commission staff agrees with Mr. Stults' analysis and his decision to suspend future payments. Although the sum was modest and the initial representation brief (three months), this matter has caused considerable consternation and speculation within the thoroughbred community in Indiana arguably in part because information about this private dispute has not been disclosed. What should have been a private disagreement between two horsemen appears to many people as a dispute between two horsemen's associations – and their members and allies.

These modest payments over a brief period of time along with the swift decision to discontinue payments more than two years ago are facts not generally known by horsemen. This lack of knowledge of IHBPA's limited participation has lead to rumor and uninformed speculation. In hindsight, the racing industry would have been better served by an open, honest dialogue between the IHBPA and ITOBA at the time Mr. Stults decided to discontinue attorney payments.

Conflict of Interest Violation

Commission regulation 71 IAC 13-1-3 requires certain information to be submitted with an application for registration, including a conflict of interest policy approved by the Commission⁶.

A pertinent part of this policy in Article III beneath a heading titled “Prohibited Conflicts of Interest” reads as follows:

2. The direction, payment or other transfer of Horsemen’s Association funds (either directly or indirectly) for the use (personal or otherwise) of any relative of an officer, director or employee of that Horsemen’s Association. *It is a violation of this provision for the Horsemen’s Association to hire or retain (whether part-time, salaried or on a contract basis) a relative of any officer, director or employee.* It is not a violation of this provision to compensate the relative of an officer, director or employee of a Horsemen’s Association for providing services to the Horsemen’s Association if that person has provided those same services for compensation to the Horsemen’s Association for at least twelve (12) consecutive months immediately preceding the time that his or her relative began to serve as an officer, director or employee. (Emphasis added.)⁷

On May 21, 2010 the Indiana HBPA hired as a part-time office assistant, employee Lisa Stephens’ daughter, Lindsay Larimore at a rate of \$12.00 per hour.

Such a hiring is a violation of 71 IAC 13-1-10 Violations and Sanctions. Given the rate of pay and the nature of employment, the Commission staff recommends no penalty for this minor violation other than a warning. The IHBPA Board of Directors must be ever mindful of possible conflicts of interest and seek guidance from its legal counsel in such situations.

Transparency and Accountability

The commission staff has received conflicting reports as to the degree of transparency of the benevolence trust operations as it relates to state-directed slot machine monies. The IHBPA continually relied upon the Health Insurance Portability and Accountability Act

⁶ Pursuant to 71 IAC 13-1-3(4), the conflict of interest statement must be executed by all officers, directors, and employees of the horsemen’s association.

⁷ Pursuant to this section, no relative of any board member would be eligible to receive any benevolence money. However, Paragraph 1 of the Prohibited Conflicts of Interest policy provides that a board member is eligible for any benevolence available to any other member. The spirit of this exception likely applies to the family members of board members and the Conflict of Interest policy should be amended to so reflect.

(“HIPAA”)⁸ as a basis for non-disclosure of information related to the distribution of benevolence funds. Other than personal medical records, the commission staff believes that the horsemen’s association should be forthcoming and transparent in matters pertaining to these State directed funds.

The IHBPA and the Benevolence Trust are both accountable to the IHRC. The Directors and Trustees of each are licensed by the Commission⁹. The fact that funds are being held in escrow pending the results of this investigation is an example of such accountability.

The Trust, however, must also be held accountable to the IHBPA Board. The Trust was established as a separate entity for tax purposes. The benevolence trust board is accountable to the IHBPA insofar as the IHBPA is the entity approved to receive benevolence funds and is responsible to report to the commission specific information regarding the distribution of those funds. Furthermore, the IHBPA Benefit Trust Agreement states, in pertinent part:

“The Association (IHBPA) may remove any or all of the Trust Committee (benevolence board members) if the Association reasonably believes that any or all of the Trust Committee has violated any law or standard of conduct applicable to fiduciaries, advanced notice is not required.” Article VI. 6.1.

Conclusion

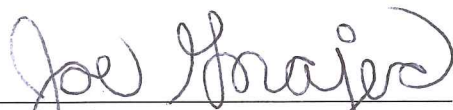
As the Commission designated horsemen’s association pursuant to 71 IAC 13-1-1 et seq., the Indiana HBPA provides valuable and much needed services to its members and others in the horse racing community.

Before it is entrusted with additional funds to continue its mission the IHBPA must first provide the IHRC with the necessary assurance that its administrative policies and procedures are comprehensive and will be uniformly enforced. Commission staff has recommended several corrective action steps to be completed by the IHBPA. Once completed, these documents should be filed as a supplement to the IHBPA’s application for registration. In order to expedite the processing of its application, the commission staff suggests that drafts of the corrective action document be pre-approved prior to filing.

⁸ The HIPAA makes certain medical information provided to a health care provider confidential. (45 CFR Parts 160, 162, and 164.)

⁹ Although past and current HBPA and benevolence trust board members are licensed by the Commission, neither administrative rule nor the HBPA or benevolence trust board bylaws require those members be licensed by the Commission. Commission staff is recommending that all benevolence trust trustees be required to be licensed by the IHRC. Additionally, all such trustees should be required to comply with the Commission’s rules regarding conflict of interest and certification requirements. See generally 71 IAC 13-1-3.

4/28/14
Date


Joe Gorajec
Executive Director

Corrective Action Steps

1. Revise Benevolence Benefit Guidelines

The IHBPA should strive to be inclusive and provide equal treatment to all horsepeople. The guidelines should be drafted in such a way as to be enforceable.

2. Revise Application for Benefits

The application should contain all the information necessary for processing.

3. Revise Benevolence Application Review Process

Procedures should include the individual(s) responsible for each processing step.

4. Establish Written Policy on Attorney Fees

5. Establish Written Marketing Plan

Describe in detail methods for disseminating information regarding benevolence information to prospective applicants.

6. Establish Written Policy on Access to Information

Such policy should strive to be transparent as is reasonably possible and should include, but not be limited to, “who” has access to “what” records and “how” such a request is made and responded to.

7. Establish Written Policy on Addressing Complaints

Such policy should include a complaint form. A copy of each complaint and corresponding response shall be provided to the IHRC’s Executive Director and General Counsel by e-mail.

8. Provide Additional Conflict of Interest Statements and Registration Certification

Each Benevolence Trust trustee shall file a conflict of interest form and registration certification.

2011
Indiana HBPA Benefit Trust
BENEVOLENCE BENEFITS GUIDELINES

A. Eligibility: The following will be eligible to apply for benevolence benefits from the Trust:

1. Any trainer (a) who is, and for the one-year period immediately preceding his or her application has been, licensed in the State of Indiana, (b) who is an Indiana resident and has made at least five starts, or a non-Indiana resident who has made at least ten starts, at an Indiana racetrack in either the previous calendar year or the current calendar year, and (c) whose Indiana starts in the current calendar year exceed 50% of the trainer's total starts during the Indiana live meets in the current calendar year. Eligibility established the previous calendar year is retained until the trainer's first start during an Indiana live meet in the current calendar year, after which the trainer's eligibility will be determined according to clauses (a) through (c), above.
2. Any owner (a) who is, and for the one-year period immediately preceding his or her application has been, licensed in the State of Indiana, (b) who owns the equivalent of at least 100% of a horse, (c) who is an Indiana resident and has made at least five starts, or a non-Indiana resident who has made at least ten starts, at an Indiana racetrack in either the previous calendar year or the current calendar year, and (d) who in the current calendar year has started at least 50% of his or her horses' starts at an Indiana track during the Indiana live meets. Eligibility established in the previous calendar year is retained until the owner's first start during an Indiana live meet in the current calendar year, after which the owner's eligibility will be determined according to clauses (a) through (d), above.
3. Any groom, hot walker, or other stable employee (a) who is, and for the one-year period immediately preceding his or her application has been, licensed in the State of Indiana, (b) who, as demonstrated by the affidavit of an eligible trainer or by being on an eligible trainer's badge list, is employed full-time by an eligible trainer, and (c) who has performed substantial work in the Indiana thoroughbred racing industry.
4. Any eligible trainer, owner, groom, hot walker, or other stable employee, who is, and for the one-year period immediately preceding his or her application has been, licensed in the State of Indiana, may apply for benevolence benefits for (a) his or her spouse, and (b) his or her child who is (i) under the age of 18, (ii) a full time student under the age of 24, or (iii) handicapped, disabled, or otherwise in special need.
5. No person will be eligible to apply for or receive benevolence benefits if he or she (a) is a single person with an adjusted gross income in excess of \$36,000 in the calendar year immediately preceding his or her application, or (b) is a married person who, together with his or her spouse, has an adjusted gross income in excess of \$54,000 in the calendar year immediately preceding his or her application.

B. Restrictions: Before an application for benevolence benefits will be considered:

1. The applicant shall have fully utilized and exhausted all insurance proceeds available to the applicant; and
2. The maximum benevolence benefit that may be granted to any eligible applicant in any calendar year for medical, dental, optical, or prescription services is \$6,000. In addition to this amount, an eligible applicant may be granted burial benefits of up to \$3,000 per calendar year.
3. All applications for benevolence benefits must be submitted to the Director of the Benevolence Trust within six months of the date on which an eligible service was provided to the applicant or an eligible expense incurred.

C. Procedure: The procedure for applying for benevolence benefits and consideration of such applications shall be as follows:

1. An eligible applicant may apply for benevolence benefits either in a written application delivered to the Director of the Benevolence Trust or his designee or by an oral application made in person

in a meeting with the Director of the Benevolence Trust or his designee. In the case of an oral application, the Director of the Benevolence Trust or his designee shall prepare the application from information supplied by the applicant. The applicant's signature must then appear on the prepared application.

