LOUISIANA STATE RACING COMMISSION MINUTES – August 24, 2015 Meeting

As transcribed by Barbara McGee, Certified Court Reporter

COMMISSIONERS IN ATTENDANCE

Bob F. Wright, Chairman
Judy W. Wagner, First Vice Chairperson
Dion Young, Second Vice Chairman
Keith W. Babb
R. Hamilton "Hammy" Davis
Kevin S. Delahoussaye
Thomas H. Grimstad, M.D.
Benjamin J. Guilbeau, Jr.
Richard M. "Dick" Hollier, Jr.
Mike R. McHalffey
Kenneth "Kenu" Romero
Delia A. Taylor

ABSENT

Luke Turner

The meeting of the Louisiana State Racing Commission was called to order by the Chairman on Monday, August 24, 2015 at 9:20 AM in the Vieux Carré Room of the Monteleone Hotel, 214 Royal Street, New Orleans, Louisiana. Roll call was taken; a quorum was present.

Commissioner Delahoussaye motions to approve the meeting minutes from the April 20, 2015 meeting; Commissioner Young seconds; motion carries.

I. ASSOCIATION REQUESTS

A. BOYD RACING, LLC d/b/a DELTA DOWNS RACETRACK, CASINO & HOTEL

1. PROGRESS REPORT, by Mr. Chris Warren. Mr. Warren informs that Delta Downs finished their Quarter Horse Meet on July 11, 2015. He says that it was a successful meet for the horsemen. He states that Delta Downs was down 2 percent in live and down 4 percent bet-ins and simulcasting was up 15 percent. He says that Delta Downs' Thoroughbred Meet starts on October 16, 2015. He states that there is a lot of refurbishing work in the backside and there will be new horse walkers for the whole barn area from their vendor, Cool Walk. He informs that Matt Crawford is replacing John Simon as the new Racing Secretary and has a lot of new trainers applying for stalls. He states that the backside group of trainers this year may be their strongest in years and Delta Downs is working with the horsemen on the horse path to make it better for the horses. He informs that Jackpot Day will be November 21, 2015.

2015 QUARTER HORSE MEET

- 2. STEWARDS, OFFICIALS & MANAGEMENT
 - a. Ratification of amended officials for the 2015 quarter horse meet: Chris Warren – Director of Racing Matthew Crawford – Racing Secretary

Mohamed Alikhan – Asst. Racing Secretary/Stakes Coordinator
Steve Ruff and Galen Boutte – Association Stewards
Duane Domingue – Paddock Judge/Alternate Association Steward
Mark Gilbert, Jeff Jerman (alternate) and *Jess Chance – Outriders
Bob Beaubien – Trackman Supervisor
Dennis Schmidt – Starter
Jeff Jerman – Clerk of Scales
Oscar Lopez – Head Clocker
Susan Berard – Horse Identifier
Tami Meyers – Stall Superintendent
Michael Bennett – Jocks Room Custodian/Asst. Clerk of Scales
Steve Nick, Phillip Walker, Charles Sonnier & Rose Caster – Placing
Judges/Racing Office Staff

*new official

Commissioner Hollier motions to approve; Commissioner Babb seconds; motion carries.

2015/2016 THOROUGHBRED MEET

10/23/15 My Trusty Cat

3. RACES

a. Approval of first condition book for 2015-2016 thoroughbred meet.

Commissioner Hollier motions to approve; Commissioner Young seconds; motion carries.

b. Approval of designated races for 2015-2016 thoroughbred meet:

10/24/15 Jean Lafitte 10/30/15 Magnolia 10/31/15 Gold Cup 11/21/15 Delta Mile 11/21/15 Treasure Chest 11/21/15 Delta Downs Princess GIII 11/21/15 Delta Downs Jackpot GIII 11/21/15 Sam's Town 11/21/15 Orleans 11/21/15 Louisiana Legacy 11/21/15 Louisiana Jewel 12/18/15 Lookout 12/19/15 **B-Connected** 1/8/16 By The Light 1/9/16 Big Drama Eldorado 1/15/16 1/16/16 Fremont 2/6/16 LA Bred Premier Night Distaff 2/6/16 LA Bred Premier Night Ladies Starter 2/6/16 LA Bred Premier Night Championship 2/6/16 LA Bred Premier Night Gentlemen Starter 2/6/16 LA Bred Premier Night Prince 2/6/16 LA Bred Premier Night Starlet 2/6/16 LA Bred Premier Night Ragin Cajun Starter 2/6/16 LA Bred Premier Night Sprint 2/6/16 LA Bred Premier Night Bon Temps Starter 2/6/16 LA Bred Premier Night Matron 3/4/16 Azalea

3/5/16 Pelican 3/11/16 Gold Coast 3/12/16 Borgata

Commissioner Hollier motions to approve; Commissioner Young seconds; motion carries.

4. STEWARDS, OFFICIALS & MANAGEMENT

a. Approval of Tom Davis to serve as state steward for 2015-2016 thoroughbred meet.

Commissioner Hollier motions to approve; Commissioner Young seconds; motion carries.

2016 QUARTER HORSE MEET

5. LICENSE APPROVALS

- a. Approval for 2016 quarter horse meet:
 - 1. 10 year license to own and operate a race track, per R.S. 4:158.
 - 2. 10 year license to own and operate OTB locations, per R.S. 4:211 et seq.
 - 3. Serve as concessionaire.

Commissioner Hollier motions to approve; Commissioner Young seconds; motion carries.

