In the Matter Of:

INDIANA HORSE RACING COMMISSION MEETING

Meeting

December 20, 2016
INDIANA HORSE RACING COMMISSION
MEETING

HELD ON
DECEMBER 20, 2016
10:30 A.M.

INDIANA STATE FAIRGROUNDS
FARM BUREAU BUILDING
INDIANAPOLIS, INDIANA

TAKEN BY:
ROBIN P. MARTZ, RPR
NOTARY PUBLIC
APPEARANCES

Thomas Weatherwax, Chairman
Greg Schenkel
George Pillow
William McCarty

Mike Smith, Executive Director
Deena Pitman

Lea Ellingwood, Esq.
Holly Newell, Esq.

INDIANA HORSE RACING COMMISSION
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CHAIRMAN WEATHERWAX: Welcome and Merry Christmas to everybody. I need to swear in Robin.

(At this time, the oath was administered to the court reporter by Chairman Weatherwax.)

CHAIRMAN WEATHERWAX: First thing, everybody may not know everybody; Greg Schenkel, vice chairman, George Pillow, Bill McCarty. Susie Lightle couldn't make it today because there's five of us. But she says she'll be back with us in the future. We are looking forward to that.

First item on the agenda is approval of the minutes. Of course, we've all received these. I think they're online, but do I have a motion to accept the minutes or questions, I should say, if there's any questions.

COMMISSIONER SCHENKEL: So moved.

COMMISSIONER MCCARTY: Second.

CHAIRMAN WEATHERWAX: Motion and second. All those in favor say "aye."

THE COMMISSION: "Aye."

CHAIRMAN WEATHERWAX: First item on the agenda, in fact, we wanted to allow Lea to maybe swear in everybody at the same time.

MS. ELLINGWOOD: I will have you swear them in, but, yes, the first housekeeping item would be
to make sure that everybody who is going to be
testifying on behalf of the association stand,
raise your right hand, and be sworn in by the
Chairman. To the extent, Chairman, we see anybody
else come in the door after the initial group is
sworn in, we'll want to make sure they are sworn in
before they testify.
   CHAIRMAN WEATHERWAX: We can do that and give
the names of each person to Robin?
   MS. ELLINGWOOD: No.
   CHAIRMAN WEATHERWAX: They'll each speak their
own name, swear you in at one time for your
testimony. Okay. Those that are going to be
speaking on behalf of the Indiana Horsemen's
Benevolent Association. Is that you, Jack?
   MS. ELLINGWOOD: We'll want to swear everybody
in, Chairman, not just the HBPA.
   CHAIRMAN WEATHERWAX: Everyone all at once.
   MS. ELLINGWOOD: Right, Quarter Horse
Association.
   CHAIRMAN WEATHERWAX: Raise your right hand.
State your name.
   (At this time all witnesses stated their name
for the record.)
   CHAIRMAN WEATHERWAX: Your association.
(At this time all witnesses stated their association.)

CHAIRMAN WEATHERWAX: Okay. You are so sworn in. Thank you.

First item is the agenda for the Horsemen's Benevolent Protective Association.

MS. ELLINGWOOD: Sorry, Chairman. We'll need to have each of the members swear to tell the truth, the whole truth, and nothing but the truth with respect to the testimony they are going to provide.

CHAIRMAN WEATHERWAX: Please stand again. Raise your right hand and state your name.

(At this time all witnesses stated their names.)

CHAIRMAN WEATHERWAX: You're going to tell the truth, the whole truth, and nothing but the truth in all of your testimony you're giving us today so help you God.

(All witnesses answered in the affirmative.)

CHAIRMAN WEATHERWAX: Now, Lea, do you want to start with the questions or the presentation?

MS. ELLINGWOOD: Sure. Just a couple of other minor details I want to make sure we cover. You're going to be receiving testimony from each of the
association representatives. At the conclusion of that testimony for each association, you're going to have the opportunity to deliberate, ask the representative any questions that you may have. Once you have begun deliberations, the time for receiving testimony has ended. So you guys will be the only ones talking and asking questions at that point.

I just wanted to point out for the record that the associations' previous applications have been submitted as part of the record, as is all the information that I requested from the association subsequent to their September 30th filing. And I think that is it.

CHAIRMAN WEATHERWAX: So who do I have first? Mike.

MIKE BROWN: Do we get extra credit for under ten minutes?

COMMISSIONER SCHENKEL: Under five would be even better. I'm kidding. Take as much as you need.

MIKE BROWN: Mr. Chairman, Commissioners, members of the staff, my name is Michael Brown, B-r-o-w-n. I'm the executive director of the Indiana HBPA. I would like to talk with you for a
few minutes about my organization. I'm proud of the work we do, the people we serve, the role we play in Thoroughbred racing in Indiana.

We represent all Thoroughbred owners and trainers who've entered races in Indiana, and the horse men and women who work for them. We work on their behalf with our track partners. I say work. It's not really work to work with Centaur and Indiana Grand. They do a marvelous job and are very easy to work with. We are lucky to have them as track partners.

In addition, we represent our members before this commission. We're their voice. We try to make sure that voice contributes to policies in building a successful and productive racing program in the state, and it's working.

Also, we work to educate the members of the Indiana General Assembly and the executive branch of state government about its needs, its contributions to the state. By statute, the industry receives funds that get specific areas of concern, in addition to monies directed for purse support.

I would like to talk about what we do with a couple of those dedicated revenue streams. The
Indiana General Assembly was wise with dedicated portions of slot revenues appropriated to racing in areas of equine welfare and promotion. Horsemen have a responsibility to help build this industry in partnership with the track. In addition, we must ensure the safety of our equine athletes, both during their racing careers and after.

In recent years, we've participated with the Quarter Horses and the track to resurface areas in the receiving barn. We've participated with the same partners to bring in a new trailer for our horses that are injured on the track. We're currently participating by paying a share of the 2015 installation of Trakus, the simulcasting system at Indiana Grand. In addition, we've helped pay for special promotions through TVG to promote our Thoroughbred broadcast.

This year we worked with track partners to try to build attendance in appreciation of racing at Indiana Grand through several programs. We've listed those in our application so I won't spend a lot of time reiterating details.

The bottom line is simple. If we can get people out to the track, they'll understand the beauty and excitement of Thoroughbred racing as we
do.

While our horses are racing, it's important that they're treated in accordance with best practices established by solid research and well-supported medication and exercise regimens. When their racing careers are over, it's everyone's responsibility to see that our horses have a place to go; in some cases for retraining; in other cases for adoption and retirement. We take that responsibility very seriously.

2016 we've written checks for grants totaling more than $98,000. This commitment came after distributing nearly 65,000 in 2015, 90,000 in 2014, and 87,500 in 2013. We listed the recipients of these grants in our 2017 application so in an interest of brevity, such as has been so far, I won't repeat those descriptions. Our support included national, regional, and state-based organizations.

To meet what will continue to be extensive funding demands on equine welfare and promotion, the Indiana HBPA again is asking the Commission for approval to use no more than 20 percent of funds allocated for backside benevolence for purposes of equine welfare. And that's in our application
In the area of benevolence, our Indiana HBPA program has grown exponentially over the years and continues to evolve. I'm proud of it with good reason. We have two trailers on the backside of the track at Indiana Grand through which we can deliver our health care in the form of an on-site clinic, visiting physician, and staff from Major Hospital, and spiritual and recreational care for our members and many horse men and women who work with them. When our members are away from the track, they can access needed health services where they are, and they're covered by our program.

We provide chaplaincy services, recreational activities, educational programs, translation services, and events during the meet. In addition as needed, we provide access to daycare through working arrangements with facilities in the Shelbyville area and the surrounding area. And we provide access to substance abuse counseling, treatment, mental health counseling when appropriate. In the event of death, hardship, or emergency, we provide program assistance for our members and their families.

In the course of the racing season, we hold
multiple backside meetings, recreational and social events for our horsemen, including two picnics, a welcome-back event before the meet gets going, and at least four additional days in conjunction with our track partners. In addition this year, we staged a horsemen's day at the State Fair, which we distributed more than 200 tickets to our horsemen on the backside. And Indiana Grand helped us by providing the transportation for those who needed it.

We make it a focus of our efforts to make sure our members are informed about our programs, what's going on in the track. We include information pages, newsletters and programs we distribute in the trailer, not just about benevolence but also whatever else is going on with the track and within HBPA.

We put HBPA news in the national publication horsemen's journal and on our website. In addition this year we established the Indiana HBPA Facebook page where we get our news out to our horse men and women. Issue social media still needs some work, but we're learning just about as fast as this particular old dog can learn new tricks.

In 2016, we hired Ailsa Calderone to lead our
chaplaincy efforts. Ailsa grew up in Costa Rica. She and her husband have a church on the east side of Indianapolis focusing on the spiritual needs of both the Hispanic and the Anglo communities there.

With the concentration of Hispanic workers at our track, Ailsa has been, no pun intended, a God send. She holds chapel services every Monday night, in addition to shuttling those interested in attending her services on a Sunday in Indianapolis. The church community has come to the track for special events. She has regular office hours for counseling, conversation at the trailer.

She walks the barns to see and talk with the workers. Through the course of the year, she has built a remarkable connection with the horse men and women that work and in some cases live at Indiana Grand. We've always had a part-time Hispanic coordinator to help with translation and immigration issues. And he continues to work with us on weekends.

In addition, we've hired bilingual office staff, and we maintain our food and hospitality services in the trailer. Having a linguistic and cultural touchtone at the track every day is making an important difference in the lives of our people.
The HBPA benevolence program is governed by a ten person board of directors in accordance with rules and guidelines established annually. Those rules are available in translation and are posted online, as is the benevolence application paperwork.

In 2016, we expanded the cost of service cap from 5,000 to 6,000 per eligible member as a way of trying to address the rising costs of health care. In addition, we raised the income eligibility cap to 50,000 per eligible individual and 100,000 for a couple, which should allow us to serve more of our members. Over the past couple of years we've expanded the universe of those who are eligible.

As of December 14th, we've delivered more than 1800 payments for benevolence services to 207 recipients totaling more than $622,000 this year. Since 2009, we've handled more than 17,000 transactions distributing more than 5.2 million to the health care portion of our benevolence program. Through our benevolence program, and in all we do, we try to live up to the model, horsemen helping horsemen.

So to close -- I know you've been waiting for that -- the Indiana HBPA has followed all the
directives of the Commission. We've lived up to all the promises that we've made to the Commission. We recognize both the responsibility and the privilege of administering funds to Thoroughbred racing. We ask that you approve our application to do so again in 2017.