2. Within ten business days of receipt of an application for benevolence benefits; the Director of the Benevolence Trust will determine eligibility of the applicant and forward the approved request to the accountant for the Benevolence Trust for processing.
3. If the request for benevolence is denied, or if further information is needed regarding the application, the applicant shall be notified in writing by the Director of the Benevolence Trust within 15 business days following that decision.
4. At the next meeting of the Benevolence Trust Board, the Director will supply all board members with information regarding the requests that have been approved or denied since their last meeting. The Benevolence Trust Board shall consist of no fewer than three members of the IHBPA Benevolence Committee and three members of IHBPA who are not elected board members. The Benevolence Committee of the Benevolence Trust Board shall consist of no fewer than three members of the Board of Directors of the Trust, at least one of whom shall not also be a member of the Board of Directors of IHPBA. The Benevolence Committee of the Trust shall have a Chairperson, who shall not be a member of the Board of Directors of IHBPA. All decisions of the Director of the Benevolence Trust, after review by Benevolence Trust Board, are final and not subject to any appeal or other review unless the Benevolence Trust Board, in its sole discretion, decides to reconsider the decision on the request of the applicant.

D. Criteria: In recommending or taking any action on any application for benevolence benefits, the Director of the Benevolence Trust and the Benevolence Trust Board shall consider the following criteria:

1. The eligibility of the applicant to apply for and receive benevolence benefits as described in part A, above.
2. Whether any Restrictions, as described in part B, above, apply to the application or applicant.
3. The circumstances that gave rise to the application for benevolence benefits, including any responsibility of the applicant in causing those circumstances to come about.
4. The applicant's need for benevolence benefits, including any hardship that will be suffered by the applicant if benevolence benefits are denied and the availability to the applicant of other resources that might mitigate such hardship.
5. The availability of funds budgeted by the Trust for benevolence benefits, including the pendency or expectation of any other applications for benevolence benefits that might require expenditure of those funds in the future.
6. Any other facts or circumstances that the Director of the Benevolence Trust, the Benevolence Trust Committee, or the Board of Directors of the Trust may, in their sole discretion, deem relevant to any action on the application.

E. Amendment: The Board of Directors of the Trust may, in its sole discretion, amend these Guidelines at any time or from time to time without prior notice.

June 16, 2014 Supplement to
2014 Application of
Indiana Horsemen's Benevolent & Protective Association, Inc.
for Approval as a Registered Horsemen's Association
Pursuant to 71 I.A.C. 13-1-1 *et seq.*

Submitted to Indiana Horse Racing Commission

June 16, 2014

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Indiana Horsemen's Benevolent and Protective Association Supplement to 2014 Application for Registration

Introduction

The Indiana Horsemen's Benevolent & Protective Association, Inc. ("IHBPA"), for itself and on behalf of the Indiana HBPA Benefit Trust ("Trust"), files this supplement to its 2014 Application for Registration originally filed with the Indiana Horse Racing Commission on September 3, 2013. On October 18, the Executive Director of the Commission issued a staff report that found no substantive deficiencies in IHBPA's 2014 Application. On October 26, before the hearing on the Application, which had been noticed for October 29, 2013, the Commission received a complaint from a director of IHBPA concerning the use of funds directed to IHBPA for benevolence purposes under Indiana Code Section 4-35-7-12. The Commission tabled the hearing on IHBPA's 2014 Application and investigated the complaint.

From November 2013 through April 2014, in response to six separate requests for documents and information, IHBPA and the Trust provided thousands of pages of documents and financial records to Commission staff. During this time period, current and former IHBPA and Trust officers, directors, and employees gave interviews and statements to Commission staff and cooperated fully with its investigation.

On April 28, 2014, the Executive Director issued another staff report re-evaluating IHBPA's 2014 Application for Registration in light of the staff's six-month investigation ("Report"). While the Report concluded that many of the allegations of the complaint that triggered the investigation "proved to be unfounded, untrue, or lacked sufficient information necessary for investigation," the Report also found that "the way in which the IHBPA has administered its benevolence fund program is in need of some material revision." (Report at 2.) The Report recommended eight "corrective action steps" to be completed by IHBPA, with documentation of those steps filed as a supplement to the 2014 Application for Registration. (Report at 7, 9.) This supplement is intended to provide the recommended documentation of IHBPA's completion of the eight corrective action steps recommended by Commission staff.

In addition, it has been apparent to IHBPA since 2008, when it filed its initial application for registration under Indiana Code Section 4-35-7-12, that some Commissioners have been uncomfortable with the bifurcated arrangement between IHBPA and the Trust for handling benevolence funds. That arrangement – in which IHBPA received funds under the statute, then transferred those funds to the Trust for distribution to eligible owners, trainers, and employees on the backside of the track – was largely a vestige of the way in which IHBPA (for tax reasons) handled its benevolence program before adoption of IC 4-35-7-12. Although IHBPA and the Trust have attempted to be completely transparent in reporting the Trust's benevolence policies and activities to the Commission, any continuing need for the bifurcated arrangement is now superseded by actual and perceived concerns about the accountability of IHBPA and the Trust in handling benevolence funds.

Accordingly, all benevolence funds received under IC 4-35-7-12 in 2014 and going forward will be under the sole and direct control of IHBPA. In addition, the Board of Directors of the Trust will make the necessary resolutions to dissolve the Trust and transfer all Trust assets to IHBPA to be used for benevolence purposes. As of the filing of this Supplement, those assets include \$85,441 in the benevolence account. Upon the asset transfer and dissolution, the Trust will have no further participation in or control over the receipt, management or disbursement of benevolence funds directed under the statute.

IHBPA Response to Corrective Action Steps

Corrective Action Step 1. Revise Benevolence Benefit Guidelines. The IHBPA should strive to be inclusive and provide equal treatment to all horsepeople. The guidelines should be drafted in such a way as to be enforceable. (Report at 9.)

Response: In compliance with Corrective Action Step 1, IHBPA has substantially revised its benevolence policies and guidelines in the Indiana Horsemen's Benevolent & Protective Association 2014 Benevolence Assistance Rules and Guidelines, attached at **Tab 1** ("2014 Rules"). The 2014 Rules address the concerns expressed in the Report and in interviews with Commission staff in the following ways.

- The definition and enforcement of requirements for "full-time" employment have been eliminated, in favor of baseline standards for employment. (2014 Rules at 1-4, §§ I.A.3-4.; I.B.1.; I.C.2.)
- The definitions of the universe of eligible thoroughbred horsemen and women have been expanded and clarified. (*Id.*)
- The dynamic tension resulting from coverage of dual-licensees (standardbred, thoroughbred and/or quarter horse owners and trainers) and their employees has been resolved by defining the range of benefits available to them by the comparative percentage of thoroughbred versus total starts. (*Id.* at 1-2, §§ I.A.1., 2.)
- Income limitations have been adjusted, and the documentation required to demonstrate income eligibility has been clearly defined. (*Id.* at 3, §§ I.B.1-2.)
- The application process has been defined. Our process for appeals of eligibility questions has been clarified and precisely laid out. (*Id.* at 4-8, §§ II.A-B.)
- The criteria by which each applicant's eligibility for benefits shall be judged have been specified. (*Id.* at 8, § II.C.)
- Our policy and procedures for hardship requests have been delineated. (*Id.* at 9-10, §§ III.A-D.)

- Clearly defined procedures and penalties have been specified for any suspected submission of false or misleading information in support of any application for any benevolence or hardship assistance. (*Id.* at 10-11, §§ IV.A-D.)

Corrective Action Step 2. Revise Application for Benefits. The application should contain all the information necessary for processing. (Report at 9.)

Response: In compliance with Corrective Action Step 2, IHBPA has revised its application form so that it dovetails with the 2014 Rules. A copy of the revised application form is attached at **Tab 2**. Everything needed to apply is defined, as is the procedure for applying, and the process of evaluation. Consistent with the 2014 Rules, applicants will be required to supplement the printed application with supporting documentation (*see* 2014 Rules at 3, §§ I.B., I.C.1; *id.* at 4, § II.A.1.a.), but the application document itself both conforms to and supports the 2014 Rules.

Corrective Action Step 3. Revise Benevolence Application Review Process. Procedures should include the individual(s) responsible for each processing step. (Report at 9.)

Response: In compliance with Corrective Action Step 2, IHBPA has described in detail the procedures for applying for benevolence assistance and specifically identified the individuals responsible for each step of the application, evaluation, and appeal process. (2014 Rules at 4-8, §§ II.A-B.)

Corrective Action Step 4. Establish Written Policy on Attorney Fees. (Report at 9.)

Response: Since January 2013, it has been the policy of IHBPA that benevolence benefits are not provided to anyone for attorney fees. Before 2013, IHBPA did have an attorney who was available for consultation with eligible people on the backside about once per week during the race meets, but that benefit has been discontinued and in compliance with Corrective Action Step 4, IHBPA here states its policy that the attorney fee benefit will not be renewed without Commission approval. The 2014 Rules do not expressly state that there is no benevolence assistance for attorney fees because (i) it has not been part of our program for more than a year; and (ii) under the interpretive rule *expressio unius est exclusio alterius* (the expression of one thing is the exclusion of another), mentioning the exclusion of benevolence assistance for attorney fees alone among the many things for which assistance is not provided conceivably could be interpreted as an intent to “exclude the exclusion” of (i.e., provide benefits for) those other things.

Corrective Action Step 5. Establish a Written Marketing Plan. Describe in detail methods for disseminating information regarding benevolence information to prospective applicants. (Report at 9.)

Response: In compliance with Corrective Action Step 5, IHBPA provides the following plan for ensuring that information regarding the availability of benevolence assistance is disseminated to

as many prospective applicants as reasonably possible. IHBPA also notes that it believes its benevolence program is well known on the backside through existing efforts to promote its availability (most of which are continued under the plan set out below) and word-of-mouth among backside personnel (which no doubt will continue after the plan set out below is implemented).

First, IHBPA will post all benevolence information on the Indiana HBPA website (www.inhbpa.org) and on the National HBPA website (www.hbpa.org), in English and Spanish. Information to be posted will include the 2014 Rules, the benevolence application form, contact information for the Benevolence Administrator and Executive Director, and updates on any rule changes. In addition, IHBPA will also make all of this information available in hard-copy form in its office at the track.

IHBPA will also post bilingual posters in the barns advertising the availability of benevolence assistance and information and distribute bi-lingual brochures to trainers on the backside of the track to distribute to their workers. As needed, IHBPA will schedule its Hispanic coordinator to assist non-English speakers in preparing and submitting applications for benevolence assistance.