6. RACING DATES (R.S. 4:158A), RACES AND POST TIMES

a. Approve 46 live race dates on the flat for the 2016 quarter horse meet:

April 22,23,27,28,29,30

May 4,5,6,7,11,12,13,14,18,19,20,21,25,26,27,28

June 1,2,3,4,8,9,10,11,15,16,17,18,22,23,24,25,29,30

July 1,2,6,7,8,9

b. Approve minimum of 9 daily live quarter horse races – 6:15 PM post time on Wednesdays, Thursdays, Fridays and Saturdays.

Commissioner Hollier motions to approve the License Approvals and Racing Dates, Races and Post Times; Commissioner Young seconds; motion carries.

7. WAGERING (LAC 35:XIII.Ch 103-127)

- a. Approve 2016 quarter horse meet wagering:
 - 1. \$1 minimum WPS & Exacta on all races
 - 2. 50¢ Trifecta on all races with five or more entries
 - 3. 10¢ Superfecta on all races with six or more entries
 - 4. 50¢ Rolling Pick 3 beginning on 2nd race
 - 5. 50¢ Pick 4 on first 4 & last 4 races
 - 6. 50¢ Pick 5 on last 5 races
 - 7. 50¢ Super Hi-Five on 5th race
 - 8. \$1 Rolling Daily Double beginning on 1st race

Commissioner Hollier motions to approve; Commissioner Young seconds; motion carries.

8. STEWARDS, OFFICIALS & MANAGEMENT

a. Approval of Tom Davis to serve as state steward for 2016 quarter horse meet.

Commissioner Hollier motions to approve; Commissioner Young seconds; motion carries.

B. THE OLD EVANGELINE DOWNS, LLC d/b/a EVANGELINE DOWNS RACETRACK & CASINO

1. PROGRESS REPORT, by Mr. Chris Warren. Mr. Warren informs that Evangeline Downs' current Thoroughbred Meet will end on Saturday, August 29, 2015. He says that the handle is down around 10 percent. He states that they have tried to improve the meet and changed the post time near the end of the meet so they would not coincide with Del Mar's races. He informs that the track surface change was the biggest plus of the meet with most of the horsemen appreciating the surface. He says that there have been way less breakdowns than in previous years and the newly added sand maintained well. He states that the turf course looked great in April with the rye grass that they planted but Evangeline Downs got more rain than usual over the summer. He informs that the rain caused Evangeline Downs to cancel its big race day in May and the rye grass kept growing, even up to two feet, which prevented the Bermuda grass from growing. He says that they paid a lot of money to a company to help them manage the course and they will not grow rye grass next year. He states that they plan to cut the grass and plant more Bermuda grass and use fertilizer to improve next year's conditions. He informs that Ted Bogich, the Senior VP of Operations at Boyd Gaming, has permitted Evangeline Downs to speak with the horsemen about adding stalls and will come in town in a few weeks to try to address the issue. He says that Evangeline Downs will end the current Thoroughbred Meet with a two stakes, ten race card, that should be an exciting closing night.

2. REQUEST BY LAHBPA

a. Discussion of adding stalls at Evangeline Downs. Mr. Benard Chatters, President of the Louisiana Horsemen's Benevolent & Protective Association (LaHBPA), informs that the horsemen are satisfied that Boyd Gaming will work with them on the issue of adding stalls. He states that Evangeline Downs has a lot less stalls available to the horsemen as compared to the other race tracks in Louisiana even though the Opelouses and Lafayette area have a large concentration of the state's horses.

Chairman Wright and Commissioner Romero asks Mr. Chatters how many stalls the LaHBPA is requesting. Mr. Chatters says that they want Evangeline Downs to increase by 300 stalls from 900 to 1200 total stalls in order to reduce the horsemen's burden of renting stalls. He states that the LaHBPA has some ideas to discuss with Boyd Gaming to get some immediate relief while they negotiate.

Mr. Ed Fenasci, Executive Director of the LaHBPA, informs that he has figures that demonstrate that Boyd Gaming is profitable in Louisiana and has the revenue to support adding stall space. He says that out of the 900 stalls currently at Evangeline Downs, 70 are used as a receiving barn.

Chairman Wright asks if Commissioner Delahoussaye will keep up with the progress of the stall issue for the Commission. Commissioner Delahoussaye answers that he has followed and will continue to follow it. Commissioner Delahoussaye informs that the training center at Old Evangeline Downs went up to \$10 a day, which is also straining the horsemen.

Chairman Wright asks if there is an estimate for the cost of adding the stalls. Mr. Chatters says that he has estimates ranging from \$450,000 to \$500,000. Commissioner Wagner asks if the estimate is per barn. Mr. Chatters says it is. Chairman Wright asks how many stalls are in each barn. Mr. Chatters clarifies that there are 44 stalls, 10 tack

rooms, 4 wash racks, and 4 small hay storage rooms in each barn. Mr. Chatters says that Boyd Gaming got that estimate from construction companies. Mr. Babb asks if the barn was designed by someone and if they're bidding on the same thing. Mr. Chatters informs that his contact measured the barns to make an estimate for a matching unit. Mr. Chatters says that they have some ideas to discuss with Boyd Gaming to make paying for the barns more feasible.