Before I'm seated, I would be happy to attempt to answer any questions you might have.

CHAIRMAN WEATHERWAX: Any questions from the Commissioners to Mike? Well, I have one, Mike, because I know we've been on the backside. We've seen the tremendous investment that the track has made to make the quality of life of these jockeys and the owners and trainers, I should say, beautiful.

Do you find the jockeys receptive to some of these programs that you're trying to put in front of them, such as substance abuse or alcoholism or things like that? Because there are so many things you're doing for these people that I just don't know as everybody -- this is kind of a new approach to how far you're going with the quality of life for these people.

MIKE BROWN: A lot of what we do is really geared towards the workers back there as opposed to
the jockeys. I think they have their own counseling systems. There are certain, I guess, cultural barriers that we have to get over to deliver these services to them. But in addition to that, we have to -- and we haven't gotten there yet -- but we have to try to create an atmosphere that gives them something to do beyond substance abuse back there. We're working on that.

This first year that Ailsa has been there was really a breakthrough year for her. We haven't had a female chaplain back there. And we haven't had a Hispanic chaplain back there. It's really going to make a big difference. I think she's established a rapport and a relationship with workers that's going to pay off moving forward. We, in turn, have to come up with some more activities for them to do back there.

CHAIRMAN WEATHERWAX: George, did you have a question?

COMMISSIONER PILLOW: Just to follow up on Tom's a little bit. So this is the first year you've had someone back on the background for the Hispanic?

MIKE BROWN: Well, we've had a chaplain before, but that chaplain didn't speak Spanish so
there was a barrier there from the get-go, but we also had a Hispanic coordinator who we brought in two days a week. We still do that. And he helps a lot with the paperwork issues, the immigration issues. That doesn't really meet their needs during the course of a racing season or during the week.

So with Ailsa back there, she's getting around the barns. She's seeing people. She's talking to them. I think they're beginning to want to work with her. And in turn, we're beginning to figure out what works and what doesn't. And that rapport is going to be the big difference moving forward.

COMMISSIONER PILLOW: You know, I'd like to see you guys put some metrics to that so maybe next year when you apply, you can give us here's where we were and here's where we're at type of process.

MIKE BROWN: We can try to do that. One area they would certainly lend itself to that is counseling for substance abuse. As it is right now, we help people get to the programs when we can find them when the stewards refer them to us. But I would like to bring in an AA program, for example, at the track itself to meet in that trailer and begin to work with people on site.
As it is, we've worked with the stewards. And now when they refer somebody to counseling, they also have a component that requires her to sign off on their counseling. That way it's not just maybe they show up, maybe they don't. They recognize they have to do that. So we're getting there.

COMMISSIONER PILLOW: Thank you.

COMMISSIONER SCHENKEL: A question, Mike. In a couple places, in at least two places in the application on page two and on page 11, it speaks to you're seeking permission from the Commission to use any surplus of benevolence funds but not more than 20 percent. But I'm not smart enough to figure that out whether it was in your budget and so forth.

Is that just a rolling arbitrary thing that's out there that if it's needed, you use up to 20 percent? I mean, are we approving -- I guess I'm asking, what are you asking permission to do because I didn't see it show up in the budget perse. I know it's coming out of reserves, and it's mentioned in two different places. I guess the second part of the question is is it for the same thing or are there two 20 percents?

MIKE BROWN: No, it's only one.
COMMISSIONER SCHENKEL: It was mentioned two separate places. That's what confused me.

MIKE BROWN: We recognize because when the original legislation was put in place, equine promotion was linked with equine welfare. They both were pressing needs. So we came before the Commission last year and asked for permission to do this.

COMMISSIONER SCHENKEL: I think it's a worthy thing. I was just confused by the, I didn't know if you were talking 20 percent or 40 percent. And so it's not a budgeted item per se. That's just the policy. You're asking for us to approve your policy as an association to have the ability to spend up to 20 percent of those reserves --

MIKE BROWN: Right.

COMMISSIONER SCHENKEL: -- if you deem appropriate.

MIKE BROWN: Exactly so. That way --

COMMISSIONER SCHENKEL: That's the way I thought it was.

MIKE BROWN: And also to the equine welfare.

MS. ELLINGWOOD: Commissioners, I would like to piggyback on something that Mike said. They did bring this request to you last year, and you
approved it. One of the requirements though is that to the extent that backside benevolence money is used for equine welfare expenditure, that the expenditure must also qualify as an equine welfare expenditure. Just to be clear, that the money is not being used for an inappropriate purpose.

COMMISSIONER SCHENKEL: Yeah, I trust them to do that. I recall we had a similar discussion last year.

CHAIRMAN WEATHERWAX: Very good. Any other questions? Thank you.

MIKE BROWN: Thank you.

CHAIRMAN WEATHERWAX: Now, we have the Standardbred association.

MS. ELLINGWOOD: Chairman, let's go ahead and if you don't need any additional information, if you are satisfied with the application as it's been submitted, then you will want to vote either to deny or to approve the association's application for recognition as the appropriate applicant to receive slot funds under Indiana Code 4-35-7-12 contingent upon their continued suitability through 2017.

COMMISSIONER SCHENKEL: I would just ask our director and counsel are there any other, because I
know there were some questions. All the questions that you had have been addressed it looks like, but I want to make sure of that.

MS. ELLINGWOOD: Yes, they have. The HBPA was actually the first association to submit all of their information to us. And we've resolved any questions we had, and it's legally sufficient. We don't have any concerns.

COMMISSIONER SCHENKEL: In that case I'd move approval, Mr. Chairman.

COMMISSIONER PILLOW: Second.

CHAIRMAN WEATHERWAX: We have a motion and a second to approve the association's presentation as made. All those in favor say "aye."

THE COMMISSION: "Aye."

CHAIRMAN WEATHERWAX: Thank you, Mike. Now we have Standardbred association for their annual license and application. Jack.

JACK KIENINGER: Good morning, Chairman, Commissioners, staff, Executive Director. My name is Jack Kieninger, I'm president of the Indiana Standardbred Association. We had another stellar year. Our horses are doing good. The track is making money. They're happy. We're happy. All the programs that we had in our past years, we've
kept. We've partnered with the racetrack on a
couple different things to try and increase the
handle at the racetrack just to try to see if they
would work, guaranteed pick five and dropped some
takeouts on a couple races to see if that would
stimulate any betting. And I'm sure that Jim Brown
will probably get into all of that so I won't bore
you to death with that.

This year we continue to do all of our medical
trailers. We continue with our health insurance and
our, not health insurance, our insurance for the
county fairs. We still carry our third-party
liability with HHI.

It really looks like we're going to have an
Indiana-sired horse of the year in the nation this
year. There's a meeting in Las Vegas in February
that they pick that. And 99.9 percent chance that
it's going to be an Indiana-sired horse, which is
really good for our breeding program.

Really, this year has just been exceptional.
We look forward to next year. And I would be glad
to answer any questions you have on the
application.

The only problem we had, we had to have some
new conflict of interest. And one of my directors
is out of the country so as soon as he gets back, we'll have that to you. I think everything else is up to par. Be glad to answer any questions anybody has.

CHAIRMAN WEATHERWAX: Thank you, Jack. Lea has pointed out to us that that's the one part that's missing. So if we approve everything else, I guess that would be contingent upon receiving that?

MS. ELLINGWOOD: Yeah, assuming that you're satisfied with the substance of the rest of the application, then you would recognize the association as the appropriate applicant to receive funds contingent upon their continued suitability through next year and their submission of the one remaining conflict of interest statement.

So Lisa and Jack have both been great to work with and have been very prompt so I trust we won't have an issue getting that. Once we get that, you'll be good to go.

CHAIRMAN WEATHERWAX: Commissioners, do you have any questions after reviewing their application that you would like to discuss or you have questions about? I don't have any questions.

COMMISSIONER MCCARTY: I move to approve the
application for registration of the Standardbred association subject to the successful filing of the outstanding conflict of interest statement, which we understand is one at this point. Subject to that condition, I would move approval.

CHAIRMAN WEATHERWAX: We have a motion to accept with that one condition and caveat. Do I hear a second?

COMMISSIONER SCHENKEL: Second.

CHAIRMAN WEATHERWAX: All those in favor say "aye."

THE COMMISSION: "Aye."

CHAIRMAN WEATHERWAX: Well done, Jack.

JACK KIENINGER: Thank you.

CHAIRMAN WEATHERWAX: Thoroughbred Owners and Breeders. Herb.

HERB LIKENS: Herbert Likens, Chairman of the Indiana Thoroughbred Owners and Breeders Association. Chairman Weatherwax, Commission members, guests, appreciate your time.

This will be a lot shorter than Jack's. So we started out our year in 2016 in great shape. We have 12 new stallions in the state. Some of those are really well bred, millionaires. We have 40 new mares and maybe 50 in the state. Right away we had
an Indiana-sired horse that won the grade two stakes race out in Kentucky recently. And so we're off to a good start.

We started our year with our annual banquet. Good turn out, not as well as we would like. We're going to work on that. We had our board of directors election. We have 11 board members. We had, I think, 19 seeking positions for that. And I thought that was pretty commendable people want to be involved with what we're doing.

Our membership was up 207 last year. Ninety-five percent of our members voted in our election. I thought that was pretty commendable.

And, you know, the growth that we've had, I think, comes from the fact that the leadership of Centaur and their belief in racing and also the fact that thanks to you folks, I think the people perceive the Indiana program as being stabilized.

We became a corporate sponsor of the FFA, Future Farmers of America this year, to work with them to help promote equine interest in our youth. And we've had a lot of interest there and seems to be working really well. That's something new we did.

We gave $3,000 this year to the disabled
jockey fund. We finished making our final payment to the Centaur equine facility in Shelbyville, plus we gave $3,200 to the Indiana Thoroughbred retirement fund.

We brought back a two-year old training sale this year, which we haven't had for a good while. It went really great thanks to Indiana Grand and hard work of the people there at Indiana Grand. Our sale, we had $150,000, well, over winnings from that sale during that meet, which I thought was pretty commendable. Our yearly sale was better this year. We had a better quality of horses that helped the sales, good bidders. So we had some new bidders.

And neither one of our sales are profitable at this time, but we have to operate like the government. But it is a good service for the horsemen here in the state of Indiana. We continue to have more and more interest every year in our ITOBA stakes races, which we do that in conjunction with Centaur and breed development.

