

**KENTUCKY HORSE RACING COMMISSION**  
**MINUTES OF THE MEETING**

Date: October 29, 2019 at 1:30 PM

Place: Central Kentucky Riding for Hope, Conference Room, 4185 Walt Robinson Drive, Kentucky Horse Park, Lexington, KY

Members Present: Chairman Franklin S. Kling, Jr.; Vice-Chairman Mark Simendinger; Commissioner James Gatewood Bell, Jr.; Commissioner Stuart E. Brown, II, DVM; Commissioner Kerry T. Cauthen; Commissioner Kiki Courtelis; Commissioner Patrick A. Day; Commissioner Douglas A. Hendrickson; Commissioner Kenneth A. Jackson; Commissioner Brereton C. Jones, Jr.; Commissioner Foster Northrop, DVM; and Commissioner J. David Richardson, M.D.

Ex-officio Members Present: Secretary Don Parkinson, Tourism, Arts & Heritage Cabinet; Secretary K. Gail Russell, Public Protection Cabinet; and Acting Secretary Vivek Sarin, Cabinet for Economic Development

KHRC Staff Participating/Present: Marc A. Guilfoil, Executive Director; Jamie Eads, Deputy Executive Director and Director of Division of Incentives and Development; John L. Forgy, General Counsel; Shawn D. Chapman, Deputy General Counsel; Steve May, Director of Pari-Mutuel Wagering and Compliance; Bruce Howard, DVM, Interim Equine Medical Director and Chief Racing Veterinarian; and Barbara Borden, Chief State Steward

Others Participating: Mike Ziegler, Executive Director of Racing, Churchill Downs Incorporated

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
<b>I. Call to Order and Roll Call</b>	4 – 5	Meeting called to order and roll call performed by Chairman Kling. A quorum was recognized.	No action taken.
<b>II. New Business</b> <b>Tab 1 Minutes from August 20, 2019</b>	5 – 49 5 – 6	Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed minutes of the August 20, 2019 Commission meeting. Motion by Commissioner Northrop. Second by Commissioner Richardson.  Ms. Eads presented the proposed minutes of the August 20, 2019 Commission meeting as outlined in the agenda materials.  Approval was recommended by KHRC staff.	Chairman Kling called for a vote to approve the proposed minutes as presented. Motion carried with no objections or abstentions.

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<p><b>Tab 2 Churchill Downs' Proposed 2019 Fall Meet KTDF Allotments</b></p>	<p>6 – 7</p>	<p>Chairman Kling requested a motion from the Commission to address a recommendation submitted by the Kentucky Thoroughbred Development Fund Advisory Committee (KTDF Advisory Committee) to approve the proposed KTDF purse structure for Churchill Downs' 2019 Fall meet. Motion by Commissioner Brown. Second by Commissioner Jones.</p> <p>Ms. Eads presented Churchill Downs' request dated October 10, 2019 as outlined in the agenda materials. Ms. Eads stated that at its October 14, 2019 meeting, the KTDF Advisory Committee approved recommendation of Churchill Downs' request.</p> <p>Approval of the KTDF Advisory Committee's recommendation was recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to approve the request as presented and to be retroactive to the beginning of the meet. Motion carried with no objections or abstentions.</p>
<p><b>Tab 3 Turfway Park's Proposed 2019 Holiday Meet &amp; 2020 Winter Spring Meet KTDF Allotments</b></p>	<p>7 – 9</p>	<p>Chairman Kling requested a motion from the Commission to address the recommendation submitted by the KTDF Advisory Committee to approve the proposed KTDF purse structure for Turfway Park's 2019 Holiday and 2020 Winter Spring meets. Motion by Commissioner Day. Second by Commissioner Richardson.</p> <p>Ms. Eads presented Turfway Park's October 11, 2019 request and October 28, 2019 amended request as outlined in the agenda materials. Ms. Eads stated that at its October 14, 2019 meeting, the KTDF Advisory Committee approved recommendation of Turfway Park's October 11, 2019 request. She further stated that because there was no time to schedule a KTDF Advisory Committee meeting to consider the October 28, 2019 amended request, she did speak with all KTDF Advisory Committee members by telephone, and all were in favor of the amended request.</p> <p>Approval of the KTDF Advisory Committee's recommendation was recommended by the KHRC staff.</p>	<p>Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.</p>