2015 THOROUGHBRED MEET

3. STEWARDS, OFFICIALS & MANAGEMENT

a. Ratification of amended officials for 2015 thoroughbred meet:

Chris Warren - Director of Racing Operations

Corey Veazey – Racing Secretary

Ashley Simon - Assistant Racing Secretary/Stakes Coordinator

Frank Rudis - Association Steward

Jeffrey Williams - Association Steward

Julie Gipson - Identifier

*Ken Goldberg – Paddock Judge

*Julie Pizzitola - Placing Judge

Donald Watson, Jr. - Clerk of Scales

*A.C. Moss - Jockey Room Custodian

Sandra Calais - Claims Clerk/Alternate Placing Judge

Mariah Quebedeaux – Placing Judge

Miranda Quebedeaux - Placing Judge

Brett Poole - Clocker

Russell Comeaux - Starter

*Jacob Deville - Outrider

Kenneth Gipson – Outrider

Robert Bard – Stall Superintendent

Ramiro Flores – Track Superintendent

*new official

Commissioner Babb motions to approve; Commissioner Delahoussaye seconds; motion carries.

2015 OUARTER HORSE MEET

4. STEWARDS, OFFICIALS & MANAGEMENT

a. Approval of officials for 2015 quarter horse meet:

Chris Warren - Director of Racing Operations

Corey Veazey – Racing Secretary

Ashley Simon - Assistant Racing Secretary/Stakes Coordinator

Frank Rudis - Association Steward

Jeffrey Williams – Association Steward

Julie Gipson – Identifier

Ken Goldberg - Paddock Judge

Julie Pizzitola - Placing Judge

Donald Watson, Jr. - Clerk of Scales

A.C. Moss – Jockey Room Custodian

Sandra Calais - Claims Clerk/Alternate Placing Judge

Mariah Quebedeaux - Placing Judge

Miranda Quebedeaux - Placing Judge

Brett Poole - Clocker

Russell Comeaux – Starter Jacob Deville – Outrider Kenneth Gipson – Outrider Robert Bard – Stall Superintendent TBA* – Track Superintendent

Commissioner Hollier motions to approve; Commissioner Babb seconds; motion carries.

b. Approval of Brook Hawkins to serve as state steward for 2015 quarter horse meet.

Commissioners motion to approve; commissioners second; motion carries.

2016 THOROUGHBRED MEET

*new official

5. LICENSE APPROVALS

- a. Approval for 2016 thoroughbred meet:
 - 1. 10 year license to own and operate a race track, per R.S. 4:158.
 - 2. 10 year license to own and operate OTB locations, per R.S. 4:211 et seq.
 - 3. Serve as concessionaire.
 - 4. Operate as official training facility for 2016 during off-season.

Commissioner Hollier motions to approve; Commissioner Young seconds; motion carries.

6. RACING DATES (R.S. 4:158A), RACES AND POST TIMES

a. Approve 84 live race dates on the flat for the 2016 thoroughbred meet:

April 6,7,8,9,13,14,15,16,20,21,22,23,27,28,29,30 May 4,5,6,7,11,12,13,14,18,19,20,21,25,26,27,28 June 1,2,3,4,8,9,10,11,15,16,17,18,22,23,24,25,29,30 July 1,2,6,7,8,9,13,14,15,16,20,21,22,23,27,28,29,30 Aug 3,4,5,6,10,11,12,13,17,18,19,20,24,25,26,27

 Approve minimum of 9 daily live thoroughbred races – 5:40 PM post time, Wednesdays, Thursdays, Fridays and Saturdays.

Commissioner Hollier motions to approve; Commissioner Young seconds; motion carries.

7. WAGERING (LAC 35:XIII.Ch 103-127)

- a. Approve 2016 thoroughbred meet wagering:
 - 1. WPS & Exacta on all races
 - 2. Daily Double on all races
 - 3. Trifecta on all races complying with the Rules of Racing
 - 4. Rolling pick 3 beginning with 2nd race
 - 5. Pick 4 on 1st thru 4th races and on last 4 races
 - 6. Pick 5 on the last 5 races on the card
 - 7. Super Hi-Five on the 5th race
 - 8. Superfecta on all races complying with the Rules of Racing

Commissioner Hollier motions to approve; Commissioner Young seconds; motion carries.

C. CHURCHILL DOWNS LOUISIANA HORSERACING COMPANY, LLC d/b/a FAIR GROUNDS RACE COURSE & SLOTS

1. PROGRESS REPORT, by Mr. Tim Bryant. Mr. Bryant introduces Jason Boulet who was promoted to Director of Racing, replacing H. Withers. He introduces Brad Bryant who is now the Senior Director of Operations and will be responsible for the slot facility and the front of house operations on the pari-mutuel side. He informs that the Fair Grounds 2015 Quarter Horse Meet is half done with five more days to go. He states that the meet will end on September 5, 2015 with a futurity. He says that they started with the Street Fair Derby weekend featuring live music, excellent food, and exciting horse racing. He informs that the opening weekend didn't get the big crowd that they were looking for, though the response from the Louisiana Quarter Horse Breeders Association (LQHBA) was positive. He says that they will likely get a big crowd for the exotic racing on August 29, 2015. He informs that the first five days of the Quarter Horse Meet have been pretty flat compared to last year in terms of handle. He specifies that the starters per race and purses paid this year are right in line with last year.

Mr. Bryant informs that there will be a quick turnaround for the Fair Grounds Thoroughbred Meet that starts on November 19, 2015, and will run through March 27, 2016. He states that they have been doing extensive work on the back stretch, including three redone barn roofs, raplacing one barn roof, asphalt work to enhance water quality on the backstretch, and painting all of the barns. He says that the quarter horses will leave by September 15, 2015 and their goal will be to have the stalls ready for the thoroughbreds by the first part of October. He informs that the turf is on better pace than last year and Dr. Mick Peterson will analyze it to make sure that the track is in good shape.