The one thing I would kind of like to make a couple comments. I would like to make special thanks to Mike Smith, Tom Weatherwax, and Commission Members Greg Schenkel, George Pillow,
Susie Lightle, who's not here, and Bill McCartney. I've known him a lot longer than I would like to admit.

COMMISSIONER MCCARTY: Seventy years.

HERB LIKENS: But I appreciate you folks taking time out of your successful careers to help us build the program we would like to build here in Indiana and help us accomplish our goals. What a great staff you have working with you.

With the oversight of ITOBA and Standardbred Association, the Quarter Horse Association, the HBPA, and Wendy Brown and her team, and Centaur Gaming's leadership, we're going to make Indiana horse racing great again. Merry Christmas. Thank you.

CHAIRMAN WEATHERWAX: Sounds like a commercial in another time.

COMMISSIONER PILLOW: Herb, I have a question. I haven't been down to Shelbyville lately. How is the equine hospital coming? Is it done?

HERB LIKENS: Last I heard, I think they're going to have that finished up by the time our meet starts next year. Be in April, I believe.

COMMISSIONER PILLOW: Thank you.

CHAIRMAN WEATHERWAX: I haven't asked this
question to you before, Herb, and I don't want to put you on the spot. But I know there's a lot of things that people are watching, and we want to see this program grow. What, in your opinion, is one of the most critical things we should do as a state to bring forward the Thoroughbred racing program beyond where we are right now?

HERB LIKENS: I think, in my opinion, we need a stable program from year to year without a lot of changes. We've worked really hard. The Standardbred and Quarter Horses have done a lot better job than what we've done as far as moving the sire program. That's kind of where the economic development comes from, but it takes us a little longer. We're getting there. If we can keep the program stable, you can't believe some of the calls that we get from people that are thinking about moving their Thoroughbred stallions and mares.

CHAIRMAN WEATHERWAX: So you think the movement is in the right direction?

HERB LIKENS: We're going there, yes.

CHAIRMAN WEATHERWAX: Thank you. Any other questions? So now we have the presentation application before us. Any questions from the
Commissioners?

MS. ELLINGWOOD: If I may, Chairman, the ITOBA application is one that we have been working with Mr. Likens and the board secretary, Pete Sacopulos, to get some of the outstanding information. I have not been able to identify or locate a budget in the materials that was submitted, although Pete has indicated it's in there. I do not trust these old eyes a hundred percent of the time so I had a couple other staff members look for it. They couldn't identify it either.

So I would recommend that to the extent again, like the other applicants, the Commission is satisfied with the substance of the remainder of the application, that their approval be granted contingent upon continued suitability, and more importantly, upon submission of a budget that meets your requirements. You may want to identify somebody on the Commission, perhaps, working with the Executive Director to review the budget that we get and to approve it.

CHAIRMAN WEATHERWAX: The budget is a pretty big item.

MS. ELLINGWOOD: It is.

HERB LIKENS: Lea, got with us a week or so
ago and our accounting firm, they kind of had a tragedy there in their office. But I had asked them to direct mail that to you. I assume maybe they have. I'm sorry.

MS. ELLINGWOOD: Well, Pete represented to me that we already have it, but I haven't received anything.

HERB LIKENS: We'll get you another one.

MS. ELLINGWOOD: That's totally fine. I just wanted to make sure we have that before the funds are distributed because that's a more substantive issue than just a conflict of interest.

CHAIRMAN WEATHERWAX: I would recommend to our Commission that Commissioner Schenkel be that one to be on hand to look at that prior to the filing and ultimate approval.

COMMISSIONER SCHENKEL: I would like to set a date certain that it has to be in by, please. I don't want this to drag on until the next Commission meeting. I don't distrust anything, Herb, by that. That way it's done for all of us. We're not chasing things around.

HERB LIKENS: That's fine. We'll get it done right away. I'm sorry that we didn't get that because I was aware of it a few days ago when Lea
contacted us. We thought we had that.

MS. ELLINGWOOD: If you just want to e-mail it to me, I will make sure I get it to Greg.

COMMISSIONER SCHENKEL: Let's do that. Let's address that in the motion then.

CHAIRMAN WEATHERWAX: We'll do that in a motion then.

HERB LIKENS: Would Christmas day be all right to get that to you?

COMMISSIONER SCHENKEL: I'm busy Christmas day, but the day after is okay.

HERB LIKENS: Merry Christmas.

COMMISSIONER SCHENKEL: Merry Christmas. Thank you, Herb.

CHAIRMAN WEATHERWAX: Okay. Subject to that clarification in getting the budget and putting you on the spot, Commissioner Schenkel, we have an application that needs followup subject to those conditions. So may I have a motion to accept that as stated.

COMMISSIONER SCHENKEL: I would like to state specifically in the motion that we finalize it by January 10th.

CHAIRMAN WEATHERWAX: By January 10th. Herb will tell that to their accountant and their...
people. I think that's very reasonable. Do I have a motion?

COMMISSIONER PILLOW: So moved.

CHAIRMAN WEATHERWAX: Motion.

COMMISSIONER MCCARTY: Second.

CHAIRMAN WEATHERWAX: Second. All those in favor say "aye."

THE COMMISSION: "Aye."

CHAIRMAN WEATHERWAX: Now Quarter Horse application.

PAUL MARTIN: Good morning. My name is Paul Martin. I'm president of the Quarter Horse Racing Association of Indiana. I want to say thank you to the Commission and the rest of the staff for the opportunity to address and present our application for 2017. Although, Mr. Chairman, I will promise you it won't be the Gettysburg Address, it will be something much shorter.

At the outset of the presentation, I want to start again by reciting our mission statement. This is what we do and who we are. To promote Quarter Horse racing in Indiana and ownership in the state of Indiana; to promote youth involvement in Quarter Horse racing, educate youth in the proper husbandry as it relates to the racing
Quarter Horse; to foster humane treatment of the racing Quarter Horse; and also to promote a better understanding of Quarter Horse racing by the general public.

Our 2016 racing season at Indiana Grand was again another great success. Most notable without question was our new Quarter Horse barn. The Quarter Horse group has come from getting no stalls in years past, to getting some stalls, and now a dream come true of our very own barn with lots of stalls. The Quarter Horse barn is not just an ordinary barn. Every detail we need is there from the stall gates to the lighting and all the way into the wash racks.

This also includes some small stable trainers getting stalls for the first time in Quarter Horse racing in Indiana. There was no stone unturned. There is no other barn like this anywhere that we know of. So we cannot thank Rod Ratcliff and the good folks at Centaur enough for turning our dream into a reality.

I would like to touch just a few highlights of 2016. We ran more races in 2016 than we did in 2015. Most of our races filled or overfilled throughout the meet as we competed for a revenue of
three and a half million dollars. This is an upward trend.

At a recent meeting, Indiana Grand reported our simulcast export was up from 250,000 in 2015 to 292,000 in 2016, which is approximately 15 percent. Again, an upward trend. In a world where most racing jurisdictions we read about are declining, we are continuing to trend up, up, up. I like that two letter word. In every aspect, we're going up.

The youth day program for 2016 headed up by our Vickie Duke was a tremendous success and generated a lot of excitement and participation from the youth residents of Indiana. This program continues to be part of what we do and continues a positive growth.

From our 2016 racing, the top five leading money earners were all well in excess of $100,000. Even more exciting, the leading money earner and second leading money earner at 179,000 and 138,000 respectively were Indiana-bred horses.

On October 22nd, the finest group of horses to ever run in Indiana went to the starting gate for the running of the Indiana Championship Stake. Horses that had competed at major Quarter Horse tracks all over the country came to Indiana Grand
to run this race. It was a great race. It was a photo finish at the wire. A graduate from our QHRAI annual sale had earnings in excess of 109,000 for 2016 making that horse's lifetime earnings in excess of 220,000.

Considering one more highlight I did want to mention is we did hire Otto Thorworth as our new chaplain. So considering a few of these highlights, and time just doesn't permit to go through everything, it shows we are headed in the right direction, and that is up.

Each year I like to mention a local Indiana success story that has invested into the Indiana program. This year it's a real honor to present the Duke family of Whiteland, Indiana, Duke Racing. Vickie Duke is present today. Their horse Fantastic Six Pack is our Quarter Horse of the year for 2016, who was bred and raised on the Duke family farm in Whiteland, Indiana. Just an astounding four wins and one second for five starts, two which are major stakes races. In addition to our Quarter Horse of the year, he is our champion three-year old gelding and our overall three-year-old champion. Fantastic Six Pack, really he could compete anywhere in the country at
any track. So this shows that our quality is going up. There has been, there will be more winners bred and raised from this great family farm. This is truly our mission statement at work.

Finally in closing, where we're going in 2017, if the Commission approves our 2017 application, we are on track to compete for another three and a half million dollars. We have an incomparable stakes program for anyone seeking to get into Quarter Horse racing with us. I think Herb's going to buy one. No better place to race than Indiana.

Be remiss if I didn't touch again on our strong positive partnership with Centaur through Rod Ratcliff, Jim Brown, John Keeler, Jon Schuster, and Kevin Greely. They've all been outstanding to work with. Their door is always open. And collectively they are strong supporters of our Quarter Horse race program. And they have made us feel so much a part of great success here in Indiana and Centaur.

The Quarter Horse Racing Association of Indiana will continue to promote growth through new ownership participants, through various avenues of marketing and keeping our ultimate goal and our focus. That is to continue to develop and promote
the best racing program in this great country.

With all these things presented today, we are confident that the best though is yet to come. We thank you for your time and attention. We certainly want to wish all of you the very best of holidays and Merry Christmas.

If there are any questions about the content of the application, we can bring up our executive director. If not, I will answer any questions I can.

CHAIRMAN WEATHERWAX: Do you have enough money in your budget for your success?

PAUL MARTIN: If we had another million dollars. I mean, we can fill races. There were many races. In the entry office, there was 32 entries in one maiden race, a two-year-old maiden, which means our youngest horses coming up are starting to expand and grow at a great rate. Again, our trend is up.

CHAIRMAN WEATHERWAX: I know it's a very successful program, but you're almost outgrowing your budget, which is sort of a nice problem. Any other questions from the Commissioners?

COMMISSIONER SCHENKEL: I have a comment. This isn't necessarily a question, Paul, kind of an
editorial comment, I guess. I noted in your application you talk about you have periodic meetings with your members to hear things, which I think is a good, healthy thing. I'm not looking for a pat on the back.

I appreciated your statement in here. I'm going to read it so I don't get it wrong. "You've brought several items to the IHRC for consideration that have been followed through with a great partnership that has resulted in improvements, such as the out of competition testing." That's good for us to know because we are partners in this, at least we view it that way. I hope people aren't thinking that we're out to play a gotcha game or anything like that, but I hope that these types of efforts are viewed as a partnership. We all want the integrity and the quality to be the best possible.