Finally, at least twice during each race meet, IHBPA will hold benevolence informational meetings, with at least two weeks' posted notice, to explain the benevolence program and answer questions about the program and the application process.

Corrective Action Step 6. Establish Written Policy on Access to Information.

Such policy should strive to be transparent as is reasonably possible and should include, but not be limited to, "who" has access to "what" records and "how" such a request is made and responded to.

Response: In compliance with Corrective Action Plan 6, IHBPA has included a Privacy Notice in the 2014 Rules (at 13-14, § VI). We acknowledge a dual responsibility in balancing the need for transparency and accountability in administering benevolence funds entrusted to us by the State of Indiana with the equally vital need to protect the confidentiality of sensitive personal, financial and medical information. The Privacy Notice informs the reader of the ways in which IHBPA will use "medical information" of an applicant for benevolence assistance, and applicants will be asked sign a copy of the Privacy Notice, to ensure they understand what information IHBPA will both protect and use.

The Privacy Notice also informs the applicant that:

[C]onsistent with our duty to report benevolence activities to our directors, members, and the IHRC, we will make a public disclosure each quarter summarizing (i) the name and license number of each person who has applied for but been denied Benevolence Assistance and Hardship Assistance; (ii) the name and license number of each person who requested and received Benevolence Assistance and Hardship Assistance, including the amount requested and received in that quarter; and (iii) the year-to-date totals of Benevolence Assistance and Hardship Assistance

distributed to or on behalf of each recipient. Copies of this summary will be provided to IHBPA directors and the IHRC, and will be available to any IHBPA member upon written request directed to the Executive Director.

(2014 Rules at 13-14, § VI.) We believe that the public disclosure of this information will provide the necessary information to permit anyone concerned to understand, and if necessary or desirable, raise questions about, the consistency or fairness with which benevolence assistance is distributed, while at the same time protecting the confidentiality of sensitive personal and medical information.

In addition, as noted above, going forward the receipt, management, and distribution of benevolence funds will be under the direct control of IHBPA. This will enhance the transparency of the system and permit the IHBPA Board of Directors to have access to all information they reasonably require to appropriately and responsibly perform their duties to the membership and backside personnel.

Finally, the Privacy Notice provides that any person can inspect and copy his or her own medical information. (*Id.* at 14, § VI.)

Corrective Action Step 7. Establish Written Policy on Addressing Complaints. Such policy should include a complaint form. A copy of each complaint and corresponding response shall be provided to the IHRC's Executive Director and General Counsel by e-mail. (Report at 9.)

Response: In compliance with Corrective Action Step 7, IHBPA has developed a complaint policy and procedures (2014 Rules at 11-12, § V.A-E) and complaint form (attached at **Tab 3**). The policy provides that copies of all complaints and responses will be maintained by IHBPA and provided to the Executive Director and General Counsel of the IHRC annually or as requested. (*Id.* at 12, § V.E.)

Corrective Action Step 8. Provide Additional Conflict of Interest Statements and Registration Certification. Each Benevolence Trustee shall file a conflict of interest form and registration certification. (Report at 9.)

Response: In compliance with Corrective Action Step 8, for 2014, IHBPA will require each director of the Trust to execute and file with the Commission a conflict of interest form (which, we understand, is being revised and will be supplied by the Commission) and the certification required by 71 I.A.C. 13-1-3(3). Going forward, we do not anticipate the need for these documents from the Trust directors, because IHBPA will soon take direct control over receipt, management, and distribution of benevolence funds.

Conclusion

The IHBPA and the Trust fully recognize the responsibility that accompanies the Indiana Horse Racing Commission's designation under 71 IAC 13-1-1, *et seq.* We have always tried to

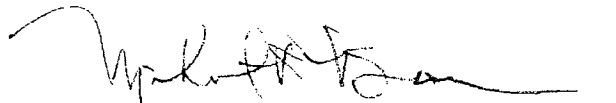
administer the funds entrusted to the organization in the best interests of Indiana racing and to the benefit of the horsemen and women we serve and represent. We welcome the direction provided by the Commission staff in its Report, with the understanding that what we do can always be improved, and will be improved by the process of re-evaluating how we do business, how we communicate and how we account for what we do. This supplement is the result of our sincere internal effort to respond to the Report and the Commission staff's investigation of our benevolence process. It has been our intent to revise our policies and procedures accordingly so that this very good program can be more responsive.

The Indiana Horsemen's Benevolent & Protective Association requests that its 2014 Application for Registration be approved by the Commission.

Certification

I certify that the disclosures contained in this Supplement to 2014 Application for Registration are true, accurate, and complete to the best of my knowledge, information, and belief formed after a reasonably diligent investigation of those disclosures by me or by others acting under my direction and control.

Indiana Horsemen's Benevolent & Protective Association, Inc.



By: Michael R. Brown, Executive Director

Index of Attachments to Supplement to 2014 Application for Registration

Tab 1 – IHBPA 2014 Benevolence Assistance Rules and Guidelines

Tab 2 – IHBPA Application for Benevolence Assistance (Revised June 2014)

Tab 3 – IHBPA Complaint Policy and Complaint Form



Indiana Horsemen's Benevolent & Protective Association 2014 Benevolence Assistance Rules and Guidelines

PREFACE

These 2014 Benevolence Benefits Rules and Guidelines ("Rules") of the Indiana Horsemen's Benevolent & Protective Association ("IHBPA") supersede all other previous rules and guidelines for benevolence benefits, including emergency benefits. These Rules are approved by the IHBPA Board of Directors through

_____. These Rules are for the use and guidance of any person who applies to IHBPA for benevolence benefits (an "Applicant") and those who administer the distribution of benefits, including the Benevolence Administrator, the Executive Director, the Benevolence Committee, and the Board of Directors of IHBPA. A copy of the Rules is available upon request to any and all potentially eligible Applicants for treatment, services, coverage, reimbursement, or other benefits or assistance (together, "Benevolence Assistance"). Benevolence Assistance will be distributed to eligible Applicants only in accordance with these Rules. These Rules may be changed at the sole discretion of the IHBPA from time to time without prior notice. These Rules shall not be construed or regarded as conferring on any person, including any Applicant, any express or implied right to any Benevolence Assistance.

I. ELIGIBILITY

For purposes of these Rules, an Applicant's eligibility to receive Benevolence Assistance shall be determined as of the earlier of (i) the date the Applicant files his or her application for Benevolence Assistance; and (ii) the date of the treatment, care, service, or event giving rise to the application for Benevolence Assistance (the "**Eligibility Date**"). The burden of demonstrating compliance with all eligibility requirements, including the obligation to submit all required documentation, shall in all cases rest with the Applicant. By submitting an application for Benevolence Assistance, the Applicant consents to cooperate in any investigation of his or her eligibility. **An Applicant who submits false or misleading information or documentation in support of any application for Benevolence Assistance shall be subject to the penalties set out in section IV, below.**

The following categories of individuals employed in the thoroughbred racing industry may be eligible for Benevolence Assistance, subject to the requirements and limitations set forth elsewhere in these Rules.

A. Licensure, residence, starts, and employment

1. Any trainer (a) who is licensed in the State of Indiana by the Indiana Horse Racing Commission, (b) who is an Indiana resident and has made at least five

starts, or a non-Indiana resident who has made at least ten starts, at an Indiana racetrack in either the previous calendar year or the current calendar year, and (c) who in the current calendar year has started at least 50% of his or her horses' starts at an Indiana track during the Indiana live meets. Notwithstanding the definition of Eligibility Date, above, eligibility established the previous calendar year is retained until the trainer's first start during an Indiana live meet in the current calendar year, after which the trainer's eligibility will be determined according to clauses (a) through (c) and the Eligibility Date, above. A trainer holding multiple types of racing licenses -- i.e., thoroughbred and quarterhorse, and/or thoroughbred and standardbred licenses at the same time -- is eligible to participate in the percentage of benefits determined by dividing the number of his or her Indiana thoroughbred starts by the total number of his or her Indiana thoroughbred, quarterhorse, and standardbred starts in Indiana races during the preceding or current calendar year, as the case may be.

2. Any owner (a) who is licensed in the State of Indiana by the Indiana Horse Racing Commission, (b) who owns the equivalent of at least 100% of a thoroughbred horse, (c) who is an Indiana resident and has made at least five starts, or a non-Indiana resident who has made at least ten starts, at an Indiana racetrack in either the previous calendar year or the current calendar year, and (d) who in the current calendar year has started at least 50% of his or her horses' starts at an Indiana track during the Indiana live meets. Notwithstanding the definition of Eligibility Date, above, eligibility established in the previous calendar year is retained until the owner's first start during an Indiana live meet in the current calendar year, after which the owner's eligibility will be determined according to clauses (a) through (d) and the Eligibility Date, above. An owner holding multiple types of racing licenses -- i.e., thoroughbred and quarterhorse, and/or thoroughbred and standardbred licenses at the same time -- is eligible to participate the percentage of benefits determined by dividing the number of his or her Indiana thoroughbred starts by the total number of his or her Indiana thoroughbred, quarterhorse, and standardbred starts in Indiana races during the preceding or current calendar year, as the case may be.
3. Any assistant trainer, groom, hot walker, exercise rider or other stable employee (collectively, "**Stable Employee**") (a) who is licensed in the State of Indiana by the Indiana Horse Racing Commission, (b) who, as demonstrated by the affidavit of a licensed trainer and by being on a licensed trainer's badge list, is employed by a licensed trainer.
4. Any member of the gate crew, employee of the receiving barn, exercise rider or member of the pony crew (collectively, "**Dual Employee**") (a) who is licensed in the State of Indiana by the Indiana Horse Racing Commission, and (b) who, as demonstrated by the affidavit of a licensed trainer, is employed by a licensed trainer in addition to their paid participation in the four aforementioned activities, during morning training sessions.

