

Minutes of the Regular Meeting of the  
Indiana Horse Racing Commission

**June 26, 2014**

Indiana State Library, Authors Room 203  
315 W. Ohio Street  
Indianapolis, IN 46204

Commission members present: William Diener, Chairman; Steve Schaefer, Vice-Chairman; Commissioners Greg Schenkel, Thomas Weatherwax and George Pillow. Also present were Joe Gorajec, IHRC Executive Director; Lea Ellingwood, IHRC General Counsel; Holly Newell, IHRC Deputy General Counsel; Deena Pitman, IHRC Assistant Executive Director; Jessica Barnes, IHRC Director of Racing and Breed Development; Mike Brown, the Executive Director of Indiana HBPA; Dennis Hash, CPA; Robin Babbitt, Attorney for Ice Miller; John Keeler, General Counsel for Centaur; Brian Elmore, Vice-President of Racing for Centaur; Geoffrey Slaughter, Outside Counsel for IHBPA; John Shanks, Counsel to Kim Hobson; Kim Hobson; Jon Schuster, General Manager for Racing at Indiana Grand Racing and Casino; Jack Kieninger, President of the Indiana Standardbred Association; and Rick Moore, General Manager of Racing at Hoosier Park.

**I. Call to Order**

Chairman William Diener called the meeting to order at approximately 9:00 a.m. A quorum was present. Chairman Diener swore in the court reporter.

**II. Approval of minutes of the April 30, 2014 meeting.**

Commissioner Greg Schenkel moved to accept the minutes for the April 30, 2014 meeting. Commissioner Thomas Weatherwax seconded. April 30, 2014 minutes unanimously approved.

**III. Agenda**

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

1. Consideration of THE PETITION OF CENTAUR HOLDINGS, LLC, NEW CENTAUR, LLC, HOOSIER PARK, LLC, AND CENTAUR ACQUISITION, LLC, REQUESTING THAT THE COMMISSION APPROVE A REPLACEMENT FIRST LIEN FACILITY.

Centaur Attorney Robin Babbitt formally requested the Commission's approval to replace the existing first lien credit facilities. The second lien and PIK notes were not addressed, and will stay in place. The amount of the first credit lien facility totaled \$480 million at 5.25 percent interest. Since February of 2013, Centaur has reduced the aggregate principal amount to \$400 million with \$25 million as a revolver. The new credit arrangement could result in \$8 million to \$9 million annual savings. Mr. Babbitt requested the Commission grant its petition and execute an order dated June 26, 2014 so that Centaur could close the loan, and financing could be obtained before the end of the month. Chairman Diener clarified that the 12 percent of adjusted grow receipts dedicated to the horsemen's association, purses, and breed development will not be encumbered by the actions taken.

Chairman Diener called for questions and called for consideration of a motion, which was

seconded by Commissioner Schenkel. The commission approved the petition, 5-0.

2. Consideration of THE PETITION OF CENTAUR HOLDINGS, LLC, NEW CENTAUR, LLC, AND CENTAUR ACQUISITION, LLC REQUESTING THAT THE COMMISSION APPROVE THE CONSTRUCTION OF A NEW DORM FACILITY AT INDIANA GRAND.

Centaur's General Manager for Racing Brian Elmore presented Centaur's petition for approval for the construction of a new dorm facility and expanded parking at Indiana Grand. He explained that the expansion adds 45 dorm rooms and increased occupancy. The cost is an estimated \$1.8 million with a target completion date of late September, 2014.

Commissioner Diener moved to approve the construction of the new dorm facility at Indiana Grand subject to the condition that the Executive Director reviews the various contracts of the construction. Commissioner Schaefer seconded the motion and the Commission voted 5-0 to approve the petition.

3. Consideration of THE PETITION OF CENTAUR HOLDINGS, LLC, FOR AUTHORITY TO ISSUE CLASS M UNITS TO BARTON A. EARLY.

John Keeler, General Counsel for Centaur, requested that the Commission give deference to Centaur Board of Managers to authorize the award of 37,500 Class M1, M2, and M3 shares to employee Bart Early.

Commissioner Schenkel moved to approve the petition. Commissioner Weatherwax seconded the motion and the Commission approved the petition, 5-0.