I appreciate you putting that in there. We don't always know that so thank you.

PAUL MARTIN: We certainly are on display. I talk to different gentlemen racing throughout the nation. And their comment is you guys have a great program, a clean program in Indiana. Some of them told me they were going to come back and run. I
think that was proven by our Indiana championship race that I mentioned. It was the best group of horses we've ever had. Thank you very much.

CHAIRMAN WEATHERWAX: Thank you, Paul. Okay. Commissioners, questions, anything to add?

COMMISSIONER SCHENKEL: Anything on this one that's missing?

MS. ELLINGWOOD: No, the Quarter Horse Association was the second association to have a complete application. Paul and Diane have been great to work with. Always very responsive. We're good to go.

CHAIRMAN WEATHERWAX: All right. So there, Commissioners, I need a motion to accept this application as submitted.

COMMISSIONER MCCARTY: I move the Commission approve the application for registration of the Quarter Horse Racing Association.

COMMISSIONER PILLOW: Second.

CHAIRMAN WEATHERWAX: Motion and second. All those in favor say "aye."

THE COMMISSION: "Aye."

CHAIRMAN WEATHERWAX: Thank you for all your hard work in putting this together. Holly, I think you're on next with the first finding and
conclusion, summary judgment, Christopher Short.

MS. NEWELL: Thank you, Chairman. I don't think Mr. Short is here, but if he is, I want to give him the opportunity to come forward. Okay. Good enough then.

You, in your materials, should have everything you need for your decision. But just briefly, this relates to an appeal that Mr. Short made from the Judge's ruling related to the dexamethasone positive. The fine and penalty assessed was $1500, a $5,000 purse forfeiture, and a 15-day suspension. Mr. Short appealed. The matter was assigned to be heard by ALJ Yelton.

Commission staff filed a Motion for Summary Judgment. ALJ Yelton has recommended an order that grants Commission staff's Motion for Summary Judgment. Your decision today is whether or not to make that recommended order a final order of the Commission.

I'm happy to answer any procedural or factual questions you might have about the issue.

CHAIRMAN WEATHERWAX: I read through all this. I'm sure we all did. Don't know if I have a question. But just number ten, foreign substance violation within 365 days and the time they
received. We did the results from the Industrial Labs.

MS. NEWELL: Yes.

CHAIRMAN WEATHERWAX: This is a summary judgment, which means they have accepted, he is accepting everything that we have found.

MS. NEWELL: It does not mean he's accepting it. It means that ALJ Yelton is accepting these facts. Mr. Short did not file a responsive pleading to our Motion for Summary Judgment. He has since filed some written documents that I believe Lea has passed on to you in the past week or so.

CHAIRMAN WEATHERWAX: Okay. Questions from the Commissioners? Anybody wanting to add something or did you have a question after review of the file?

COMMISSIONER PILLOW: No.

CHAIRMAN WEATHERWAX: Okay.

COMMISSIONER MCCARTY: I move that the Commission approve the recommended order of Judge Yelton.

CHAIRMAN WEATHERWAX: We have a motion to accept.

COMMISSIONER SCHENKEL: Second.
CHAIRMAN WEATHERWAX: All those in favor say
"aye."

THE COMMISSION: "Aye."

MS. NEWELL: Next up is agenda item six which
relates to Standardbred horseman Thomas Harmer.
This is an issue that I don't think has come before
the Commission before. It doesn't usually get
quite this far. It's a financial responsibility
issue.

Our Commission has a rule that allows the IHRC
judges to take action against a licensee for
failure to meet their financial obligation. A
complaint was made against Tom Harmer, and the
judges summarily suspended him earlier this year.
ALJ Lauck considered the case on the summary
suspension and filed his recommended order on the
summary judgment that was then filed by the
Commission staff. Right now, that summary judgment
recommended order is before you for consideration.
So procedurally, it's similar to the one you just
considered.

CHAIRMAN WEATHERWAX: Time out just for a
moment. I just got a note that a good friend, a
man that helped us get where we are today just
passed away, Senator Larry Morris. A man that we
all respected and appreciated and loved because of his work in this field. I was there with him. So many of you were too. He just passed away just today, Mike.

COMMISSIONER SCHENKEL: This morning. I just got an e-mail from his son.

CHAIRMAN WEATHERWAX: He had been fighting a terrible struggle.

COMMISSIONER SCHENKEL: He just went into hospice on Sunday.

CHAIRMAN WEATHERWAX: Of course, he was there for the Hall of Fame honoree, which a lot of you were there for. I thought that was so appropriate to recognize him for all his leadership. He certainly will be in our prayers and his wife Ellie. So I'm sorry to interrupt. I just thought we ought to tell the world.

Okay, Holly, you've given us your recap.

MS. NEWELL: So if there aren't any questions, it would be appropriate for the Commission to take a vote on whether or not to approve ALJ Lauck's recommended order.

COMMISSIONER SCHENKEL: I guess I have just a procedural question. You know, this was called to our attention obviously by someone because of this.
MS. NEWELL: Yes.

COMMISSIONER SCHENKEL: I'm just thinking about due process for this person. What happens or has it ultimately been resolved and we're penalizing? I'm not clear where this stands and how do we deal with this in a fair way.

MS. NEWELL: The reason you got this on a disc is because there were more than 350 pages of documents.

COMMISSIONER SCHENKEL: I understand that.

MS. NEWELL: But I can try to break it down for you a little bit. He was summarily suspended because a fellow horseman contacted the judges and said he owes this sum of money.

COMMISSIONER SCHENKEL: That falls within the rules. I appreciate that.

MS. NEWELL: He then asked that his summary suspension be stayed. We were scheduled for a hearing. Mr. Smith was there to appear with Commission staff. That sort of became a settlement conference, for lack of a better term, in front of Judge Lauck.

We worked with Mr. Harmer to give him some time to try to get his affairs in order. And we let him be on the track for 30 days, Mike, I think
is what it was. During that time period, he was not able to get everything straightened out. So the summary suspension was then back into effect. And this Motion for Summary Judgment determines that that is an appropriate sanction that can be effective due to our rules.

COMMISSIONER SCHENKEL: So his suspension is in effect just under these terms, not until he -- so theoretically the suspension could end, and he still may be.

MS. NEWELL: So he would have the opportunity to apply to us next year, but we would still be aware of the outstanding debt.

COMMISSIONER SCHENKEL: He would have to prove it's been resolved by that point.

MS. NEWELL: Yes, it's a little awkward.

CHAIRMAN WEATHERWAX: This may be the first time I've seen an application for fines being leveled on financial basis.

MS. NEWELL: The easiest example to give for this would be -- and Judge Hall is here today -- but you might have a vet come to him and say, I'm owed $500 in bills, can you talk to trainer so and so. Usually Mike Hall would call them into his office and say pay the money or you're going to get
suspended. They'll pay the money. That's how it works.

CHAIRMAN WEATHERWAX: We never see this, but this is so huge.

MS. NEWELL: It's a huge amount of money. It was horsemen who were in business together that resulted in some bad blood and bad business.

COMMISSIONER PILLOW: $300,000?

MS. NEWELL: Yes.

COMMISSIONER PILLOW: I would say it was some bad blood.

CHAIRMAN WEATHERWAX: That's a lot of money. So, therefore, if he paid this, that would constitute acceptance.

MS. NEWELL: If we get notification that the judgment has been settled, then he absolutely can come back and be relicensed.

COMMISSIONER SCHENKEL: He still has to reapply.

MS. NEWELL: Yes.

CHAIRMAN WEATHERWAX: Having heard that, Commissioners, any other questions? I think we should have a motion to accept this ruling.

COMMISSIONER SCHENKEL: So moved.

COMMISSIONER MCCARTY: Second.
CHAIRMAN WEATHERWAX: We have a motion and a second. All those in favor say "aye."

THE COMMISSION: "Aye."

CHAIRMAN WEATHERWAX: Very good. Holly, do you have the next one?

MS. NEWELL: I do, and I think that Alex Will, who represented Mr. Smith in this case, is here. I wanted to make sure he's recognized as well. I'll give a brief introduction, and to the extent that Mr. Will wants to speak or you have questions for him, he's here and ready.

This relates to an issue with breed development and integrity. Commission staff received information that Randy Smith had registered a Quarter Horse foal and mare as being Indiana bred despite the mare having been in Oklahoma at the time of the foaling.

Commission staff conducted an investigation, and the Indiana Grand stewards conducted a hearing and issued a ruling, which fined Mr. Smith $2,500, suspended his license for 120 Indiana Grand racing days, suspended him from the breed development program for one year, and recommended that the IHRC staff take additional actions specifically prohibiting his participation in breed development.
for an additional three years.

Commission staff issued an Administrative Complaint seeking a $5,000 fine, a 120-day suspension, and a four-year suspension from the breed development program. Mr. Smith answered the complaint and denied the substantive charges. The matter was scheduled for a hearing before ALJ Pylitt in November, but the parties met and reached the agreement that is before you today for consideration.

Specifically, that agreement provides that Smith will be suspended 90 days with 45 days stayed pending no further violations of IHRC breed development or integrity rules. He may not participate in the Indiana breed development program in any capacity during that period. Smith will be suspended for four years from the Indiana breed development program as an owner only, and he will pay a $15,000 fine.

CHAIRMAN WEATHERWAX: Okay. Commissioners, I think you've read the file, and we're going to hear testimony from the parties?

MS. NEWELL: No, this isn't a hearing. This is a settlement agreement. Alex is here, and I think he is prepared to answer questions to the
extent you have any, as am I.

CHAIRMAN WEATHERWAX: If we have questions, we
could ask them?

MS. NEWELL: Right.

CHAIRMAN WEATHERWAX: I don't have a question.
I think it's obvious this is a ruling that is very
important and support it totally. Okay.

COMMISSIONER MCCARTY: I move that the
Commission approve the settlement agreement as
proposed and presented to us today on Randy Smith.

COMMISSIONER PILLOW: I second it.

CHAIRMAN WEATHERWAX: We have a motion to
accept this settlement as submitted to us and a
second. All those in favor say "aye."

THE COMMISSION: "Aye."

CHAIRMAN WEATHERWAX: Thank you. Now, we're
into the application renewal process for Hoosier
Park. And is that you, Jon or Rick?