5. Any eligible trainer, owner, or Stable Employee who is licensed in the State of Indiana by the Indiana Horse Racing Commission may apply for Benevolence Assistance for (a) his or her spouse, and (b) his or her child who is (i) under the age of 18, (ii) a full time student under the age of 24, or (iii) handicapped, disabled, or otherwise in special need.

B. Income and employment requirements and limitations

1. Benevolence Assistance will not be provided to any Stable Employee or Dual Employee who (a) is not employed by an eligible trainer on the Eligibility Date; or (b) does not provide satisfactory documentation (as described below) that, during the calendar week immediately preceding the calendar week in which the Eligibility Date falls, he/she (i) earned at least \$125 from at least one specific eligible trainer, and (b) worked at least twenty (20) hours for a specific eligible trainer. Satisfactory documentation of earnings for the applicable calendar week shall consist of either a copy of the Applicant's payroll check for that week, if available, or if not, a copy of the Applicant's payroll stub for that week.

A free-lance exercise rider must provide an affidavit of an eligible trainer demonstrating that, during the calendar week immediately preceding the calendar week in which the Eligibility Date falls, he or she earned at least \$120 from at least one specific trainer and exercised at least twelve (12) horses for that specific trainer.

2. Benevolence Assistance will not be provided to any Applicant if he or she (a) is a single person with an adjusted gross income in excess of \$36,000 in the calendar year immediately preceding the calendar year in which the Eligibility Date falls, or (b) is a married person who, together with his or her spouse, has an adjusted gross income in excess of \$72,000 in the calendar year immediately preceding the calendar year in which the Eligibility Date falls. Effective January 1, 2015, the adjusted gross income limitation will be reviewed and adjusted annually in accordance with the Social Security Cost of Living Allowance. Upon request, any Applicant who is an owner or trainer shall provide a true and accurate copy of his or her income tax return, or documentary evidence of his or her exemption from filing an income tax return, for the relevant calendar year.

C. Limitations on Benevolence Assistance

1. In addition to demonstrating compliance with the eligibility requirements above, an Applicant must demonstrate that he or she has fully utilized and exhausted all available insurance coverage and benefits before receiving any Benevolence Assistance.
2. Except as provided below, the maximum Benevolence Assistance that may be granted to any eligible Applicant in any calendar year for medical,

dental, optical, podiatric, chiropractic or prescription services is \$5,000. In addition to this amount, the survivors of an eligible Applicant may be granted burial benefits of up to \$3,000 per calendar year. Also, in addition to the aforementioned Benevolence Assistance, the family of an eligible Applicant may be granted child-care assistance for up to \$3,000 per calendar year during the period in which the track is open for racing and/or training. Stable Employees and Dual Employees employed by a trainer who (a) holds Indiana thoroughbred and quarterhorse, and/or Indiana thoroughbred and standardbred licenses at the same time, and (b) makes less than 50% of his or her starts in Indiana thoroughbred races, are eligible to receive up to (i) 50% of the maximum available benefit for Benevolence Assistance and child-care assistance; and (ii) 100% of the maximum available burial benefit.

3. Except where the delay is caused solely by an insurer in the processing of an insurance claim timely filed by an Applicant, applications for Benevolence Assistance will be denied if the application and all supporting documentation required under these Rules are not submitted to the Benevolence Administrator within six (6) months after the date on which an eligible service was provided or an eligible expense incurred.

II. PROCEDURES FOR APPLICATION, DETERMINATION, AND APPEAL

A. Application and initial determination of eligibility

1. To apply for Benevolence Assistance, an Applicant must complete and sign the then-current application form, which shall be provided upon request of the Applicant, and attach all documentation required under these Rules to the completed application form.
 - a. In addition to the documentation of eligibility required by Sections I.A., B., and C., above, the Applicant must also submit all invoices, receipts, statements, and other documents evidencing the dollar amount of Benevolence Assistance requested by the Applicant.
2. The completed form and required documentation shall be submitted to the Benevolence Administrator within the time required by Section I.C.3., above.
3. An Applicant must submit a new application and required documentation for each request for Benevolence Assistance arising from an illness, injury or other occurrence that is unrelated to any illness, injury, or other occurrence that was the subject of a prior request for Benevolence Assistance; provided, however, that an owner or trainer need not submit a copy of a required income tax return more than once.

4. Upon receipt of the application of an Applicant, the Benevolence Administrator shall:
 - a. note the date of receipt on the face of the completed application form;
 - b. determine whether the application form is complete, signed by the Applicant, and accompanied by all documentation required by these Rules;
 - c. determine whether, based on the documentation submitted with the application form, the Applicant is eligible to receive Benevolence Assistance under Sections I.A., B., and C., above; and
 - d. if the requirements of 4.a. through c., above have been satisfied, determine the amount of Benevolence Assistance, if any, the Applicant may receive, subject to the limitations set out in Section I.C., above.
5. If the Benevolence Administrator determines that the Applicant may receive Benevolence Assistance, he or she shall note the date of the determination on the face of the application and transmit it to the Executive Director for further processing, including payment of the appropriate amount to the appropriate payee, in accordance with these Rules. The Applicant shall be notified in writing within ten (10) days of the amount of the payment to be made ("**Payment Notice**"). Applicant's receipt of a check shall constitute Payment Notice.
6. If the Benevolence Administrator determines that the application form or documentation submitted by an Applicant is materially incomplete, the Benevolence Administrator shall notify the Applicant in writing, clearly explaining the specific information or documentation necessary to complete the application, and upon submission of complete information and documentation by the Applicant, reconsider the application under Sections 4.a. through d., above.
7. If, after receipt of a complete application and complete documentation from an Applicant, the Benevolence Administrator determines that the question of the Applicant's eligibility under Sections I.A., B., or C., above is in doubt, the Benevolence Administrator shall request, receive, and act upon the advice of the Executive Director. If the Executive Director also determines the question is in doubt, he or she shall request, receive and act upon the advice of the Benevolence Committee, in which case it shall make the initial determination of eligibility.
 - a. The Benevolence Committee shall consist of no fewer than three members of the IHBP Board of Directors and an equal number of

IHBPA members of who are not elected board members. The Benevolence Committee shall have a Chairperson, who shall not be a member of the Board of Directors of IHBPA. All members of the Benevolence Committee must be licensed by the IHRC.

b. At each meeting of the Benevolence Committee, the Executive Director shall provide the Committee with a summary of all applications for Benevolence Assistance, including the status and disposition of each application, since the last Committee meeting. The disposition of all applications is subject to review by the Benevolence Committee in its sole discretion.

8. If the Benevolence Administrator, the Executive Director, or the Benevolence Committee makes the initial determination that an Applicant is not eligible to receive Benevolence Assistance under Sections I.A., B., or C., above, the Benevolence Administrator shall notify the Applicant in writing within ten (10) days of such initial determination, clearly explaining the reasons for such initial determination ("**Denial Notice**").

B. Appeal of initial determination of eligibility or amount of Benevolence Assistance

1. If an Applicant disputes the initial determination of eligibility communicated to the Applicant in a Denial Notice or the amount of Benevolence Assistance communicated to the Applicant in a Payment Notice under Section II.A., above, he or she may appeal the initial determination or amount of Benevolence Assistance as follows.

a. Within ten (10) days of receipt of the Denial Notice or Payment Notice appealed from, the Applicant shall deliver to the Executive Director (either by personal delivery or by first-class United States mail directed to the address that appears at the end of these Rules) a written request that the Executive Director review the decision communicated in the Denial Notice or Payment Notice (a "**Decision**"). The Applicant's written request must include the Applicant's name and contact information and must state clearly and in detail the reasons why the Decision was incorrect. Applicant's failure to submit his request for review within the time required shall waive all further appeals and review of a Decision, which shall then become final.

b. Within ten (10) days of receipt of the written request of the Applicant, the Executive Director shall (i) overturn, (ii) pass on, or (iii) affirm the Decision, and notify the Applicant in writing of the Executive Director's disposition of the appeal and, if the Executive Directors passes on or affirms the Decision, the Applicant's right to further review.

- (i) If the Executive Director overturns the Decision, then the Applicant's application shall be returned to the Benevolence Administrator for further processing consistent with the Executive Director's decision.
 - (ii) If the Executive Director passes on the Decision, then the Applicant's appeal shall be forwarded to the Benevolence Committee for any further consideration if requested by the Applicant as provided in Section II.B.1.c., below.
 - (iii) If the Executive Director affirms the Decision, the Applicant may request further review under the procedures provided in Section II.B.c., below.
- c. Within ten (10) days after the Applicant receives written notice that the Executive Director has either passed on or affirmed the Decision, the Applicant may deliver to the Chairman of the Benevolence Committee a written request that the Benevolence Committee review the Decision. The Applicant's written request must include the Applicant's name and contact information and must state clearly and in detail the reasons why the Decision was incorrect. Applicant's failure to deliver his request for review to the Chairman of the Benevolence Committee within the time required shall waive all further appeals and review of a Decision, which shall then become final.
- d. At the next regularly scheduled meeting of the Benevolence Committee that is held at least ten (10) days after the Chairman of the Benevolence Committee has received the Applicant's request for review, the Benevolence Committee shall (i) overturn, (ii) pass on, or (iii) affirm the Decision, and within ten (10) days, notify the Applicant in writing of the Benevolence Committee's disposition of the appeal, and if the Benevolence Committee passes on or affirms the Decision, the Applicant's right to further review.
 - (i) If the Benevolence Committee overturns the Decision, then the Applicant's application shall be returned to the Benevolence Administrator for further processing consistent with the Benevolence Committee's decision.
 - (ii) If the Benevolence Committee passes on the Decision, then the Applicant's appeal shall be forwarded to the IHBPA Board for any further consideration under the procedures provided in Section II.B.1.e., below.
 - (iii) If the Benevolence Committee affirms the Decision, the Applicant may request further review under the procedures provided in Section II.B.e., below.
- e. Within ten (10) days after the Applicant receives written notice that the Benevolence Committee has either passed on or affirmed the Decision, the Applicant may deliver to the President of IHPBA a written request that the IHBPA Board of Directors ("**Board**") review the Decision. The Applicant's

written request must include the Applicant's name and contact information and must state clearly and in detail the reasons why the Decision was incorrect. Applicant's failure to deliver his request for review to the President of IHPBA within the time required shall waive all further appeals and review of a Decision, which shall then become final.

f. At the next regularly scheduled meeting of the Board that is held at least ten (10) days after the President of IHPBA has received the Applicant's request for review, the Board shall either (i) overturn, or (ii) affirm the Decision, and within ten (10) days, notify the Applicant in writing of the Board's disposition of the appeal.