2015 QUARTER HORSE MEET

2. RACES

- a. Ratification of first condition book for 2015 quarter horse meet.
- b. Ratification of designated races for the 2015 quarter horse meet.

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8/16/15
          Treme Stakes
8/16/15
          Audubon Stakes
8/22/15
          Gentilly Dash Stakes
8/28/15
          Esplanade Stakes
8/29/15
          De Saix Stakes
8/29/15
          Mid-City Stakes
9/5/15
          LQHBA Sale Futurity
9/5/15
          Faubourg St. John Stakes
9/5/15
          French Quarter Starter Stakes
9/5/15
          LQHBA Sale Invitational Stakes
9/5/15
          Lakeview Starter Stakes
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Commissioner Hollier motions to approve the license approval, racing dates, races and post times; Commissioner Young seconds; motion carries.

3. STEWARDS, OFFICIALS & MANAGEMENT

a. Ratification of officials for the 2015 quarter horse meet:

Jason M. Boulet – Director of Racing/Racing Secretary
Scott L. Jones – Assistant Racing Secretary/Claims
George Graham – Association Steward
David Wedlake – Association Steward
Glen Miller – Starter
Barbara Comberrel – Program Director

Gary Palmisano, Sr. - Paddock Judge/Placing Judge

Laura Aime - Placing Judge

*Stacy O'Neill - Placing Judge

Kerry Dubuc – Clocker

Mike Diliberto – Clocker/Handicapper

Nelson Menard - Clerk of Scales

*Cynthia L. Smith – Horse Identifier

Mario Torres – Stall Superintendent

Garrett Broussard - Jockey Room Custodian

Darrin Cain - Outrider

Casey Lovell – Outrider

Pedro Zavala – Track Superintendent

*new official

Commissioner Babb motions to approve; Commissioner Young seconds; motion carries.

2015/2016 THOROUGHBRED MEET

4. STEWARDS, OFFICIALS & MANAGEMENT

a. Approval of Roy Wood to serve as state steward for 2015-2016 thoroughbred meet. Commissioner Young motions to approve; Commissioner Babb seconds; motion carries.

D. HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC d/b/a HARRAH'S LOUISIANA DOWNS

1. PROGRESS REPORT, by Mr. Trent McIntosh. Mr. McIntosh informs that Louisiana Downs substantially changed the structure of its racing for the 2015 Quarter Horse Meet and 2015 Throughbred Meet, including changing the post times and reducing the number of races from nine per day to seven. He says they also changed the weekly racing days from their traditional Thursday through Sunday to Wednesday through Saturday for the Thoroughbred Meet.

Chairman Wright asks how Mr. McIntosh would appraise the reduction of races per day. Mr. McIntosh says that it was the right move for Louisiana Downs. He informs that they are up 9 percent in handle with 15 percent less races and the field sizes of horses have increased because the number of races suits their population of horses and allows the track to offer competitive purses. He says that the increase in handle allowed them to slightly increase the purses from the end of July through the end of the meet on September 19, 2015. He informs that they are moving up to eight races per day starting September 1, 2015 to take advantage of the influx of horses from Evangeline Downs, which ended their meet. He states that Super Derby, the highlight of the season, is coming up on September 12, 2015. He says that they have advertising from Labor Day weekend through the Super Derby. He informs that Louisiana Downs will have a 5K on the turf course, weiner dog races, a local scavenger hunt with clues given out on the daily news, and golf and bowling tournaments to get local media involved and engaged. He says that they will also have an outdoor concert on Super Derby day.

Chairman Wright asks if Mr. McIntosh has noticed any concrete basis that shows their promotional efforts have been successful in growing attendance. Mr. McIntosh responds that the growth in attendance, simulcast handle, and racing handle show the success of the promotional efforts. He informs that Lousiana Downs' main struggle has been competing with the casino market.

a. Update on Bankruptcy Proceedings. Mr. Paul West, on behalf of Lousiana Downs and its parent company Caesars Entertainment, informs that Caesars Entertainment was placed into Chapter 11 reorganization at \$23 billion, which is one of the biggest in history. He says that the bankruptcy is extremely complicated, involving two sets of first lien creditors and two sets of second lien creditors who fight amongst themselves and with Caesars Entertainment. He informs that the first lien creditors have recently agreed with Caesars Entertainment in principle to a reorganization that may pull the second lien creditors into the same agreement, though the second lien creditors have filed multiple lawsuits. He states that Caesars Entertainment owns and operates over 35 properties, including casinos and horse tracks, in the United States with no operational difficulties having been encountered due to the bankruptcy. He says that Caesars Entertainment probably had one of the best quarters it ever had and have had no problems meeting their financial and operational obligations. He informs that Louisiana Downs has not had any negative operational effects and will likely not have any due to the reorganization. He says it will probably take until the second quarter of 2016 to finish the deal, including taking \$10 billion worth of debt off their balance sheet.

Chairman Wright asks if the bankruptcy proceeding will have any adverse effects in operations at Louisiana Downs from the Commission's standpoint. Mr. West responds that the reorganization has no operational effect on any of Caesar Entertainment's properties in any jurisdiction. Dr. Grimstad asks if there is any indication that Caesars Entertainment is planning to continue owning Louisiana Downs in the future. Mr. McIntosh responds that from now until the foreseeable future, the property plans to continue to operate. Commissioner Babb asks if Caesars Entertainment is planning to sell off some of it properties, including Louisiana Downs. Mr. West responds that there is no Chapter 7 selloff in the current plan being negotiated. He says the focus is on reorganization and setting up a real estate investment trust so as to give the creditors some equity positions in that as opposed to debt.