MS. ELLINGWOOD: Actually, I will start out.
I just, as a preliminary matter, wanted to make
clear to the Commission that we're dealing with
Hoosier Park's permit renewal. This is an annual
renewal request that, again, you see every year,
both for Hoosier Park and for Indiana Grand.
Yearly they come to us to ask that the permit be
renewed, and that their satellite licenses be
renewed as well.

So eight, nine, ten, and eleven are all
related to these requests. Eight and nine relate
to Hoosier Park's permit renewal and satellite
facility licenses. Ten and 11 relate to Indiana
Grand's permit renewal and satellite licenses. And
Rick Moore and I think a number of Centaur
representatives are here to answer any questions
that you might have.

Please note that these requests also outline
the proposed race dates for the next meet. So if
you've got any questions about that, they can help
you out with that.

RICK MOORE: Good morning, Mr. Chairman,
members of the Commission staff, Rick Moore,
vice-president general manager of racing Hoosier
Park. I want to give just a brief overview of the
race date proposal for 2017.

As you'll see or you might note they vary just
slightly from prior years where we've proposed 160
racing days. This year we've proposed 163. The
primary reason for that is, as you know, we're
hosting the Breeders' Crown event this year, which
consists of 12 championship races. This year there
are 18 qualifying races, elimination races so that takes up approximately 30 slots. And we didn't want to take any opportunities away from our Indiana horsemen. And that equals to about two additional racing days, but we decided we would go with three additional dates to more than make up for any race opportunities that horsemen may lose due to the Breeders' Crown event and the eliminations leading up to those championship days.

As you'll see, we're proposing to open on Saturday, April 1st. We think it's really important to get off to a great start with a lot of hoopla. We think a Saturday night the first of April will do just that for us. Then you'll notice that we go with three day race days the second week, and then we get into our five days a week regular circuit. We have proposed to end on Friday, November 17th, and a total of 163 days. Any questions, I would be glad to answer them.

CHAIRMAN WEATHERWAX: No, I think that's good that you're accommodating for the Breeders' Crown. What about the date that was a conflict this year, which was sort of unique with the State Fairgrounds?

RICK MOORE: That's been worked out. We'll be
having our Dan Patch on Friday. And there will be no conflict with the State Fair. We have worked with Jessica and the folks.

COMMISSIONER SCHENKEL: What is that date?
RICK MOORE: Sorry, it's Friday, August 11th, is Dan Patch day.

CHAIRMAN WEATHERWAX: What are the exact dates? The Breeders' Crown is the last weekend in October?
RICK MOORE: Jim will talk in length about the Breeders' Crown event, but it is October 27th and 28th.

CHAIRMAN WEATHERWAX: It's got to be one of the most exciting calendars we've ever had in Indiana.
RICK MOORE: We are very, very excited.

CHAIRMAN WEATHERWAX: I know you're working hard to get ready. You're doing a lot. You're reinventing the whole place, investing tons of money.

Any questions as far as this application?
COMMISSIONER PILLOW: I don't have any questions. A comment, Rick. I've heard all the associations mention a great partnership that you guys have with Centaur and all the associations.
That is really good to hear that everybody is working together to make Indiana a great state for racing.

RICK MOORE: I can tell you the relationship with the Indiana Standardbred Association and led by their president Jack Kieninger, the relationship between the ISA and Centaur and Hoosier Park could not be any stronger and could not be any better.

COMMISSIONER PILLOW: That's great.

CHAIRMAN WEATHERWAX: Lea, do we take these one at a time?

MS. ELLINGWOOD: Yes, Chairman, that's how I would recommend addressing it. You can just run through all four of them but do them separately. So you would want to have a separate motion for each request for approval of the four items listed in eight through eleven.

CHAIRMAN WEATHERWAX: So we're really making a motion to accept eight through eleven?

MS. ELLINGWOOD: Yes. You would need before you a motion to approve Hoosier Park's permit renewal application and race dates, as well as the satellite facility licenses for eight and nine. And you would need a motion before you to grant Indiana Grand's permit application renewal, live
racing date request, and the satellite facility licenses under ten and eleven.

CHAIRMANN WEATHERWAX: Robin, did you catch all that or do you have a copy of our agenda?
COMMISSIONER SCHENKEL: She's got it.
CHAIRMANN WEATHERWAX: Because that's a lot of subject in one motion. If we can do that, capsulating items eight through eleven in one motion, do I have a motion?
COMMISSIONER MCCARTY: Are we going to listen to any other presentations?
MS. ELLINGWOOD: If you would like to hear from a representative with respect to Indiana Grand under 10 and 11, you're welcome to do that. If you have any questions related to that, they are here to answer those.
COMMISSIONER SCHENKEL: I think we should.
CHAIRMANN WEATHERWAX: I think we should because it's totally a different animal so to speak. You guys are doing a great job out there.
JON SCHUSTER: Similar animal, different breed. Good morning, everybody.

For Indiana Grand's part on race dates, our proposed race dates that you have are almost an exact mirror imagine of this year. We're coming
off two unbelievable years, up 22 percent and
16 percent. We think we've captured the right
slots, time slots for people to appreciate what we
do.

The only two comments that I will make on the
calendar, we raced this past year four day weeks up
until July and August. Then we raced five day
weeks. That was a little change from the year
prior.

We're going to do that same thing. There's
just a little calendar anomaly in August. The
31st of August is a Thursday, and we will not race
on that Thursday, just the way the calendar lays
out and number of days and so forth. That's a very
minor change.

I would also like to address that we've been
talking about the Breeders' Crown. I think we're
going to hear at length on the Breeders' Crown in a
little bit. Our closing day is Breeders' Crown
day. We had a lot of discussion, had a lot of
input from a lot of different people about not
running that day or running different times of
days.

We had a team of almost 20 folks that went out
to the Breeders' Crown in the Meadowlands and
looked it over. We've talked with our staff and
looked at the calendars from years prior. We've
decided that the proper thing to do is continue
with the continuity of the calendar that we've got.

Unfortunately, there's not as much crossover
harness to flat racing as we would like to see,
although we're working on it. We have the Cross
town Showdown and lots of things we do to try to
make that be better. It is a little bit better,
but I just wanted to bring that up because a
handful of folks have mentioned it. And I just
thought it was worthy of bringing up here so the
Commission was aware of what we were doing. We
think we are grounded in fact. And we think that's
the best way to approach it.

Outside of that, the calendar is almost
identical to last year.

COMMISSIONER SCHENKEL: Thank you, Jon.

CHAIRMAN WEATHERWAX: Any other questions?
And of course, the satellite facilities, how are
they doing? Is that going to be in my report too?
I know we've made some changes.

JIM BROWN: The satellite facilities are doing
okay. The off track betting business is a tough
business these days. And we've seen entire states
shut down their programs. Virginia being one of them a couple years ago. We have seen them go by the wayside one by one.

We're very broad proud of the three we operate. We branded them as Winner's Circle. Two of them is Winner's Circle Brewpubs and OTBs. We are trying to offer more than a bet and a hamburger and be a full scale entertainment opportunity.

New Jersey has been successful in that. Their OTBs are one of the successful state OTB programs. Clarksville though is the only one that makes money and probably something to do with its location across the river from hard-to-get-to Churchill Downs OTB. And we did do a $300,000 renovation at Clarksville this year. It's a nice facility and changed the name to the Winner's Circle OTB. That has happened over the last month.

And in New Haven we added VooDoo Barbecue as a menu opportunity to add more umph to the experience. Business is stable. It's very difficult these days with approximately 30 percent of betting being done over the Internet to find new customers just to come in to play the ponies. And that's been one of the challenges that we continue to face.
So the Indianapolis Winner's Circle and the New Haven Winner's Circle are not moneymakers. They provide material purse monies. And they give us an opportunity to show our many facilities in other parts of the state as gateways to Indiana Grand and Hoosier Park. So they do serve a number of purposes.

CHAIRMAN WEATHERWAX: Very good, Jim.

Questions?

COMMISSIONER PILLOW: Jim, do you see a future for the OTBs five years from now?

JIM BROWN: I don't see them ending, but it's tough. It's going to be tough to improve results. The market is just not there to come out and bet at the OTB. So unless we introduce new products or something of the like, it's going to be tough to even sustain where we are today.

COMMISSIONER PILLOW: Thank you.

CHAIRMAN WEATHERWAX: Thank you, Jim. Okay. So with that, any other questions from the Commissioners about the application renewal for eight, nine, ten, and eleven?

COMMISSIONER MCCARTY: Mr. Chairman, I have a motion. I move that we approve Hoosier Park's permit renewal application and approval of its
license for its satellite facilities and approve
the racing dates as proposed for the coming year.

CHAIRMAN WEATHERWAX: Stop right there. Is
that what you're saying?

COMMISSIONER MCCARTY: Yes.

CHAIRMAN WEATHERWAX: Do we have a second?

COMMISSIONER PILLOW: I second.

CHAIRMAN WEATHERWAX: Taking care of Hoosier
Park and stopping. All those in favor, say "aye."

THE COMMISSION: "Aye."

CHAIRMAN WEATHERWAX: Now Indiana Grand.

COMMISSIONER MCCARTY: Mr. Chairman, I have a
motion. I move that Indiana Grand's permit for
renewal application and its satellite facility
license and its racing dates for the coming year be
approved.

COMMISSIONER PILLOW: Second.

CHAIRMAN WEATHERWAX: Motion and second. Well
stated. All those in favor say "aye."

THE COMMISSION: "Aye."

CHAIRMAN WEATHERWAX: Thank you. Number 12.

COMMISSIONER MCCARTY: Mr. Chairman, I have
another motion. No.

CHAIRMAN WEATHERWAX: Well, you're in a
routine, got rhythm. What more can you ask?
COMMISSIONER SCHENKEL: Is that a motion to adjourn?

COMMISSIONER MCCARTY: I would ask that the Indianapolis satellite facility to redesign itself as another steakhouse here in Indianapolis due to the extreme shortage of them, but I'll refrain.

CHAIRMAN WEATHERWAX: So, Holly, No. 12 is the rulings of our, you or us, the Commissioners.

MS. NEWELL: Yes, sir. And these rulings take us through the end of the race meet so you can take a look and see if there are any that you have questions about. I'm happy to address them, but it takes us all the way through both race meets. We still have a few outstanding things that we will be taking care of cleaning up in December and early January. But for the most part this closes out the race meet.

CHAIRMAN WEATHERWAX: I notice there are some pretty big ones in here that deal with drugs, obviously, illegal drugs. Is this normal or is this just because it's a whole year?