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<p><b>Tab 4 Conditions of Racing Association Licensing for 2020</b></p>	<p>9 – 11</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by the KHRC staff to approve the proposed conditions of racing association licensing for 2020. Motion by Commissioner Brown. Second by Commissioner Northrop.</p> <p>Mr. Forgy presented the proposed 2020 conditions of racing association licensing as outlined in the agenda materials.</p> <p>Approval was recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.</p>
<p><b>Tab 5 Conditions to Conduct Historical Horse Races for 2020</b></p>	<p>11 – 12</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by the KHRC staff to approve the proposed conditions to conduct historical horse races for 2020. Motion by Commissioner Richardson. Second by Commissioner Cauthen.</p> <p>Mr. Forgy presented the proposed 2020 conditions to conduct historical horse races as outlined in the agenda materials.</p> <p>Approval was recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.</p>
<p><b>Tab 6 Racing Association Applications and Race Dates for 2020</b></p>	<p>12 – 21</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve: 1) renewal of applications for a license to conduct live horse racing, simulcasting, and pari-mutuel wagering for 2020; and 2) the recommendations submitted by the KHRC Race Dates Committee (Committee). Motion by Commissioner Cauthen. Second by Commissioner Jackson.</p> <p>Mr. Forgy presented the applications received by the KHRC as outlined in the agenda materials. The Committee met on October 8, 2019 and voted on the following recommendations:</p>	<p>Chairman Kling called for four (4) separate votes:</p> <p>1) to approve the license applications and the recommendations submitted by the Committee to approve the proposed 2020 race dates and host status for Churchill Downs Racetrack, LLC, Keeneland Association,</p>

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		<p>1) that the Commission approve the requested race dates and schedule of simulcasting for 2020 as submitted by Churchill Downs, Turfway Park, and Keeneland Association;</p> <p>2) that the Commission approve the requested race dates and schedule of simulcast signals for 2020 as submitted by WKY Development d/b/a Oak Grove Racing and Gaming (Oak Grove) with the simulcasting approval conditioned on Oak Grove obtaining consent of the Kentucky Harness Horsemen’s Association (KHHA) as required by statute; and</p> <p>3) that because Ellis Park and Kentucky Downs submitted race dates and simulcasting requests that overlapped and conflicted around the Labor Day holiday and they were unable to reach an agreement by the October 8, 2019 Committee meeting, the Committee voted on a recommendation for the Commission to award the undisputed race dates and schedule of simulcast signals for the year 2020 as requested by Ellis Park and Kentucky Downs and a compromise on awarding the disputed dates and schedule of simulcast signals. The Committee; however, encouraged the two tracks to continue negotiating toward a mutually acceptable resolution of their conflicting requests. An agreement was ultimately reached by Ellis Park and Kentucky Downs as outlined in the agenda materials and the Committee recommended that the previously disputed, but now agreed upon, dates be awarded instead of those that were originally recommended by the Committee.</p> <p>Approvals were recommended by KHRC staff.</p> <p>4) Mr. Forgy stated that the Red Mile submitted a significant amendment to its requested dates just a few days prior to the Committee meeting. Because the Committee did not have time to</p>	<p>Inc., and Turfway Park, LLC subject to the conditions of racing association licensing for 2020 and the conditions to conduct historical horse racing for 2020 as documented in the meeting materials. Motion carried with no objections or abstentions.</p> <p>2) to approve the license application and the recommendation submitted by the Committee to approve the proposed 2020 race dates and host status for WKY Development, LLC doing business as Oak Grove Racing and Gaming, LLC, subject to the conditions of racing association licensing for 2020 and the conditions to conduct historical horse racing for 2020 as documented the meeting materials, additionally in respect to</p>

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		<p>review the amended request, action on the Red Mile's request at that time was deferred and the Committee did not meet again to consider the Red Mile's amended request. On October 24, 2019, the Red Mile submitted another amended dates request and a list of backstretch and grandstand improvements that it had committed to undertaking and completing before the 2020 meet begins. The KHRC staff recommended approval of awarding the race dates and simulcasting as requested, but further recommended that approval of simulcasting be conditioned on obtaining any consent of the KHHA required by statute and that the license be conditioned on the Red Mile's completion of the backstretch and grandstand improvements.</p> <p>Mr. Forgy also stated that Player's Bluegrass Downs' parent company, Ceasars, had decided to close the racetrack, therefore, Ceasars withdrew the application for 2020. Consequently, there was no application before the Commission and Players Bluegrass Downs' license would expire at the end of 2019.</p>	<p>simulcasting contingent upon obtaining any consent of the KHHA as required by KRS Chapter 230.377. Motion carried with no objections or abstentions.</p> <p>3) to approve the license applications and agreed-upon race dates and host status for Ellis Park Entertainment, LLC and Kentucky Downs, LLC subject to the conditions of racing association licensing for 2020 and the conditions of conducting historical horse racing for 2020 as documented in the meeting materials. Motion carried with no objections or abstentions.</p> <p>4) a conditional approval of the license application and recommendations from the KHRC staff to approve the proposed request of requested</p>

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			<p>race dates for the Lexington Trots Breeders Association, LLC doing business as The Red Mile, subject to (1) the conditions of racing association licensing for 2020; (2) the conditions to conduct historical horse racing for 2020; and (3) completion of the backstretch and grandstand improvements proposed by The Red Mile in their October 11 and 25, 2019 correspondence to the KHRC to be completed by June 1, 2020. Motion carried with no objections or abstentions.</p>
<p><b>Tab 7 Ellis Park's Request to Approve Exacta Systems Historical Horse Racing Entertaining Game Theme</b></p>	<p>21 – 23</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Ellis Park to offer one new entertaining game theme that will operate on existing Exacta Systems historical horse racing pari-mutuel wagering pools. Motion by Commissioner Bell. Second by Commissioner Courtelis.</p> <p>Mr. May presented the request submitted by Ellis Park dated July 25, 2019 as outlined in the agenda materials.</p> <p>Approval was recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.</p>