(i) If the Board overturns the Decision, then the Applicant's application shall be returned to the Benevolence Administrator for further processing consistent with the Board's decision.

(ii) If the Board affirms the Decision, then the Decision is final and shall not be subject to further appeal or review.

C. Criteria

In deciding whether to overturn, pass on, or affirm a Decision in review of an Applicant's appeal, the Executive Director, the Benevolence Committee, and the Board shall consider the following criteria:

1. Whether the Applicant's application and supporting documentation are complete and demonstrate the Applicant's eligibility under Section II.A., B., and C., above.

2. Whether any Limitations on Benevolence Assistance set forth in Section II.C., above, apply to the application or Applicant.

3. The Applicant's demonstrated need for Benevolence Assistance, including any hardship that will be suffered by the Applicant if Assistance is denied, and the availability to the Applicant of other resources that might mitigate such hardship.

4. The availability of funds budgeted by the Board for Benevolence Assistance, including the pendency or expectation of any other applications for Assistance that might require expenditure of those funds in the future.

5. In the case of the Benevolence Committee and the Board, any other facts or circumstances that they may, in their sole discretion, deem relevant.

III. HARDSHIP ASSISTANCE

The IHBPA Board of Directors may, in its sole discretion, elect to provide "**Hardship Assistance**" to a person who is not eligible to receive Benevolence Assistance under Sections II.A., B., or C., or to an eligible person beyond the limitations on Benevolence Assistance set forth in Section II.C.2., under the following limited circumstances.

An Applicant who submits false or misleading information or documentation in support of any application for Hardship Assistance shall be subject to the penalties set out in section IV, below.

- A. The applicant for Hardship Assistance ("**Hardship Applicant**") must submit a request for such assistance in writing using the application form provided for Benevolence Assistance. The form must be completed in full, signed by the Hardship Applicant, and delivered to the Executive Director (either by personal delivery or by first-class United States mail directed to the address that appears at the end of these Rules) together with all supporting documentation reasonably available under the circumstances. The Hardship Applicant shall explain clearly and in detail the reasons why he or she requires assistance beyond what he or she would be eligible to receive in the form of Benevolence Assistance.
- B. Upon receipt of an application for Hardship Assistance, the Executive Director shall determine whether the application presents a case of emergency requiring immediate attention by the Board.
 1. If so, the Executive Director shall make reasonable efforts to convene a meeting of the Board at the earliest time available to a quorum of the Board to consider the Hardship Applicant's request. An emergency meeting of the board may be conducted in person or by telephone or otherwise.
 2. If the application for Hardship Assistance does not present a case of emergency requiring immediate attention by the Board, it shall be considered at the next regularly scheduled meeting of the Board.
 3. Whether considered in an emergency meeting or a regularly scheduled meeting, the Board shall permit the Hardship Applicant to appear in person or by telephone or otherwise to present his or her case for Hardship Assistance. In determining whether to grant such Assistance, the Board shall consider the following criteria:
 - a. The eligibility of the Hardship Applicant to receive Benevolence Assistance under Sections II.A., B., and C., above.
 - b. Whether any Limitations on Benevolence Assistance set forth in Section II.C., above, apply to the application or Hardship Applicant.

c. The nature of the emergency or hardship and other extenuating circumstances that might justify Hardship Assistance notwithstanding the Hardship Applicant's ineligibility for Benevolence Assistance or limitations on his or her Benevolence Assistance under Sections II.A., B., and C., above. For clarity, Hardship Assistance may be granted to a Hardship Applicant for reasons other than medical emergency.

d. The availability to the Hardship Applicant of other resources that might mitigate such hardship.

e. The availability of funds budgeted by the Board for Benevolence Assistance, including the pendency or expectation of any other applications for Assistance that might require expenditure of those funds in the future.

f. Any other facts or circumstances that the Board may, in its sole discretion, deem relevant.

C. The Board shall notify the Hardship Applicant of its decision on his or her application as soon as reasonably possible under the circumstances. The Board's decision shall be final and not subject to any right of appeal or further review.

D. The maximum amount of Hardship Assistance that may be granted to a Hardship Applicant, regardless of the amount of Benevolence Assistance he or she has received, is \$5,000 per calendar year

IV. PENALTIES: SUBMISSION OF FALSE OR MISLEADING INFORMATION

A. If, in the course of reviewing any application for Benevolence Assistance or Hardship Assistance or any appeal from a Decision, the Benevolence Administrator, the Executive Director, the Benevolence Committee, or any member of the Board determines that an Applicant or a Hardship Applicant (for purposes of this Section IV., each an "**Applicant**") may have submitted any false or misleading information or documentation in support of an application for Benevolence Assistance or Hardship Assistance, the matter shall be referred to the entire Board for consideration at its next regularly scheduled meeting that is more than ten (10) days after the referral.

B. The Applicant shall be notified in writing at least ten (10) days before the meeting and shall be informed of (i) the specific information or documentation that may have been false or misleading, (ii) the Applicant's right to appear at the meeting to explain why the information or documentation is not false or misleading and/or to demonstrate that the false or misleading information or documentation was not submitted with the intent to obtain Benevolence Assistance or Hardship Assistance to which

the Applicant was not entitled; and (iii) the penalties that may be assessed against the Applicant if the Board concludes the information or documentation was false or misleading.

C. If after giving the Applicant the required notice and a reasonable opportunity to be heard, the Board determines that he or she has failed to carry his or her burden of proving that either (i) the information or documentation submitted was not false or misleading, or (ii) the information or documentation was not submitted with the intent to obtain Benevolence Assistance or Hardship Assistance to which the Applicant was not entitled, then the Board may in its sole discretion impose the following penalties:

1. For a first offense:

a. The Applicant may be denied all Benevolence and Hardship Assistance until all benefits improperly obtained have been repaid to IHBPA; and/or

b. The Applicant may be denied all Benevolence and Hardship Assistance for a period of six months after all benefits improperly obtained have been repaid to IHBPA; and/or

c. The Applicant may be limited to Benevolence or Hardship Assistance in the form of reimbursement payments for an additional six-month period after expiration of the six-month period set forth in Section IV.C.1.b., above.

2. For a second offense, the Applicant may be denied all Benevolence and Hardship Assistance for a period of up to two years.

3. For a third or subsequent offense, the Applicant may be permanently denied all Benevolence and Hardship Assistance.

D. The receipt of Benevolence and Hardship Assistance is a privilege and not a right. The Board's determinations under Section IV.C., above, are final and not subject to any right of appeal or review.

V. COMPLAINT POLICY AND PROCEDURES

A. Complaints shall be delivered to the Executive Director on a form prescribed by the IHBPA. The form is available at www.inhbpa.org, or from the IHBPA office on the backside of Indiana Grand race track, or by request from the Executive Director, and can be filed either electronically, or mailed to the IHBPA, at 32 Hollaway Boulevard, Brownsburg, Indiana, 46112. Any complaint not received on the prescribed form will be returned to the complainant upon receipt.

B. Each complaint shall:

1. Enumerate each alleged violation of the IHRC's statutes or administrative rules and regulations, or IHBPA's By-laws, or these Rules, including the specific statute, rule, regulation, By-law, or Rule violated. Note, however, that the filing of a complaint under this Section V. shall not be a substitute for an appeal by an Applicant of a Decision denying or limiting Benevolence Assistance. Any complaint by an Applicant alleging that Benevolence Assistance was improperly denied or limited shall be rejected and returned to the complainant upon receipt.
2. Provide specific facts and circumstances to support the alleged violations, including any relevant documentation.
3. Provide the name(s) (and contact information, if available) of individuals who are familiar with the relevant facts and circumstances and documents.
4. Be signed by and include the address and contact information of the complainant.

C. Complaints within the scope of benevolence activities shall be forwarded by the Executive Director to the Benevolence Committee and to the IHBPA Board. The Executive Director or his designee shall review and investigate the complaint and inform the Benevolence Committee. The Benevolence Committee shall consider the complaint and render a decision, which shall be final and not appealable, directing a response to the Executive Director. The Executive Director will respond to the complainant in writing.

D. Complaints outside the scope of benevolence activities, but still pertaining to facts or circumstances related to the IHBPA, its officers or directors, its staff, or its members, will be reviewed and investigated by the Executive Director or his designee, or in the case of a complaint related to the Executive Director, by the President of IHPBA or his designee. The Executive Director or other person investigating the complaint will advise the Board of his findings, and will respond in writing to the complainant after the Board renders its decision, which shall be final and not appealable.

E. A copy of all complaints and responses shall be maintained by IHBPA. Copies of all complaints and responses will also be provided to the Executive Director and General Counsel of the IHRC annually or as requested. The IHBPA will post an annual summary of the complaints received and resolved in the preceding calendar year on its Internet web site.

VI. PRIVACY NOTICE

IHBPA strives to maintain the privacy of your medical information. This notice describes how medical information about you and/or your dependents may be used and disclosed. Please review it carefully.

For purposes of this notice, "medical information" includes both personal and medical information and individually identifiable information such as your name, address, telephone number, and social security number.

We collect medical information about you and/or your dependents from the following sources:

- Information you provide on applications, other forms, or by phone. This may include such information as your name, address, social security number, employment and salary history.
- Information provided by your employer, co-workers, family, friends and providers of service.
- Information from police reports, mortgage or lease statements, and insurance companies.
- Information provided by other horsemen's groups, racetrack personnel and the Indiana Horse Racing Commission.