MS. NEWELL: That is not the whole year, but this does include June, July, August, September, and October because our last meeting fell at such a time that we didn't have a complete prior month.
So you have the heart of the race meet here. I didn't see anything that made me think the numbers were particularly occular.

CHAIRMAN WEATHERWAX: This is just where the heart of the action is as far as the whole year.

MS. NEWELL: Right.

CHAIRMAN WEATHERWAX: Any other observations from the Commissioners? As you can see, this is a large number but it's also the heart of our season clear through, I think it's through October.

MS. NEWELL: All the way through November actually. And the November rulings would be Indiana Grand rulings after the meet had closed, and then, of course, Hoosier Park closed in mid November so it would be wrapping up the Hoosier Park meet as well.

COMMISSIONER SCHENKEL: Can I ask an education question?

MS. NEWELL: Sure.

COMMISSIONER SCHENKEL: What's the failure to honor ride? I don't remember seeing that.

MS. NEWELL: That would be when a jockey has agreed to a mount and then backs out.

COMMISSIONER SCHENKEL: What it sounds like then?
MS. NEWELL: Right. I get nervous when you ask those educational questions, but I can answer that one.

COMMISSIONER SCHENKEL: Education for me. Thank you.

COMMISSIONER PILLOW: Holly, I see several alcohol on the backside. It seems to be a pretty prevalent infraction here.

MS. NEWELL: It's certainly an issue. And a lot of the things you heard earlier from Mike Brown about their advocacy efforts help that, but we try to monitor that too. To the extent that that's discovered, then they will be taken before the judges or stewards, and it will be addressed. And it results in a fine or suspension depending on the circumstances of what was found and how it occurred.

CHAIRMAN WEATHERWAX: Do that go through a program of counseling or rehab or is that beyond our pay grade?

MS. NEWELL: If it's possession only, then there's no sort of counseling. Then we have specific rules relating to drug and alcohol findings on our tox screens. And there are certain requirements that might require counseling and
substance abuse prevention programs in order for
them to be licensed again.

CHAIRMAN WEATHERWAX: That would be a part of
a fine or ruling?

MS. NEWELL: Yes, it's specified in the ruling
that upon completion of a substance abuse program,
and there are a lot of different options for them.
And I don't know to what extent the HBPA might help
people find a proper program. But I do know the
stewards are aware of programs that these people
can find and access if that's what they want to do.

CHAIRMAN WEATHERWAX: Very good. Thank you.

Any other questions from the Commissioners
about all these different rulings? I entertain a
motion to accept them or I guess this is just a
review.

MS. ELLINGWOOD: Just your review.

MS. NEWELL: No motion.

CHAIRMAN WEATHERWAX: Lea, do you have
something here on -- these are proposed emergency
rules?

MS. ELLINGWOOD: Yes, they are, Chairman. I
will address these as they're in the order on the
agenda. All of these are essentially cleanup rule
changes. The first one that's mentioned, the
exclusion of patrons, that's we're replacing an outdated reference to a statute. The bond requirements under the Standardbred, Thoroughbred, and Quarter Horse rules, we're repealing that. I don't believe it's ever been enforced.

The rule was important when there was some question about the permit holders' financial capacity to be able to pay all of its liabilities. Since that's no longer the case, we don't have a need for the rule. We don't believe we have a need for the rule.

CHAIRMAN WEATHERWAX: Try to give a definition for computer?

MS. ELLINGWOOD: No, not quite. For simulcasting and televised, these two definitions are -- the definition of simulcast is being changed to reflect the new statutory definition. And televised is being added to supplement that. It's meant to address new advances in technology with respect to broadcasting signal.

If you've got any specific questions about the rule, I'm happy to address them. I would want to clarify that as you mentioned, Chairman, these rules all fall under the Commission's emergency rule adoption policy. So these would be ones that
we would file shortly after the meeting, which
would become effective upon filing.

CHAIRMAN WEATHERWAX: Very good. Any other
comments from the Commissioners on any of those
rulings? Same thing, actually, the bond
requirements, simulcast, all of these are affecting
all the different breeds?

MS. ELLINGWOOD: Yeah, they do. There's one I
didn't mention that's a conditions rule. That rule
would affect Standardbred only. That's a rule that
Ms. Barnes had proposed. It's meant to change the
rule to reflect what's already taking place so just
brings the rule up to current practice. But, yeah,
these rules would impact all of the breeds.

CHAIRMAN WEATHERWAX: Very good.
Commissioners, I need a motion to accept these
emergency rule changes as stated.

COMMISSIONER SCHENKEL: I would move approval
of the proposed emergency rules.

CHAIRMAN WEATHERWAX: Second?

COMMISSIONER PILLOW: Second.

CHAIRMAN WEATHERWAX: Motion and second on the
proposal. All those in favor say "aye."

THE COMMISSION: "Aye."

CHAIRMAN WEATHERWAX: Now, Thoroughbred breed
development. Wendy.

WENDY BROWN: Chairman, Commissioners, good morning, almost afternoon. Dare I say racing is already great in Indiana.

COMMISSIONER SCHENKEL: Yes, good.

WENDY BROWN: Racing has come a long way. I moved back home to Indiana when pari-mutuel was first passed. Over the course of the years before a racetrack could be built, there were enabling amendments to the law to be made, county options to be passed, and applicants to be considered. Finally, after the Standardbreds, Thoroughbreds made their debut at Hoosier Park. Though there were some races restricted to Indiana owners, there was no Indiana bred program.

Once home again, my dad delegated the management of the family farm to me. I'll never forget one year when Mr. Herbert, our farmer, came to me with papers to sign and said this is the government farm program to end all programs. In other words, it was the finest solution. The government had attained regulatory perfection. Needless to say, those were not the last farm programs I signed.

With millions at stake, a well-defined
incentive program is a moving target. Ours is a
good program, but as in the past, I come to you
with a few adjustments and tweaks.

Breed development tries to keep 2.3 million in
reserve. In order to keep this, we propose using
600,000 from reserves for the 2017 program and then
to use a hundred thousand less than subsequent
years; 500,000, 400,000 and so on so that more
flexibility can be built into the program. We
request that the Executive Director have the
authority to approve on the request of the
committee and staff, the movement of funds from one
line item to another.

You have an overview of our budget and the
budget for the proposed race program. As in
previous years, there's a discretionary funds so
the racing secretary can adjust races offered
according to the horse population on hand.

We expect to see approximately 303 breed
development races in 2017, an increase of about
eight from 2016. At the request of Indiana Grand
we have agreed to split the Indiana stakes purses
65/35 percent. This will enable the stakes races
offered and their purses to remain as is, which we
consider important.
We endorse one program change in Indiana bred
maiden eligibility. Instead of five starts, horses
which have finished fifth for better in their last
six starts are not eligible for maiden special
weight races.

The committee also proposes one rule change
under Indiana bred preference 71 IAC 13.5-5-1
section 1B. We would like the last sentence struck
so that it will read "A registered Indiana bred
that enters or races in an open race will retain
their previous Indiana bred preference date when
returning to a restricted Indiana bred race."

It's been a good year for racing in Indiana.
When I go to the races and see an Indiana bred
horse winning in open company or the quality of our
Indiana bred stakes horses, I'm thrilled. This
year Lady Foghorn winning the grade two Falls City
Handicap at Churchill Downs was particularly
inspiring. This, an Indiana bred horse of the year
in 2013, was this year moved into a second career
as a riding horse and dressage prospect for a
policewoman in Fort Wayne, Indiana due in part to
monies that came into transitioning Thoroughbreds
by Indiana Grand and the Indiana HBPA and showing
our Indiana Thoroughbreds can do more than just run
I'm especially pleased and want to bring to your attention that we seem to be enjoying a greater degree of cooperation amongst the different groups in Indiana. The HBPA board members and leadership, ITOBA leadership, Indiana Grand led by Rod Ratcliff, represented by Jon Schuster and Kevin Greely, have all made valuable contributions to the program. They have faithfully attended our meetings and shown their commitment to improving opportunities for Indiana breeders. Finally, all our efforts would be for not if not for the work of the Commission staff, especially Jessica Barnes.

We've come a long way. We even have enough history in Indiana racing to have an Indiana Racing Hall of Fame.

I ask that you approve the Indiana Thoroughbred Breed Advisory's recommendation for the 2017 program. And I thank you.

CHAIRMAN WEATHERWAX: Very good. Thank you, Wendy.

COMMISSIONER SCHENKEL: The question I have, Wendy, or maybe it's for the lawyers, the applicable rule change that you recommend.

WENDY BROWN: It think would be an emergency
rule change.

COMMISSIONER SCHENKEL: But by adopting this report, do we make that rule change or do we have to do that in a separate or subsequent meeting?

MS. ELLINGWOOD: You don't have to do it at a subsequent meeting, but you should make a specific motion to adopt this rule and as --

COMMISSIONER SCHENKEL: Yeah, because it is a rule within the report.

MS. ELLINGWOOD: Right. You also will want to make sure you clarify whether this rule should be adopted as an emergency rule, which I suspect is the case --

WENDY BROWN: I think Jessica said it should be.

MS. ELLINGWOOD: -- because you want it to be applicable for the next race meet. It would be a timeliness issue.

COMMISSIONER SCHENKEL: I just didn't know if we had to wait until the next meeting. Thanks, Wendy.

CHAIRMAN WEATHERWAX: Any other questions? Clarification on that rule change, emergency, Robin, do you want us to restate that so we can make sure we get the right chapter and right
COMMISSIONER SCHENKEL: I have another question.

CHAIRMAN WEATHERWAX: Go ahead.

COMMISSIONER SCHENKEL: One other question too and I know because I was at your meeting, I appreciate the discussion on this. You're requesting the Executive Director have the ability to approve those transfer of funds.

WENDY BROWN: Yes.

COMMISSIONER SCHENKEL: Again, that's something that will be recorded, and we don't have to have a separate motion for that. That's just a staff function that we recognize in this report, right?

MS. ELLINGWOOD: Right.

COMMISSIONER SCHENKEL: I think that's a good thing. I want to make sure it doesn't get lost.

CHAIRMAN WEATHERWAX: All right. We understand the special permission given to the Executive Director for the 600,000. I don't see any rule making.

COMMISSIONER SCHENKEL: It's not 600,000.

WENDY BROWN: It's a line item.

COMMISSIONER SCHENKEL: It's whether the funds
fluctuate.

WENDY BROWN: In other words, we don't spend all the out of state breeders' awards, but then that excess can be moved to different parts of our program.

CHAIRMAN WEATHERWAX: Okay. That's in the report. Striking language "Such a horse when entering consecutive open races shall retain the preference date of it's most recent open races" struck.