Mr. Chatters informs that the actual handle in the Lousiana Downs casino is significantly down at an average of about 25 percent despite the positive operational reports, which raises concern from the horsemen about the casino funding most of their purses. Mr. West says that corporate cut Louisiana Downs' marketing budget for slot advertisement and promotion, which seems to be the biggest reason for this decrease in slot revenue. Mr. West says the purses rose a little but would have been significantly bigger if the slot facility had performed closer to what they did last year.

Mr. McIntosh informs that Caesars Entertainment made marketing changes across all of its brands, which may have been negative for Louisiana Downs but is not the full reason for being down 25 percent in slot machine revenue. He says in response to being down, they did spend more marketing dollars, including giving a car away every weekend in July, to draw people back to Louisiana Downs.

Mr. Chatters says that Louisiana Downs horse racing has taken a tremendous negative hit while Caesar Entertainment's other casino had an uptake in business. He states that the LaHBPA wants the interest of horsemen to be protected so that Caesars Entertainment doesn't make decisions that are good for their other casino and bad for Louisiana Downs.

Commissioner Delahoussaye asks what is Caesars Entertainment forecasting and planning to do for next year's purse sizes since this year's decline in slot revenue will negatively affect it. Mr. McIntosh responds that there will be a decrease in purse sizes if

the slot revenue doesn't increase to match last year's. He says that Caesars Entertainment has been proactive to increase revenue, including the car promotion in July, which decreased the deficit from 25 percent down to 16 percent. He informs that Caesars Entertainment did make changes at its other casino, Horseshoe, that it didn't make with Louisiana Downs because it is different. He states that Horseshoe's table games are volatile and that is where the revenue growth occurred, not due to increased slot play in competition with Louisiana Downs.

2015 THOROUGHBRED MEET

2. STEWARDS, OFFICIALS & MANAGEMENT

a. Ratification of amended officials for 2015 thoroughbred meet.

Trent McIntosh – Director of Operations

David Heitzmann - Racing Secretary

Russell Ramstad – Assistant Racing Secretary

William Coleman - Association Steward

Charles Magee - Association Steward

Jimmy Cordell - Starter

Richard Miguez - Clerk of Scales

*Terry Brown - Custodian

Ronald Ramstad - Placing Judge

Koleen Karlin - Placing Judge

Jennifer Sokol - Placing Judge

Joseph Peluso – Paddock Judge

Tammy Peck - Horse Identifier

Geneva Franklin - Program Coordinator/Claims

Betty Fetters - Clocker

Melvin Holland – Clocker

Laura Hollowoa - Outrider

Juan Roman – Outrider

*new official

Commissioner Delahoussaye motions to approve; Commissioner Young seconds; motion carries.

2016 OUARTER HORSE MEET

3. LICENSE APPROVALS

- a. Approval for 2016 quarter horse meet:
 - 1. 10 year license to own and operate a race track, per R.S. 4:158.
 - 2. 10 year license to own and operate OTB locations, per R.S. 4:211 et seq.
 - 3. Serve as concessionaire.

Commissioner Young motions to approve; Commissioner Delahoussaye seconds; motion carries.

4. RACING DATES (R.S. 4:158A), RACES AND POST TIMES

a. Approve 46 live race dates on the flat for the 2016 quarter horse meet:

January 9,10,11,12,16,17,18,19,23,24,25,26,30,31

February 1,2,6,7,8,9,13,14,15,16,20,21,22,23,27,28,29

March 1,5,6,7,8,12,13,14,15,16,19,20,21,22,23

b. Approve minimum of 7 daily live quarter horse races - 1:00 PM daily post time.

Commissioner Delahoussaye motions to approve; Commissioner Young seconds; motion carries.

5. WAGERING (LAC 35:XIII.Ch 103-127)

- a. Approval for 2016 quarter horse meet wagering:
 - 1. WPS & Exacta on all races
 - 2. Rolling Daily Double beginning on 1st race through balance of card
 - 3. Rolling Pick 3 beginning on 1st race through balance of card
 - 4. Trifecta on all races complying with the Rules of Racing
 - 5. Superfecta on all races complying with the Rules of Racing
 - 6. Pick Four on last 4 races

Commissioner Young motions to approve; Commissioner Delahoussaye seconds; motion carries.

6. STEWARDS, OFFICIALS & MANAGEMENT

a. Approval of Noble Hay to serve as state steward for 2016 quarter horse meet. Commissioner Delahoussaye motions to approve; Commissioner Young seconds; motion carries.

2016 THOROUGHBRED MEET

7. LICENSE APPROVALS

- a. Approval for 2016 thoroughbred meet:
 - 1. 10 year license to own and operate a race track, per R.S. 4:158.
 - 2. 10 year license to own and operate OTB locations, per R.S. 4:211 et seq.
 - 3. Serve as concessionaire.