IHBPA obtains medical information about you and/or your dependents in order to complete the application process, determine your eligibility for each request for assistance, manage your requests, and pay your providers of service. We may share your medical information with the Indiana Horse Racing Commission and providers of service, including IHPBA's accounting and legal advisors, to the extent necessary to provide professional service and advice. We limit access to your medical information to employees and others with a valid business need for the information. We hold our employees, representatives, directors and business associates responsible for upholding our privacy standards. We may use your medical information to contact you by phone, U.S. mail, email, personal visit to your job, or through the racetrack paging or texting system. We do not give your medical information to third parties for any type of promotional or marketing purposes not related to IHBPA.

In addition, consistent with our duty to report benevolence activities to our directors, members, and the IHRC, we will make a public disclosure each quarter summarizing (i) the name and license number of each person who has applied for but been denied Benevolence Assistance and Hardship Assistance; (ii) the name and license number of each person who requested and received Benevolence Assistance and Hardship Assistance, including the amount requested and received in that quarter; and (iii) the year-to-date totals of Benevolence Assistance and Hardship Assistance distributed to or on behalf of each recipient. Copies of this summary will be provided to IHBPA directors and

the IHRC, and will be available to any IHBPA member upon written request directed to the Executive Director (either by personal delivery or by first-class United States mail directed to the address that appears at the end of these Rules).

Other uses and disclosures of your medical information that are not listed on the statement will be made only with the patient's written consent. If we make any substantial changes in the way we use your medical information, we will notify you and provide additional information as necessary.

You have the right to inspect and obtain a copy of your medical information. (A \$10 recovery fee may be charged for the retrieval of older records.) Records are kept for six (6) years and are then destroyed.

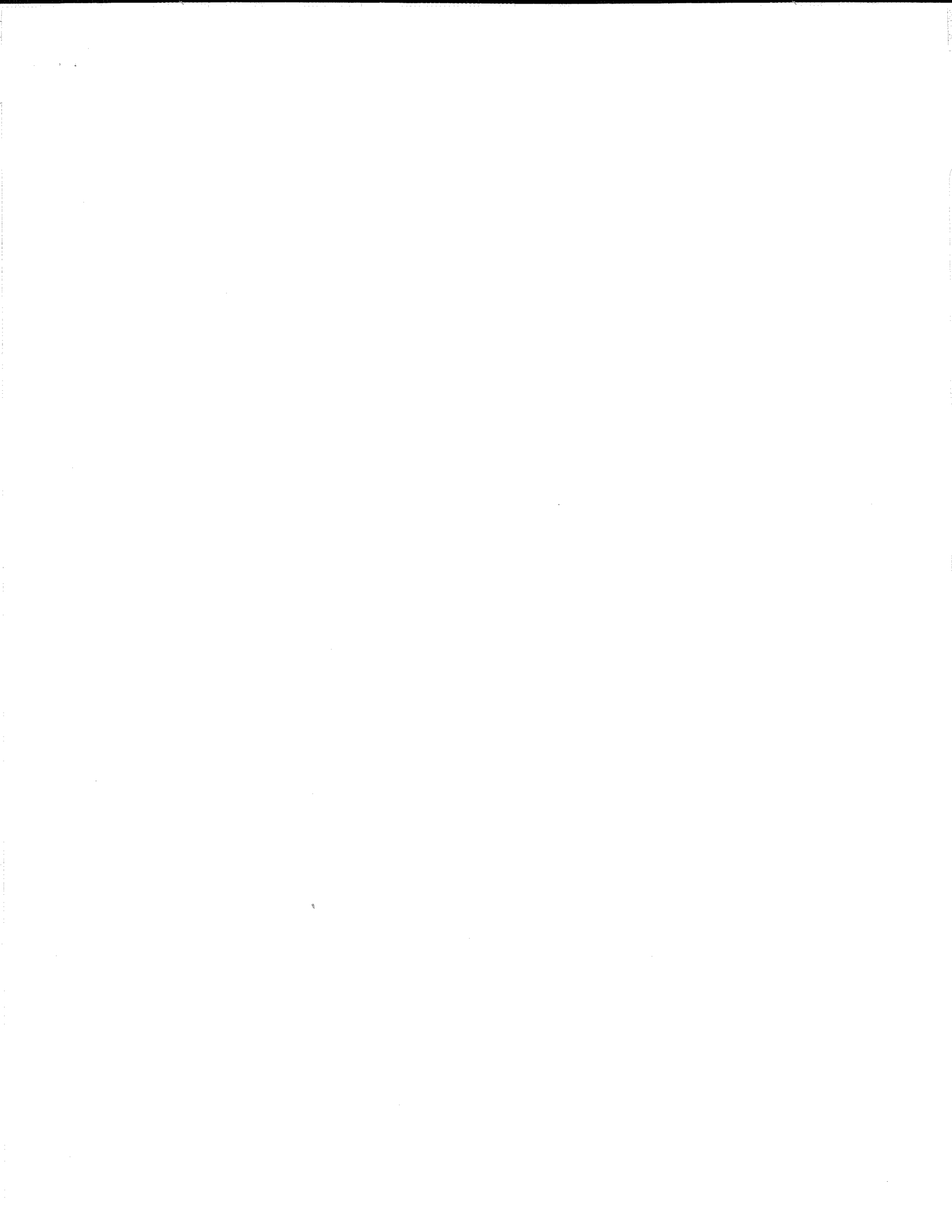
VII. AMENDMENT

The Board of Directors of IHBPA may amend these Rules at any time or from time to time without prior notice.

PLEASE BRING COMPLETED AND SIGNED FORMS AND ALL SUPPORTING
DOCUMENTATION TO THE HBPA OFFICE AT INDIANA GRAND,
OR MAIL TO:

Michael R. Brown, Executive Director
32 Hollaway Blvd, Brownsburg, IN 46112

2136778.1



2014 APPLICATION INDIANA HBPA BENEVOLENCE

LICENSEE

FULL NAME _____ SOCIAL SECURITY # _____

MAILING ADDRESS _____

CURRENT ADDRESS _____

TELEPHONE _____ DATE OF BIRTH _____ AGE _____

DO YOU FILE TAXES? _____ EMAIL ADDRESS _____

LIST ALL CURRENT INDIANA RACING LICENSES THAT YOU HAVE BEEN ISSUED

	TYPE	LICENSE NUMBER	DATE ISSUED
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

STATES IN WHICH YOU ARE LICENSED, OTHER THAN INDIANA _____

ALL EMPLOYERS, ON & OFF THE TRACK, FOR WHICH YOU HAVE WORKED 90 DAYS PRIOR TO REQUEST

	EMPLOYER	LOCATION OF EMPLOYMENT	DATE STARTED	DATE LEFT
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____

LIST ALL INCOME WHICH YOU CURRENTLY EARN, ON & OFF THE TRACK

	EMPLOYER	OCCUPATION	WEEKLY SALARY	HOURS/HORSES
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____

CLAIMANT'S NAME _____ RELATIONSHIP TO LICENSEE _____

CLAIMANT'S AGE _____ DATE OF BIRTH _____

IS THE CLAIMANT'S ILLNESS OR INJURY IN ANY WAY RELATED TO YOUR EMPLOYMENT? _____

IF YES, EXPLAIN _____

HAS THE CLAIMANT RECEIVED ANY ASSISTANCE FROM ANOTHER STATE'S HORSEMEN'S ORGANIZATION DURING THE PAST SIX MONTHS? _____ IF YES, WHICH STATE(S)? _____

REASON? _____

2014 APPLICATION
INDIANA HBPA BENEVOLENCE
Page Two

ARE YOU (CIRCLE ONE) SINGLE LEGALLY MARRIED DIVORCED SEPARATED

SPOUSE'S NAME _____ EMPLOYER _____

ALL EMPLOYERS, ON & OFF THE TRACK, FOR WHICH YOUR SPOUSE HAS WORKED 90 DAYS PRIOR TO REQUEST

EMPLOYER	LOCATION OF EMPLOYMENT	DATE STARTED	DATE LEFT
1 _____			
2 _____			
3 _____			
4 _____			

LIST ALL INCOME WHICH YOUR SPOUSE CURRENTLY EARNS, ON & OFF THE TRACK

EMPLOYER	OCCUPATION	WEEKLY SALARY	HOURS/HORSES
1 _____			
2 _____			
3 _____			
4 _____			

DO YOU OR YOUR SPOUSE HAVE:

Health Insurance? Yes ____ No ____ if yes, please list Insurance Company _____
Dental Insurance? Yes ____ No ____ if yes, please list Insurance Company _____
Vision Insurance? Yes ____ No ____ if yes, please list Insurance Company _____
Accident Insurance? Yes ____ No ____ if yes, please list Insurance Company _____
Medicare, Medicaid or Veteran's Benefits? Yes ____ No ____ if yes, which one/s? _____

WHAT WAS **ADJUSTED GROSS INCOME** ON YOUR FEDERAL TAX RETURN LAST YEAR?

If Single: _____ under \$36,000 If Married: _____ under \$72,000 (**TOTAL of your income plus your spouse's**)
 _____ over \$36,000 _____ over \$72,000 (**TOTAL of your income plus your spouse's**)

I hereby request financial assistance from the Indiana HBPA Benefit Trust Fund. My request is based on the fact of financial need. I certify that the statements contained herein are true and correct to the best of my knowledge and belief. I understand that any falsified information or abuse of the Indiana HBPA Benefit Trust Fund may lead to permanent loss of benevolence privileges and/or legal action. I authorize the release, when requested by Indiana HBPA Benefit Trust, of any facts concerning injury, illness and treatment of my dependents and myself. I acknowledge that I have been advised that a full copy of the Indiana HBPA Benevolence Guidelines is available or can be accessed at www.inhbpa.org, and that I have received a copy of my Notice of Privacy Practices.

SIGNATURE OF LICENSEE _____ DATE _____
(or parent/guardian of licensee if under age 18)

SIGNATURE OF EMPLOYER _____ DATE _____
(not necessary if you are a trainer or owner)

APPLICATION RECEIVED BY _____ DATE _____

INDIANA H.B.P.A.

2014 Request For Benevolence Benefits

NOTE: THIS FORM MUST BE SUBMITTED WITH EVERY CLAIM FOR BENEFITS, NO EXCEPTIONS.