4. Consideration of THE PETITION OF CENTAUR HOLDINGS, LLC, NEW CENTAUR, LLC, HOOSIER PARK, LLC AND CENTAUR ACQUISITION, LLC TO: (1) AMEND 71 IAC 7-1-13; AND (2) AMEND 71 IAC 7.5-1-4 TO UNCOUPLE ENTRIES WITH THE SAME TRAINER.

Mr. Keeler presented the petition requesting the Commission to amend two rules, to uncouple entries with the same trainer, which would increase the tracks' ability to fill fields.

Executive Director Joe Gorajec said that Commission Staff proposed the petition.

Chairman Diener moved to approve the emergency rules. Commissioner Schaefer seconded the motion. The motion carried, 5-0.

5. Consideration of Hearing on the Renewal Application of Indiana Horsemen's

Benevolent & Protective Association for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 *et seq.* (Notice of Hearing and Amended Pre-Hearing Order issued on or about June 9, 2014).

Attorney Geoffrey Slaughter, counsel for the HBPA, Mike Brown, Executive Director of Indiana HBPA and Dennis Hash, a CPA for the HBPA, presented the revised petition for application.

Mr. Brown commented that as a result of the Staff Report, the HBPA benevolence policy has become more extensive and the rules and guidelines have been enhanced and better defined.

Attorney John Shanks and Kim Hobson presented Ms. Hobson's complaint and concerns.

Chairman Diener moved for the approval of the HBPA's revised renewal application subject to the following four conditions: 1) The HBPA will meet monthly during the race season to review benevolence expenditures with quarterly reporting; 2) Amended benevolence guidelines and procedures based on today's hearing will be resubmitted for approval including a description of how the benevolence committee will be appointed; 3) The board will amend its bylaws to include a provision that requires the collection of dues; 4) The corrective action plan will be amended to finesse the complaint policy regarding benevolence expenditures, slot expenditures and funds within seven days of filing and receive the disposition within seven days thereafter as well. The HBPA, by rule, is required to submit annual audited independent financials of the benevolence expenditures, and the Commission will continue to monitor those records.

Commissioner Schenkel seconded the motion. The motion carried unanimously, 5-0.

6. Consideration of an amendment to the Indiana Horse Racing Commission's Conflict of Interest Policy for Horsemen's Associations.

General Counsel Lea Ellingwood introduced and explained the proposed amendment to the IHRC Conflict of Interest Policy. These policy changes will affect and apply to all of the horsemen's associations.

Chairman Diener moved to approve the amendment and Commissioner Schaefer seconded the motion. The motion carried, 5-0.

7. Review of Commission Rulings – April 1, 2014 through May 31, 2014.

Deputy Counsel Holly Newell presented the April and May rulings for review and the Commission's considerations. Chairman Diener called for questions from the Commission. There were none.

8. Consideration of Emergency Rule Amendments regarding medication and multiple medication violations (MMV) consistent with Model Rules recently adopted by the Association of Racing Commissioners International (RCI).

- a. 71 IAC 8-1-4.1 and 8.5-1-4.1
- b. 71 IAC 8-1-4.2 and 8.5-1-4.2
- c. 71 IAC 8-1-9 and 8.5-1-9
- d. 71 IAC 8-1-7.1 and 8.5-1-7.1

Mr. Gorajec introduced for consideration the Emergency Rule Amendments to the Commission and outlined the details of its necessity and status. After some discussion, and no further questions, Chairman Diener moved to approve the rules as submitted and the motion was seconded by Commissioner Weatherwax. Motion approved, 5-0.

9. Approval of horsemen's contract between Indiana Grand and the Indiana HBPA pursuant to 71 IAC 11-1-12(a)(3).

Jon Schuster, General Manager for Racing at Indiana Grand Racing and Casino presented the request for approval of the contract with HBPA.

Chairman Diener moved to approve the submitted contract. Commissioner Schaefer seconded the motion, and it passed, 5-0.

10. Supplemental filing re: Approved Officials List for Indiana Grand.

Mr. Gorajec informed the Commission that the categories indicated had been inadvertently left off the last list and were now being added for approval with his recommended approval for the additional officials.

**I. Old Business**

None.

**II. New Business**

None.

**III. Adjournment**

With no further business, Chairman Diener adjourned the meeting at 11:55 a.m.