Okay. Thank you. Any other questions on the motion or the report? If not, I will have a motion to accept as presented.

COMMISSIONER SCHENKEL: So moved.

COMMISSIONER PILLOW: Second.

CHAIRMAN WEATHERWAX: All those in favor say "aye."

THE COMMISSION: "Aye."

CHAIRMAN WEATHERWAX: Thank you, Wendy.

Now we have the Standardbred Breed Development program.

MS. ELLINGWOOD: Chairman, just to be clear, maybe I missed this when I stepped away. We want to make sure that you also have a motion before you or adopt a motion to specifically approve the
adoption of that rule that was brought before you under the Thoroughbred program as an emergency rule just to be clear about that.

CHAIRMAN WEATHERWAX: We just did that, but we didn't state that specifically.

MS. ELLINGWOOD: I may have missed it.

COMMISSIONER SCHENKEL: I asked the question.

CHAIRMAN WEATHERWAX: Make a record note that this is an emergency rule approval.

Welcome.

SCOTT SNYDER: I'm Scott Snyder, chairman of the Standardbred Breed Development Advisory Committee. Chairman Weatherwax, and fellow commissioners, before you is our 2017 proposal.

The program has become one of the most successful programs in North America. And all involved felt only minor improvements were necessary. Our program is working.

Proof of this is just yesterday, Indiana sired horse, Always B Miki, was named pacer of the year and horse of the year. This is the second year in a row that an Indiana sired horse has achieved that status. Last year, it was Wiggle It Jiggleit. Also always B Miki this fall set a new record for the fastest mile in history in 1:46 so quite
impressive for our Indiana program.

With little changes taking place, I would be happy to answer any questions you have for me.

CHAIRMAN WEATHERWAX: Well, I notice, and I haven't spoke to you about this, naming six through ten places, does that open it up for more horsemen to be successful or does it help overall filling of the races?

SCOTT SNYDER: I think it certainly helps just record those for competing in our program. We felt it would, all, everybody seemed open and interested in making this improvement. It also helps spin down the reserves that we have as well. We've been working on it for the last several years.

COMMISSIONER SCHENKEL: As a part of this then, Scott, do you also have an emergency rule request here on the very last page; is that correct?

SCOTT SNYDER: Correct.

COMMISSIONER SCHENKEL: I think we need to make sure that we recognize that that's the only actual change and action item that you have in this, right?

SCOTT SNYDER: Right. Just work with the judges to clarify some of the ruling issues.
COMMISSIONER SCHENKEL: I would make a motion to approve the Indiana Standardbred Breed Development proposal, including the emergency rule to 71 IAC 3-2-9.

COMMISSIONER PILLOW: Second.

CHAIRMAN WEATHERWAX: We have a motion and second. Questions? All those in favor say "aye."

THE COMMISSION: "Aye."

SCOTT SNYDER: Thank you very much.

COMMISSIONER SCHENKEL: Great job. Keep it going.

CHAIRMAN WEATHERWAX: Now we have Quarter Horse. Sarah, welcome.

SARAH DISTLER: Good afternoon. I'm Sarah Distler, and I'm the breed development coordinator for Thoroughbreds and Quarter Horses. Today, I'll be presenting the Quarter Horse Breed Development program proposal for 2017. This proposal is a result of many hours of collaboration with Quarter Horse Breed Development Committee, the Quarter Horse Racing Association of Indiana, Indiana Grand, and IHRC officials.

There are very few changes from the 2016 program. And we have received a positive response from stakeholders who said they appreciated the
The most significant change is in regards to open racing awards. 2016 was a very good year to be an owner or breeder of an Indiana bred and sired horse running in open races. So good, in fact, that we exhausted the awards funds for Quarter Horse open races after September 5th.

The program participants let us know they would rather see the percentage of the open awards lowered with a lower cap than see the awards offered for only part of the year. This change is referenced on page four of the proposal.

The percentage for open awards will be decreased from 12.5 to 6.25. And the capped amounts will be lowered from the maximum of 10,000 to a maximum of 5,000 paid at 2500, 1500, and 1,000.

There is a typo in the proposal. The proposal shows that the maximum for a winner will be 3,000, which should actually read 2500 giving the correct total maximum of 5,000 for all three awards. We ask this proposal be approved with that correction.

I'm happy to answer any questions that might have.

CHAIRMAN WEATHERWAX: That's good, Sarah,
because you've gone through the year. You had the input from all your members. And they believe it's more important to get a firm knowing of where you're going to be versus nothing.

SARAH DISTLER: They didn't want to punish people that might start racing later in the year.

CHAIRMAN WEATHERWAX: Now, question, if you change the math and you do all this, are you still going to have enough money?

SARAH DISTLER: We believe so.

CHAIRMAN WEATHERWAX: Because you have a reserve, don't you, that you can use? Hopefully this will solve the issue and create the right break point that you want, which is why you're setting it this way. Thank you for a successful report and year.

MS. ELLINGWOOD: Chairman, I point out that this program also has rule changes. There are three that are contained in the material before you, 71 IAC 14.5-3-1, 3-2, and 3-3, which are consistent with the presentation Miss Distler has given. Under the timeliness provision of the emergency rule adoption policy, I would recommend that it be, that these rules be adopted as emergency rules.
CHAIRMAN WEATHERWAX: So noted and understand. Any other questions of Commissioners? Commissioner Pillow, do you have a question?

COMMISSIONER PILLOW: No.

CHAIRMAN WEATHERWAX: All right. Do I hear a motion to accept the Quarter Horse Breed Development with those emergency rule changes?

COMMISSIONER SCHENKEL: Move acceptance with the emergency rule changes as noted earlier.

COMMISSIONER PILLOW: Second.

CHAIRMAN WEATHERWAX: All those in favor say "aye."

THE COMMISSION: "Aye."

CHAIRMAN WEATHERWAX: Thank you.

Update on the continuation of the Initial Distribution Agreement. This is the continuation of what we now call the distribution agreement. Lea, is this you?

MS. ELLINGWOOD: That's me. I think all the Commissioners here have been through this process at least twice before. As you know, the Commission considered an initial distribution agreement that essentially automatically renews for an additional one-year period for seven years. It automatically renews unless the terms haven't been satisfied.
The terms have been satisfied. This is just before you for review to give you the opportunity to ask Centaur representatives any questions that you might have related to the distribution agreement. But to the best of my knowledge, everything is moving smoothly. We haven't had any issues, and no concerns have been brought to our attention.

CHAIRMAN WEATHERWAX: Any questions from the Commissioners to Centaur regarding this?

COMMISSIONER SCHENKEL: Or any of the parties involved.

CHAIRMAN WEATHERWAX: Okay. If there are no questions, we're very pleased.

So do we have a motion to accept this update, which every year we do this?

MS. ELLINGWOOD: You don't have to take a vote on it. It automatically renews. So it's just before you. If you had some concerns, then we might address that.

COMMISSIONER PILLOW: Is this the third or fourth year?

MS. ELLINGWOOD: I think it's the third year. Is that right, John?

MR. KEELER: Members of the Commission, the
2017 meet will be the fourth year.

   CHAIRMAN WEATHERWAX: Very good. That's a simple report. We have the chance to review it and ask questions.

   MS. ELLINGWOOD: Yes.

   CHAIRMAN WEATHERWAX: That's why it's on our agenda.

   MS. ELLINGWOOD: Right.

   CHAIRMAN WEATHERWAX: All right. The final, well, not the final, but point 18 is race meets update on Breeders' Crown plans. Rick Moore. Jim Brown.

   JIM BROWN: I don't know how they got to upstage me.

       Good morning, Chairman, Commissioners, Executive Director, staff. I'll be like Chris Berman on ESPN doing a whole NFL's week of highlights in 60 seconds. But I've got a season to cover, and so it may take me five minutes. I'll try to be succinct.

       2016 was really an exciting year for Indiana racing. Along with what we had the opportunity to see on the tracks, we made a number of additions and enhancements for our fans and our horsemen and horsewomen. We added new state-of-the-art track
maintenance equipment from gators to mowers to tractors, and this past year water trucks, track backside beautification projects, new racing TV studios, world class export simulcast programming, as previously mentioned, a new state-of-the-art Quarter Horse barn at Indiana Grand, HGTV, a passing lane at Hoosier Park.

We experimented with First Turn Stables at Hoosier Park, a fractional ownership program that's fan friendly. After an initial $250 investment, you're off the hook. And if I had a stable that was as successful as their stable, I would probably be in the horse business. But I think they kept getting their horses claimed, but it was quite a success for the first year. Next year we are hoping to bring it to Indiana Grand.

We had VIP owners' clubs at both tracks and programs to try to stimulate interest from our live audience, and, of course, a very exciting racing year.

We expanded our partnerships in 2016 to try to get more coverage of our racing. WISH TV was an expanded contract and had beautiful coverage of the Indiana Derby. TVG was enhanced programming. We appeared in the Paulick Report for the first time.
We enhanced our partnership with the Daily Racing Forum, Harness Racing Update. We were on Sirius XM once a week. And for the first time in about four years, we were shown in the Las Vegas sports and race books.

And a lot of this required much effort on people's parts to get done and was done in conjunction with our horsemen's associations, a lot of these programs and enhancements in 2016. We have a world class commentator, announcer, analyst's group that knocked it out of the park. And one of them, Emily Gaskin, was named last week as the Mike and Mike Post Time Awards 2016 Horsewoman of the Year, to go along with Rachel McLaughlin, Bill Downes, Nancy Holthus, Steve Cross, and Peter Lurie. That's the second award that Emily has won. She was the breakthrough award winner in 2014 from the United States Harness Writer's Association.

As we all know, racing is lot more than handle, but speaking of handle, I think you have this in your packets. Hoosier Park was up in handle 12 and a half percent this year. Indiana Grand was up 15.6 percent this year.

What I found as I tried to take a look back in
time to earlier years and see how that equated to
the national horse racing scene, if you go back to
2012, which was the last year before we acquired
Indiana Grand, and you took the handle from 2012
and brought it forward to this year's handle, U.S.
harness tracks from 2012 to 2016, their handle has
grown by 3 percent. Hoosier Park's harness handle
during that same period of time has grown
55 percent.

COMMISSIONER SCHENKEL: What year did we go to
one breed, one track?

JIM BROWN: 2013. 2012 we took all harness
racing in '12 and all Thoroughbred and Quarter
Horse racing in '12. Hoosier Park that first year
was up 26 percent, then up 9 percent, then up
1 percent, and then this year up 12 and a half
percent. Last year we had all those issues to
battle with with the New York OTBs not taking us
and Virginia cutting out racing, etc.