NAME OF LICENSEE _____

LICENSE TYPE _____ DATE _____ LICENSE NUMBER _____

CLAIMANT'S NAME _____ RELATIONSHIP TO LICENSEE _____

CLAIMANT'S AGE _____ DATE OF BIRTH _____

MAILING ADDRESS _____ (street)

_____ (city) _____ (state) _____ (zip)

PHONE# _____ EMAIL ADDRESS: _____

IS YOUR ILLNESS OR INJURY IN ANY WAY RELATED TO YOUR EMPLOYMENT? _____

IF YES, EXPLAIN _____

NOTE: PLEASE LIST ALL PAYMENT REQUESTS. ATTACH ORIGINAL INVOICE SHOWING DATE OF SERVICE, PATIENT NAME, AND ANY EVIDENCE OF PAYMENT. ALL PHARMACY REQUESTS MUST INCLUDE RECEIPT PLUS PRESCRIPTION TAG SHOWING PATIENT NAME AND AMOUNT OF PRESCRIPTION.

<i>Date of Service</i>	<i>Name of Provider (hospital, lab, doctor, dentist, pharmacy, etc)</i>	<i>Amount</i>	<i>Reimburse Provider or Applicant??</i>
<i>Total of this request:</i>			

SIGNATURE OF LICENSEE _____ DATE _____
(or parent/guardian of licensee if under age 18)

SIGNATURE OF EMPLOYER _____ DATE _____
(not necessary if you are a trainer or owner)

FOR USE BY HBPA ONLY – DO NOT WRITE BELOW THIS LINE:

Claim Approved by: _____ Date _____

CLAIM PAID DATE _____

Indiana Horsemen's Benevolent & Protective Association

Complaint Policy

1. Complaints shall be delivered to the Executive Director on a form prescribed by the IHBPA. The form is available at www.inhbpa.org, or from the IHBPA office on the backside of Indiana Grand race track, or by request from the Executive Director, and can be filed either electronically, or mailed to the IHBPA, at 32 Hollaway Boulevard, Brownsburg, Indiana, 46112. Any complaint not received on the prescribed form will be returned to the complainant upon receipt.
2. Each complaint shall:
 - A. Enumerate each alleged violation of the IHRC's statutes or administrative rules and regulations, or IHBPA's By-laws, or these Rules, including the specific statute, rule, regulation, By-law, or Rule violated. Note, however, that the filing of a complaint shall not be a substitute for an appeal of any decision for which an appeal was available under Section II.B. of IHBPA's 2014 Benevolence Assistance Rules and Guidelines as presently adopted or later amended. Any such complaint shall be rejected and returned to the complainant upon receipt.
 - B. Provide specific facts and circumstances to support the alleged violations, including any relevant documentation.
 - C. Provide the name(s) (and contact information, if available) of individuals who are familiar with the relevant facts and circumstances and documents.
 - D. Be signed by and include the address and contact information of the complainant.
3. Complaints within the scope of benevolence activities shall be forwarded by the Executive Director to the Benevolence Committee and to the IHBPA Board. The Executive Director or his designee shall review and investigate the complaint and inform the Benevolence Committee. The Benevolence Committee shall consider the complaint and render a decision, which shall be final and not appealable, directing a response to the Executive Director. The Executive Director will respond to the complainant in writing.
4. Complaints outside the scope of benevolence activities, but still pertaining to facts or circumstances related to the IHBPA, its officers or directors, its staff, or its members, will be reviewed and investigated by the Executive Director or his designee, or in the case of a complaint related to the Executive Director, by the President of IHPBA or his designee. The Executive Director or other person investigating the complaint will advise the Board

of his findings, and will respond in writing to the complainant after the Board renders its decision, which shall be final and not appealable.

5. A copy of all complaints and responses shall be maintained by IHBPA. Copies of all complaints and responses will also be provided to the Executive Director and General Counsel of the IHRC annually or as requested. The IHBPA will post an annual summary of the complaints received and resolved in the preceding calendar year on its Internet web site.

Approved May ____, 2014

2138519.1



Indiana Horsemen's Benevolent & Protective Association, Inc.

32 Hollaway Boulevard, Brownsburg, IN 46112
(317)-903-4382 www.inhbpa.org

COMPLAINT

Use this form to submit a written complaint about any alleged violations of the Indiana HBPA's By-laws or rules, or the IHRC's enabling statute or administrative rules.
Note: The complaint and its resolution will be submitted to the IHRC.

Full Name _____

1. Permanent Address

Street Address (number and street)

City

State

ZIP

2. Current Address

Street Address (number and street)

City

State

ZIP

3. Telephone Numbers

Home

Cell

Business

4. Email Address

5. Who is your Complaint against?

Name of Individual or Organization

Title or Position

6. List or describe the by-law, procedure, rule or law you believe has been violated:

For office use:

Resolution: _____

Date Complaint Received _____

Who received Complaint _____

Complaint Reviewed By _____

INDIANA HORSEMEN'S BENEVOLENT & PROTECTIVE ASSOCIATION

COMPLAINT

Page 2 of 2

7. Describe your complaint in detail including all relevant facts and circumstances to support the alleged violation(s). Attach additional pages if necessary. *Please print clearly or type*

8. Please list information on any individual(s) who have personal knowledge regarding the alleged violation(s): Attach additional pages if necessary. *Please print clearly or type*

Name of Witness

Name of Witness

Street Address of Witness (number and street)

Street Address of Witness (number and street)

City State ZIP

City State ZIP

My signature below certifies that the information provided in this document is, to the best of my knowledge, truthful and accurate.

Signature

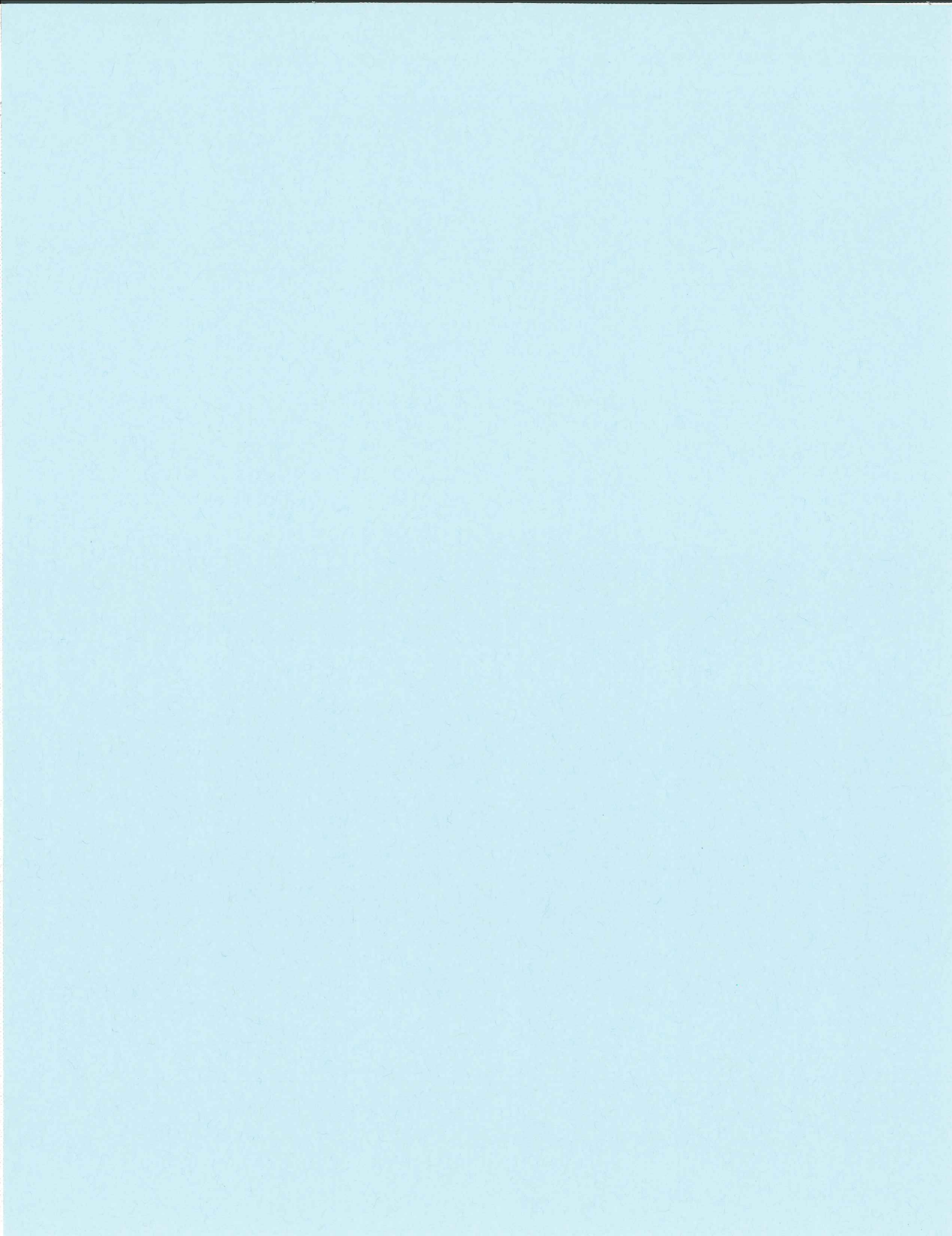
Date (mm/dd/yy)

Please return your completed form to our office using one of the options below:

Mail completed form to: Indiana HBPA
ATTN: Executive Director
32 Hollaway Blvd.
Brownsburg, IN 46112

Email completed form to:
brownpreston@indy.rr.com

Or drop off the completed form at the Indiana HBPA trailer at Indiana Grand.