Commissioner Romero asks about what would happen if Louisiana Downs decides to go into bankruptcy after the Commission issues the 10-year license to them. Chairman Wright responds that the Commission should still be able to curtail Louisiana Downs' activities if they're'unable to operate in bankruptcy. Commissioner McHalffey asks if the Commission can issue a 1-year license. Chairman Wright responds that they could but he doesn't believe it's necessary since Louisiana Downs' issues do not pose any immediate problem. Commissioner Babb agrees with the Chairman. Chairman Wright elaborates his thoughts that the Commission shouldn't highlight that some segments of Harrah's operation are in bankruptcy when it doesn't affect the race track's operation. Commissioner Davis asks for clarity that if Louisiana Downs tries to do anything different with their license, then they would need to ask the Commission for approval. Chairman Wright informs that they would.

Commissioner Young motions to approve; Commissioner Hollier seconds; motion carries.

8. RACING DATES (R.S. 4:158A), RACES AND POST TIMES

a. Approve 84 live race dates on the flat for the 2016 thoroughbred meet:

May 7,11,12,13,14,18,19,20,21,25,26,27,28,30 June 1,2,3,4,8,9,10,11,15,16,17,18,22,23,24,25,29,30 July 1,2,4,6,7,8,9,13,14,15,16,20,21,22,23,27,28,29,30 August 3,4,5,6,10,11,12,13,17,18,19,20,24,25,26,27,31 September 1,2,3,5,7,8,9,10,14,15,16,17,21,22,23,24

b. Approve minimum of 7 daily live thoroughbred races - 3:15 PM daily post time.

Commissioners motion to approve; commissioners second; motion carries.

9. WAGERING (LAC 35:XIII.Ch 103-127)

- a. Approval for 2016 thoroughbred meet wagering:
 - 1. WPS & Exacta on all races
 - 2. Rolling Daily Double beginning on 1st race through balance of card
 - 3. Trifecta on all races complying with the Rules of Racing
 - 4. Superfecta on all races complying with the Rules of Racing
 - 5. Rolling Pick 3 on 1st race thru balance of card
 - 6. Pick 4 wagering on last 4 races
 - 7. Super Pick 5 wagering on last 5 races

Commissioner Young motions to approve; Commissioner Hollier seconds; motion carries.

II. COMMITTEE REPORTS

A. MEDICATION COMMITTEE, by Committee Chairman Thomas H. Grimstad, M.D.

1. Dr. Barker's Replacement at LSU Laboratory - Introduction of Dr. Levent Dirikolu

Dr. Grimstad asks Dr. Barker to introduce Dr. Dirikolu. Dr. Barker informs that Dr. Dirikolu is held in very high regard in equine pharmacology and has an impressive resume. Dr. Barker says that Dr. Dirikolu will start with LSU as the Director of Equine Medication Surveillance Laboratory in January and he will assist Dr. Dirikolu in the transition.

Dr. Grimstad informs that the Commission is in a position to adopt the Uniform Medication Rules later on the agenda and will not be implemented until the Delta Downs Meet begins. He says that he intends to bring some issues to the Medication Committee, including some extension of the Uniform Medication Rules, working towards third-party administration of Lasix, and working with Dr. Dirikolu regarding accreditation by the RTMC for the equine laboratory.

B. RULES COMMITTEE, by Committee Chairman Keith W. Babb

Commissioner Babb asks Dr. Grimstad to explain what is involved in the ARCI Uniform Medication Rules before the Commission formally adopts the rules. Dr. Grimstad asks if the Commission is planning to adopt the rules now. Mr. Gardiner says yes, if the Commission pleases. Commissioner Wagner says that she is excited that the Commission is addressing these medication issues but must continue its progress in addressing the issues. She specifies that the third-party administration of Lasix may be expensive to implement but needs to be considered. She informs that she is concerned that if Louisiana doesn't continue to progress on medication issues, then other jurisdictions might not take Louisiana's simulcast signal. She states that she is also concerned about medications that can still be given on race day.

Dr. Grimstad asks for any questions or comments about the rules from the audience. He informs that he has not received any specific feedback about the Uniform Medication Rules in support or opposition. Mr. Gardiner confirms that the Commission has not received any written comments and he has had ongoing conversations with the LaHBPA about the progress of the promulgation of the rules.

Dr. Grimstad makes a motion to adopt the Uniform Medication Rules as listed. Ms. Loney, Assistant Attorney General representing the LSRC, asks that the motion include specifically when the rules should be implemented. Chairman Wright asks Mr. Gardiner's opinion on adopting the rules. Mr. Gardiner responds that it is timely and should be a smooth transition with the staff and himself answering questions and concerns of the

constituents and stakeholders on the road in the interim between now and the implementation date.

Mr. Chatters asks if there will be a period of adjustment to avoid a rash of drug positives in order to protect the horsemen's interest. Mr. Gardiner responds that the Commission will continue the dialogue so that the veterinarians will be very clear about administration times, dosage levels, and withdrawal times. Mr. Gardiner asks Dr. Barker if he can commit to providing feedback in September and at the beginning of October about how their tests measure up to what the uniform classification of drugs would require. Dr. Barker informs that the trainers and veterinarians will have to commit to following the rules well before the start date of actual enforcement for testing.

Chairman Wright asks if the period from now until the effective date of September 20, 2015 isn't an adequate grace period and what Dr. Barker recommends. Dr. Barker responds that he believes the HBPA wants a grace period after the rules are enacted, which is what other racing states have done. Dr. Barker recommends putting the rules into force now and alerting everyone that the grace period is from now until September 20, 2015 when the rule is effective.