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<b>Tab 8 Turfway Park's Request to Approve Pick-3 Wager Calculation and Single 6 Wager</b>	23 – 26	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Turfway Park, LLC to change the format of their Pick-3 wager and to offer Jackpot Pick-6 wager. Motion by Commissioner Brown. Second by Commissioner Cauthen.</p> <p>Mr. May presented the requests submitted by Turfway Park dated October 7, 2019 and October 11, 2019 as outlined in the agenda materials.</p> <p>Approval was recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.
<b>Tab 9 Churchill Downs' Request to Add Historical Horse Racing Terminals at Churchill Downs</b>	26 – 32	<p>Chairman Kling requested a motion from the Commission to address a request submitted by Churchill Downs, LLC to approve 2 proposed amendments to its application for a license to conduct live racing, simulcasting, and pari-mutuel wagering: 1) to add an additional designated area to offer exotic wagering for historical horse races; and 2) to increase the number of permitted historical horse racing terminals. Motion by Commissioner Hendrickson. Second by Commissioner Richardson.</p> <p>Mr. May presented Churchill Downs' request dated October 11, 2019 as outlined in the agenda materials.</p> <p>Conditional approval was recommended by KHRC staff contingent upon the eleven (11) conditions as set out in the agenda materials.</p>	Chairman Kling called for a vote to approve Churchill Downs' request to offer exotic new wagering on historical horse races in the designated area of 700 Central Avenue location and to increase the allowable historical horse racing terminals to 3,000 as presented and contingent upon the eleven (11) conditions documented in the agenda materials. Motion carried with no objections or abstentions.
<b>Tab 10 Churchill Downs' Request to Amend Historical</b>	32 – 35	Chairman Kling requested a motion from the Commission to address the request submitted by Turfway Park, LLC to approve amendments	Chairman Kling called for a vote to approve

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<b>Horse Racing Approval at Turfway Park</b>		<p>to a previous Commission approval to offer pari-mutuel wagering on historical horse races in the designated area at Turfway Park. Motion by Commissioner Hendrickson. Second by Commissioner Bell.</p> <p>Mr. May presented Turfway Park, LLC's request dated October 11, 2019 as outlined in the agenda materials.</p> <p>Conditional approval was recommended by KHRC staff contingent upon the eight (8) conditions as set out in the agenda materials.</p>	<p>Turfway Park, LLC's request to amend their previous approval to offer pari-mutuel wagering on historical horse races as documented in the agenda materials and increase their allowable historical horse racing terminals to 2,500 at a designated area at Turfway Park as presented and contingent upon the eight (8) conditions set out in the agenda materials. Motion carried with no objections or abstentions.</p>
<b>Tab 11 Turfway Park's 2019 Holiday Meet &amp; 2020 Winter Spring Meet Race Officials &amp; Date Preference System</b>	35 – 37	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Turfway Park to approve the proposed roster of racing officials and date preference system for the 2019 Holiday meet and the 2020 Winter/Spring meet. Motion by Vice-Chairman Simendinger. Second by Commissioner Richardson.</p> <p>Ms. Borden presented Turfway Park's request dated October 8, 2019 as outlined in the agenda materials. All listed stewards are ROAP accredited and all officials have previously performed the duties for which they are listed and will be licensed before the meet opening.</p>	<p>Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.</p>

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<p><b>Tab 12 Reports</b></p> <p><b>a. Thoroughbred Rulings</b></p> <p><b>b. Standardbred Rulings</b></p> <p><b>c. Veterinary Division</b></p> <p><b>d. Pari-Mutuel Wagering Division</b></p> <p><b>e. Confidential – Litigation</b></p>	<p>37 – 49</p> <p>37 – 39</p> <p>39</p> <p>39 – 44</p> <p>44 – 48</p> <p>48</p>	<p>Approval was recommended by KHRC staff.</p> <p>a. Ms. Borden presented the thoroughbred rulings report as outlined in the agenda materials. As an update to the report, Ms. Borden stated that the fines for Ruling Nos. 19-0066 and 19-0099 have been paid.</p> <p>b. Chairman Kling noted that the Standardbred ruling activity report was informational only.</p> <p>c. Dr. Howard presented the veterinary division report as outlined in the agenda materials.</p> <p>d. Mr. May presented the pari-mutuel wagering division report as outlined in the agenda materials.</p> <p>e. Litigation and Regulation report is for informational purposes only.</p>	<p>No action taken. Informational items only.</p>
<p><b>N/A</b></p>	<p>48 – 49</p>	<p>Chairman Kling commended and thanked all for their assistance in reviewing the submitted racetrack applications.</p>	<p>No action taken. Informational item only.</p>
<p><b>III. Adjournment</b></p>	<p>49 – 50</p>	<p>Chairman Kling requested a motion to adjourn. Motion by Commissioner Cauthen. Second by Commissioner Day. Meeting adjourned.</p>	<p>Chairman Kling called for a vote to adjourn. Motion carried with no objections or abstentions.</p>

**NOTE:** The Agenda materials and any amendments and/or supplements thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.