STATE OF INDIANA
BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:)
2014 Application for Registration of Indiana)
Horsemen's Benevolent & Protective Association, Inc.)
Pursuant to 71 I.A.C. 13-1-1 *et seq.*)

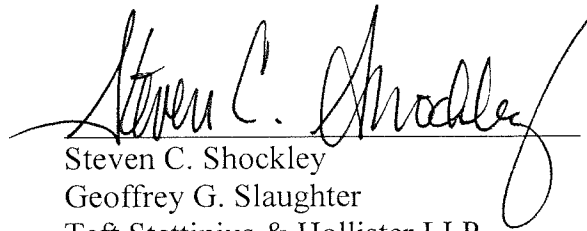
Indiana Horsemen's Benevolent & Protective Association, Inc.'s
Witness List

Pursuant to Section II.e. of the Pre-Hearing Order issued by the Commission in the referenced matter, the Indiana Horsemen's Benevolent & Protective Association, Inc.

("IHBPA") lists the following witnesses it may call at the hearing in this matter on June 26, 2014 or any continuance of the hearing.

1. Michael Brown, Executive Director, IHBPA
2. Dennis Hash, Principal, Hash CPA Group, LLC, accountants for IHBPA
3. Any witness needed for rebuttal testimony

Respectfully submitted,



Steven C. Shockley
Geoffrey G. Slaughter
Taft Stettinius & Hollister LLP
One Indiana Square, Suite 3500
Indianapolis, IN 46204
Phone: (317) 713-3500
Fax: (317) 713-3699
sshockley@taftlaw.com
Attorneys for IHBPA

STATE OF INDIANA
BEFORE THE INDIANA HORSE RACING COMMISSION

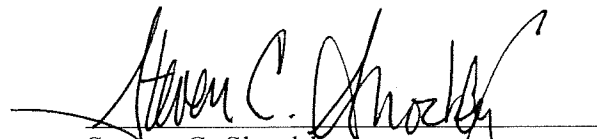
IN RE:)
2014 Application for Registration of Indiana)
Horsemen's Benevolent & Protective Association, Inc.)
Pursuant to 71 I.A.C. 13-1-1 *et seq.*)

Indiana Horsemen's Benevolent & Protective Association, Inc.'s
Exhibit List

Pursuant to Section II.e. of the Pre-Hearing Order issued by the Commission in the referenced matter, the Indiana Horsemen's Benevolent & Protective Association, Inc. ("IHBPA") lists the following exhibits it will request to admit into evidence at the hearing in this matter on June 26, 2014 or any continuance of the hearing.

1. Certification of Directors of Indiana HBPA Benefit Trust
2. Conflict of Interest Policy executed by Lisa Stephens

Respectfully submitted,

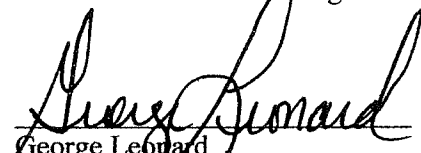


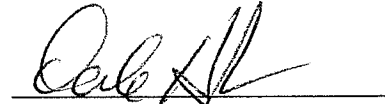
Steven C. Shockley
Geoffrey G. Slaughter
Taft Stettinius & Hollister LLP
One Indiana Square, Suite 3500
Indianapolis, IN 46204
Phone: (317) 713-3500
Fax: (317) 713-3699
sshockley@taftlaw.com
Attorneys for IHBPA

2014 JUN 20 A 11:12
INDIANA HORSE RACING COMMISSION

Certification of Directors of Indiana IHPBA Benefit Trust


In accordance with 71 I.A.C. 13-1-3(3), the undersigned members of the board of directors of the Indiana IHPBA Benefit Trust certify that the expenditures by the Trust for backside benevolence from funds paid by Hoosier Park and Indiana Downs pursuant to Indiana Code Sections 4-35-7-12(d)(2) are in the best interests of thoroughbred horse racing in Indiana.

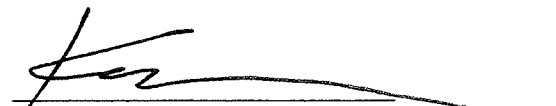

George Leonard

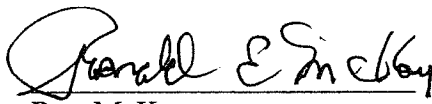

Dale Huber

Terry Meek


Jerry Carden


Kim Hammond


Kathryn Kunz Duran


Ron McKay

James Riddle

Certification of Directors of Indiana IHPBA Benefit Trust

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George Leonard

Dale Huber

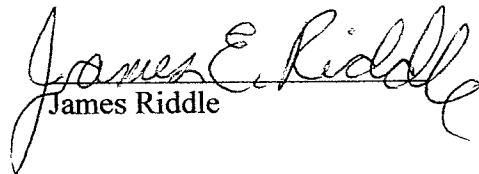
Terry Meek

Jerry Carden

Kim Hammond

Kathryn Kunz Duran

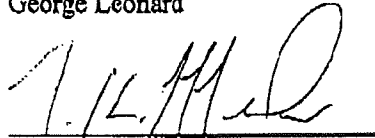
Ron McKay


James Riddle

Certification of Directors of Indiana IHPBA Benefit Trust

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George Leonard



Terry Meek

Dale Huber

Jerry Carden

Kim Hammond

Kathryn Kunz Duran

Ron McKay

James Riddle

INDIANA HORSE RACING COMMISSION
APPROVED CONFLICT OF INTEREST POLICY

Article I – Purpose

The purpose of this Conflict of Interest Policy (hereinafter referred to as the “Conflict of Interest Policy”) is to protect the INDIANA HBPA [Fill in the name of the specific Horsemen’s Association] (hereinafter referred to as the “Horsemen’s Association”) and the members it represents when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer, director or employee of the Horsemen’s Association. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations. In addition, the Horsemen’s Association may have its directors, officers and/or employees agree to abide by any additional conflict of interest policies and/or provisions as long as they are not in conflict with the prohibitions contained in this Conflict of Interest Policy.

Article II – Definitions

As used in this Conflict of Interest Policy, the terms identified in this Article are defined as set forth below:

1. Board:

The Board of Directors of the Horsemen’s Association identified in Article I.

2. Conflict of Interest:

Any prohibited practice set forth in Article III.

3. Financial Interest:

A person has a financial interest if the person has directly or indirectly (through business, investment, or a relative):

- a. An ownership interest in any entity with which the Horsemen’s Association has a transaction or arrangement,
- b. A compensation arrangement with the Horsemen’s Association or with any entity or individual with which the Horsemen’s Association has a transaction or arrangement, or
- c. A potential ownership or compensation arrangement with any entity or individual with which the Horsemen’s Association is negotiating a transaction or arrangement.

4. Funds:

Any monies allocated to be paid and/or paid to a registered Horsemen’s Association pursuant to IC 4- 35-7-12 and 71 IAC 13-1-1 et seq.

5. Relative:

The father, mother, brother, sister, uncle, aunt, husband or wife, son, daughter, stepson, stepdaughter, son-in-law, daughter-in-law, niece and/or nephew of the person executing this Conflict of Interest Policy. The term "relative" shall also include any person who has shared a residence with the person signing this Conflict of Interest Policy within a year of its execution.

Article III – Prohibited Conflicts of Interest

The following practices are each considered a conflict of interest by the Indiana Horse Racing Commission. The Board, officers, directors and employees of the Horsemen's Association are prohibited from engaging or participating in any manner in any of these practices:

1. The direct or indirect use of Horsemen's Association funds for the personal benefit of an officer, director and/or employee (other than (1) funds paid to an employee as wages and/or benefits or (2) benefits offered to officers and directors that are also available to the general membership of the Horsemen's Association). It is not a violation of this provision for an officer, director or employee to be reimbursed for mileage and/or reasonable expenses for Board approved activities undertaken solely for the benefit of the membership of the Horsemen's Association.

2. The direction, payment or other transfer of Horsemen's Association funds (either directly or indirectly) for the use (personal or otherwise) of any relative of an officer, director or employee of that Horsemen's Association. It is a violation of this provision for the Horsemen's Association to hire or retain (whether part-time, salaried or on a contract basis) a relative of any officer, director or employee. It is not a violation of this provision to compensate the relative of an officer, director or employee of a Horsemen's Association for providing services to the Horsemen's Association if that person has provided those same services for compensation to the Horsemen's Association for at least twelve (12) consecutive months immediately preceding the time that his or her relative began to serve as an officer, director or employee.

3. The direction, payment or other transfer of Horsemen's Association funds (either directly or indirectly) to the employee of any officer or director, whether the employee is part-time, salaried or retained on a contract basis.

4. The direction, payment or other transfer of Horsemen's Association funds (either directly or indirectly) to any organization in which an officer, director, employee or the relative of an officer, director and/or employee has a financial interest.

5. Accepting any funds, gifts and/or services from any person or organization that is actively seeking and/or receiving the direction, payment or other transfer of Horsemen's Association funds.

6. Enticing or accepting any favors, funds, gifts and/or services that would not be provided if the person was not an officer, director and/or employee of a Horsemen's Association.

7. The direction, payment or other transfer for investment of Horsemen's Association funds to any bank or organization in which the officer, director, employee or the relative of an officer, director and/or employee has a financial interest, serves on the Board or is otherwise employed.

Article IV – Duty to Disclose

Any officer, director and/or employee of the Horsemen's Association has an obligation to disclose any known or suspected Conflict of Interest to the Board of the Horsemen's Association and to representatives of the Indiana Horse Racing Commission.

AFFIRMATION

I, Lisa E. Stephens [Include Name and Current Address of Officer, Director or Employee] affirm under penalty of perjury that I understand, have received a copy of and shall abide by this Conflict of Interest Policy. I further understand that any breach of or failure to abide by this Conflict of Interest Policy will subject me to any sanctions provided for by 71 IAC 13-1-10 as well as any other action by the Horsemen's Association or other authorities that may be appropriate under the circumstances.

Lisa E. Stephens
Signature of Director, Officer or Employee

6/18/14
Date

Lisa E. Stephens
Printed Name of Director, Officer or Employee

STATE OF INDIANA)
) SS:
COUNTY OF Shelby)

Before me the undersigned, a Notary Public in and for said County and State, personally appeared Lisa E. Stephens and acknowledged the execution of the foregoing instrument this 18th day of June, ~~200~~ 2014.

Sharon A. Yarling
Notary Public
Sharon A. Yarling
Printed Name

My Commission Expires:
February 28, 2015

County of Residence:
Shelby