From the Thoroughbred side, and I couldn't get
a measure of specifically Quarter Horse so it's
Thoroughbred and Quarter Horse combined. From 2012
to 2016, that information is from the Jockey Club,
U.S. Thoroughbred tracks' business declined by
two percent. During that same period of time,
Indiana Grand improved handle by 41 percent. So
you have 2012 to 2016, harness racing is up
3 percent, Thoroughbred racing is down 2 percent.
Hoosier Park is up 55 percent and Indiana Grand
41 percent. That's just unbelievable for so many
of us to be involved in our racing programs during
that period of time. And it's all been fact
checked too.

Indiana Grand's Indiana Derby was won this
year, as you know, by Bob Baffert trained Cupid.
We had a great Derby festival, a tribute to our
Armed Forces, veterans, and first responders, a
free concert, a Derby anchored by Anchorman's Dave
Koechner. And handle for Derby day was a record
breaking 3.15 million, 500,000 better than any
other day in Indiana Grand's history and up
78 percent from the prior year.

On the harness front, Scott alluded to Always
B Miki being named horse of the year. United
States Harness Writer's Association announced their
horse of the year yesterday. And Emily Gaskin had
the honor of announcing this, but horse of the year
was Always B Miki with that world record 1:46 mile.
The runner up was Indiana sired Wiggle It Jiggleit.
Third place was Indiana sired filly trotter
Hannelore Hanover. Indiana sired horses finished first, second, and third in national horse of the year honors.

CHAIRMAN WEATHERWAX: That's amazing.

JIM BROWN: It is absolutely.

For 2017, at Indiana Grand some of the physical changes we will be making, a new main track or not a new main track, a main track jockey safety rail. In 2015, Indiana Grand was listed as the sixth safest track in the country based on equine fatalities per thousand starts. We're a safe track for our jockeys, our horses, others, but we want to be even safer. This is a $300,000 project.

It's a safety rail, and it serves, as you've seen on some of the Thoroughbred tracks or Quarter Horse tracks, it's like a slide. So if a jockey comes off, they're not going to get hung over that rail. They will slide through it. We are starting construction of that. And we're building a new state of the art track maintenance building at Indiana Grand this year.

At Hoosier Park we've already started construction on a new 9,000 square foot administration building. The facility will include
our racing office, Indiana Horse Racing Commission offices, Indiana Standardbred Association offices, and other offices necessary for operations on the backside, now including all entities under one roof. We also plan to install completely new track racing outer fence, the white fence you see on the backside of the track.

We continue to support a variety of benevolence organizations and funds that are associated with our industry. And we will continue to be proactive on that front. Centaur Equine Specialty Hospital in Shelbyville is nearing completion. And interestingly, the Paulick Report had a story on it in today's edition, as I was checking my morning e-mails. And that's going to be open in early 2017. I don't have a date, but when I drive by, it looks like the work is getting done. Should only be a couple months away.

Last but not least, the 34th edition of harness racing's Breeders' Crown is going to be held on Friday, October 27th and Saturday, October 28th at Hoosier Park. And we're still talking to the Hamiltonian Society, but it looks like the odds are we're going to split the 12 races into two nights, six per night.
Meadowlands, we had a group of 15, 20 people at Meadowlands this year. They did four and eight. We're looking at various options concerning six and six, as Friday is our biggest racing night for our expert audience. And we'll have more details at our next meeting.

We have a dozen or more committees that are involved in different facets of looking at their area of expertise to ensure that we reach our goal the best, most fan friendly Breeders' Crown in the history of the race. And we've got dozens of people involved, the Indiana Standardbred Association involved. Our meetings will start to become every couple of weeks.

We'll have much more information to share as we get into the new year. And we'll be bringing in whatever news publications we can, convention and visitors bureau, chamber of commerce and try to make this a real community event. And we want to ensure that it's fun and it's inclusive.

And we don't want to close the door or have secret meetings and plan a Breeders' Crown in a vacuum. If you walked through Hoosier Park on closing night, I probably heard 50 different ideas from fans and friends about what we needed to do
for Breeders' Crown. And we want to hear that. And we want to incorporate whatever we can so we can all watch next year on those two Breeders' Crown nights, an event that we were all involved in and help be as good as it could be and have the honor of our first time hosting and the first time in decades that the Midwest has hosted the Breeders' Crown races.

With that, from Centaur, from our teams, we sincerely appreciate our partnerships with the ISA, the HBPA, ITOBA, QHRAI, our horse women and men, our relationships with the IHRC, of course, our legislators and local government groups that we work well with all the time or work with all the time. Sometimes well, sometimes not, usually well. But from all of us at Centaur wishing everyone a very Merry Christmas and a Happy New Year and a wonderful 2017.

CHAIRMAN WEATHERWAX: Thank you, Jim, for all you guys do because without your help, we wouldn't be this successful. Question on just logistics. You have the Breeders' Crown. How are you going to handle all those people?

JIM BROWN: That's an interesting one of many questions because we'll have a plan. We'll have a
backup plan, and we'll have a contingency plan. We've gone through those first Fourth of Julys at Hoosier Park where we commandeered the Shoe Carnival parking lot, the Walmart parking lot, parking on the backside along that road. We will have plans in place.

But one of the challenges we have is Breeders' Cup day, racing was up 1,119 times what it normally is. Betting handle for the Breeders' Crown this year, Meadowlands handle was up 43 percent versus 1,119 times for Breeders' Cup. We went to Woodbine last year. And it was like a busy Saturday night. Meadowlands, Friday and Saturday this year, they had about 3,000 people on Friday and about 4,500 people on Saturday. They have 19 million people within 40 miles. It was the best weather they had had for that weekend. It was 55, 60 degrees at night.

I have photos on my phone of the apron at 9:00 on Saturday night, and it looked like a slow Saturday night at Hoosier Park. Granted they have a lot more room inside and can handle a much bigger capacity. But we have the plan for from anywhere from 3,000 people to 10,000 people.

It's a good question, and we don't know the
answer. I think we're going to try to pick the mid
point so we have enough to get us to the top end.
We'll still be busy if it's on the low end. And I
think weather is very important at that time of
year at the end of October.

CHAIRMAN WEATHERWAX: Will the viewing for the
general public be right there in front or will you
have to build a temporary pole barn type?

JIM BROWN: We think we're going to have two
tents and then enough room if the weather is nice
if people want to stand outside so there's room on
the apron. And we have to be sure we don't block
anybody inside. So you have the first floor of the
clubhouse and grandstand, the entire showroom, the
buffet, and the Home Stretch, and steakhouse. It's
going to be an interesting undertaking.

COMMISSIONER PILLOW: Jim, I'm interested in a
couple of questions real quick. How did the
own-a-horse program turn out where everybody could
chip in?

JIM BROWN: When I lost track of it, we had
won three races. They finished second twice. They
ended up having five wins. They kept having their
horse claimed. They would run a race, and somebody
would claim the horse. Jeff Cullipher was the
trainer so they must have respect for Jeff because
every time he claimed a horse for First Turn
Stables somebody would take it out from him. We
had how many people, 50.

RICK MOORE: Yes.

JIM BROWN: There would be at least 30 that
attended every race. If you look at the winner's
circle photos, we could hardly get everybody in.

CHAIRMAN WEATHERWAX: I can tell you it was
very successful because I have a friend that took
part. And he told me every day what was going on.
So that creates the enthusiasm that you wanted.
The goal was to try to get more people to invest in
being a horse owner or participant.

My question is: Do you ever see yourself
doing that on the Thoroughbred side?

JIM BROWN: We are hoping. We wanted to run
the lab experiment to see if it worked at Hoosier
Park, work the kinks out. The plan is to bring it
to Indiana Grand in 2017. The challenge is going
to be with Standardbreds, they are going to race
every week or two. With Thoroughbreds, you're
every three weeks, a month. So we are bringing it
next year.

Churchill did it. They ended up buying two
horses, I think, this past year. We're going to start with one and see how we do.

COMMISSIONER PILLOW: Last question. This might be for Jon or Rick. How are stalls assigned at the track?

JON SCHUSTER: Very carefully. Stalls are assigned -- it would be the same, but I'll let Rick speak. Our racing secretary, Kevin Greely, gets all the applications. People put in their application what their horses are, what kind of stock they have. He does a really good job of weeding through those and finding some of the ones that might be a little overstated, a little understated.

He tries to put together the best mix, the best balance of horses to make our meet run. That includes horses from the very bottom, the very, very bottom end to the very top end and try to get the kind of mix on the property that will give him the easiest draw for races that we can always count on some ship-ins and so forth as well. But he tries to get himself in a place where he has the best chance to fill races or fill the meat of most races from what's on the property.

It's very tricky. There are a million nuances
to it. We have about 1040 stalls. You can probably make that the exponent of how many different ways there are to allocate stalls. From folks that have one or two horses literally to folks that have 75 and trying to get the right mix in there Indiana breds, opens, we're very keen to all of that. That's also, much like breed development, that's a Rubik's cube.

CHAIRMAN WEATHERWAX: You don't want that job, George.

JON SCHUSTER: No, neither do I.

COMMISSIONER PILLOW: I could not answer that. Now I see why.

JON SCHUSTER: It's a lot of his judgment based on his experience. It's not always perfect. There's no question it's not always perfect. The information you get isn't always perfect, and that's a piece of that as well. Rick may add to that.

RICK MOORE: Jon has done a terrific job of talking how stalls are allocated. I would add one thing on the Standardbred side of things, our racing secretary, Scott Peine, he does the allocation. Once we're finished with the allocations before we send those out to the
different trainers, we do sit down with the Indiana Standardbred Association and let them review our allocations and give them input into our final list of who's getting what and how many.

COMMISSIONER PILLOW: Thank you.

CHAIRMAN WEATHERWAX: Okay. Old business, any old business to come before the Commission? Any new business? Having seen none, heard none, the meeting is adjourned.

(The Indiana Horse Racing Commission meeting was adjourned at 12:30 p.m.)
STATE OF INDIANA
COUNTY OF JOHNSON

I, Robin P. Martz, a Notary Public in and for said county and state, do hereby certify that the foregoing matter was taken down in stenograph notes and afterwards reduced to typewriting under my direction; and that the typewritten transcript is a true record of the Indiana Horse Racing Commission meeting;

I do further certify that I am a disinterested person in this; that I am not a relative of the attorneys for any of the parties.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 4th day of January 2017.

[Signature]

My Commission expires: March 3, 2024
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