Mr. Chatters says that he thought there would be a grace period during the beginning of the upcoming Evangeline Downs' Quarter Horse Meet so that the industry would be made aware of what new drugs will test positive. Commissioner Wagner says that the comment period and the agenda for this meeting have been enough notice to make the horsemen aware of the rule changes. She states that giving notice today until the rules go into effect is adequate. Mr. Chatters requests a two-week grace period from punishment for the rules. Chairman Wright says that the Commission can handle the early period violations on a case-by-case basis when they go into the question of penalties. Commissioner Taylor asks if the Commission can direct the association to notify the horsemen of the rule changes immediately following this meeting to inform them in a timely manner; Chaiman Wright agrees.

Mr. Gardiner asks Dr. Barker if the lab can give feedback about how many positives are triggered based on the ARCI Uniform Medication Rules. Dr. Barker answers that the lab can send reports with lists of samples where the new drug thresholds have been exceeded based on the screening results and then issue formal reports after the rules are implemented on September 20, 2015.

Commissioner Romero and Chairman Wright ask Dr. Matt Cooley, LSRC Equine Director, to inform the veterinarians at all of the race tracks about these changes. Dr. Cooley informs that Louisiana is dependent on a lot of ship-in horses from out-of-state and suggests a 30-day grace period to not count the new drug positives as violations to give out-of-state trainers time to adjust. Chairman Wright asks what the difference is between Dr. Cooley's suggestion and the Commission's current idea. Dr. Cooley specifies that they should wait 30-days after the first day of Delta Down's meet to officially call the new drugs positives. Dr. Grimstad agrees to Dr. Cooley's suggestion. Commissioner Delahoussaye requests that the laboratory wait two weeks to start sending their feedback on the positives of new drugs since it will take time to implement the changes.

Dr. Grimstad motions to formally adopt the three rules that constitute the Uniform Medication Rules (See Section "III. RULES – B. FORMAL ADOPTIONS – 1. Uniform Medication Rules" on page 15). This motion includes a grace period between now and the beginning of the Delta Downs meet on October 16, 2015 during which the laboratory will start issuing notices under the new medication rules and the horsemen will have until November 15, 2015 before they start receiving penalties for the newly added drugs. Mr.

Gardiner adds the proviso that findings exceeding the current levels already in place will still be treated as positives and be subject to penalty. Commissioner Guilbeau seconds; motion carries.

Commissioner Babb informs that the next order of business is formally adopting the claiming rule and asks Mr. Gardiner to elaborate. Mr. Gardiner states that the amendment just returns the claiming rule to its original form that any claimed horse for a period of 30 days must run for 25 percent more than the claiming price that he was claimed for and then after 30 days the horse can run for any price. He informs that this was requested by the HBPA.

Commissioner Babb motions to formally adopt the Claiming Rule ("III. RULES – B. FORMAL ADOPTIONS – 2. Claiming Rule and Engagements" on page 15); Commissioner Hollier seconds; motion carries.

C. LEGAL COMMITTEE, by Committee Chairman Benjamin J. Guilbeau, Jr.

Commissioner Guilbeau informs that the Legal Committee issues will come up on Section V of the Agenda under REMAND FROM DISTRICT COURT regarding the Soileau matter.

- **D. SECURITY COMMITTEE,** by Committee Chairman Kenneth "Kenu" Romero No Report.
- E. RACETRACK/HBPA LIAISON COMMITTEE, by Committee Chairman Kevin S.

 Delahoussaye
 No Report.

III. RULES

A. DISCUSSION/NOTICE OF INTENT:

1. Jockey Advertising

LAC 46: XLI Chapter 7 – Jockeys and Apprentice Jockeys §742. Jockey Apparel Advertising [new]

Commissioner Davis asks if this rule's standards are uniform throughout the rest of the country. Mr. Gardiner answers that the rule as written is the bare minimum of what has been adopted in other jurisdictions and seems like it will only come into play on big race days like Louisiana Derby Day. Commissioner Davis asks if color is regulated in the advertisements. Mr. Gardiner answers that pants must be white by another rule and the silk rule lets the customs of the turf dictate other clothes colors. Mr. Gardiner adds that the rule gives stewards the authority to define what is offensive and improper as well as to serve as a check for solicitation or advertising that might promote a business.

Commissioner Taylor asks if there is a list of any companies or industries banned from advertising. Mr. John Beech, Regional Manager of the Jockeys' Guild, answers that stewards have the discretion that there can be no conflict with any sponsors of the race track. Mr. Beech says that anything that has to be used on jockey's pants must go before the stewards for approval and the sizes of the advertising are uniform throughout the United States.

Commissioner Taylor asks what the anticipated revenue is from jockey apparel advertising. Mr. Beech responds that individual contracts are made between the jockey and the person involved. Commissioner Taylor asks what the industry standard contract is and how is the money divided. Mr. Beech answers that it is up to the discretion on the jockey.

Commissioner Taylor asks how long jockey apparel advertising has been done in other areas. Mr. Beech responds that it has been around for a few years and most of the major races in the United States have jockeys with advertising on their pants.

Commissioner Delahoussaye asks if the Commission will limit the number of advertisements allowed on the silks. Mr. Gardiner responds that advertisements will be limited by measurements of size specified in the rule. Mr. Beech adds that jockeys can also have a little advertisement on their turtlenecks.

Commissioner Guilbeau motions to approve the notice of intent; Commissioner Taylor seconds; motion carries.

B. FORMAL ADOPTIONS:

1. Uniform Medication Rules

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LAC 35: I Chapter 15 – Permitted Medication
§1505. Nonsteroidal and/or Anti-Inflammatory medication [amend]
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LAC 35: I Chapter 17 – Corrupt and Prohibited Practices §1725. Controlled Medication [amend] §1787. Pre-Race Testing [amend]
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(See Section "II. COMMITTEE REPORTS – B. RULES COMMITTEE" on pages 13 & 14 for full discussion and adoption of the Uniform Medication Rules)

Dr. Grimstad motions to formally adopt the three rules that constitute the Uniform Medication Rules. This motion includes a grace period between now and the beginning of the Delta Downs meet on October 16, 2015 during which the laboratory will start issuing notices under the new medication rules and the horsemen will have until November 15, 2015 before they start receiving penalties for the newly added drugs. Mr. Gardiner adds the proviso that findings exceeding the current levels already in place will still be treated as positives and be subject to penalty. Commissioner Guilbeau seconds; motion carries.

2. Claiming Rule and Engagements

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LAC 35: XI Chapter 99 – Claiming Rule §9905. Timing of Entering Next Claiming Race [amend]
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(See Section "II. COMMITTEE REPORTS – B. RULES COMMITTEE" on page 14 for full discussion and adoption of the Claiming Rule)

Commissioner Babb motions to formally adopt the Claiming Rule ("III. RULES – B. FORMAL ADOPTIONS – 2. Claiming Rule and Engagements" on page 15); Commissioner Hollier seconds; motion carries.

Commissioner Guilbeau asks if there has been further research or discussion related to adopting the California claiming rule that if a horse broke from its starting gate but came back unsound, then the claim would be voided. Mr. Gardiner responds that there has not been further discussion or request for comments. Commissioner Guilbeau requests opening the topic for discussion between now and the next meeting to see if there are any comments from the HBPA, race tracks, or anyone interested about adopting that as a rule.

Commissioner Young motions to amend the agenda and proceed to the REMAND section; Dr. Grimstad seconds; motion carries.

The Commissioners take a Recess.

IV. REMAND

A. REMAND FROM DISTRICT COURT:

1. John Soileau, et al. v. Churchill Downs Louisiana Horseracing Company, L.L.C., and Churchill Downs Louisiana Video Poker Company, L.L.C. et al.; Civil District Court, Orleans Parish; Docket No. 2014-3873; Div. "G"

In accordance with: The Judgment signed on December 2, 2014 by Judge Robin M. Giarrusso.

Continued from April 20, 2015 Commission Meeting:

- 1) Motion to Appear Before Commission on Behalf of Plaintiffs (new motion)
- 2) Motion for Administrative Ruling Filed by Defendants, Churchill Downs Louisiana Horseracing Company, L.L.C., and Churchill Downs Louisiana Video Poker Company, L.L.C.
- 3) Exception of No Right of Action and Lack of Procedural Capacity filed by Defendant.

Attorneys -

Plaintiffs:

William L. Townsend, III, Esq. Taylor Townsend, Esq. Chris Guillot, Esq.

Defendants, Churchill Downs Louisiana Horseracing Co., LLC. Fair Grounds Race Course & Slots:

David Waguespack, Esq.

Defendant, Louisiana Horseman's Benevolent and Protective Association John L. Duvieilh, Esq.

The Plaintiffs offered additional evidence and made additional arguments.

Chairman Wright asks Commissioner Guilbeau to speak on behalf of the Legal Committee in regard to this case. Commissioner Guilbeau informs that the Commission requested additional memorandums from the attorneys representing each of the parties after the April 20, 2015 LSRC Meeting. He says that the subsequent briefing was exhaustive and extensively reviewed by the Commission.

Commissioner Guilbeau makes a motion on behalf of the Legal Committee that the exception on behalf of Churchill Downs and the Louisiana HBPA be granted; Commissioner Romero seconds; motion carries.

Ms. Loney sounds the remainder of the docket.

See Section "VI. ADJUDICATIONS – B. VIOLATIONS OF LAC 35:I.1797 (Equine Positives) – 1. Steven F. Garrison, Trainer" on page 18 for the case referenced here.

Ms. Loney informs that Mr. Steven F. Garrison consents to following adjudication and he has signed a consent adjudication: The steward's ruling was upheld. Suspension was amended from six months to five years with credit for time served, April 26, 2013 through April 25, 2018. He's fined \$5,000; the purse is redistributed; denied access to all racetracks, off-track wagering facilities, recognized training facilities and tracks under the jurisdiction of the Commission.

Mr. Townsend stands in for Donald G. Kelly, Esq., to represent Steven F. Garrison. He says that his client consents and understands the adjudication as read by Ms. Loney.

Commissioner Guilbeau motions to approve the consent decree; Commissioner Young seconds; motion carries.

See Section "VI. ADJUDICATIONS – E. VIOLATIONS OF LA. REV. STAT. 4:175(E)" on page 19 for the three cases referenced here.

Mr. Roy Joseph Richard Jr, Esq., files a motion for stay for the cases of his clients, Joseph W. Patin and Billy C. Patin, pending final disposition of criminal charges in St. Landry Parish.

Commissioner Young motions for stay in Joseph W. Patin's and Billy C. Patin's cases so long as during said stay they remain suspended and denied access to all racetracks, off-track wagering facilities, and recognized training tracks under the jurisdiction of the Louisiana State Racing Commission; Commissioner Hollier seconds; motion carries.

V. LICENSE APPROVAL

A. REQUEST FOR LICENSE APPROVAL (LA. REV. STAT. 4:150)

1. Javier N. Contreras, Trainer.

Commissioner Guilbeau motions to reinstate Mr. Contreras' license; Commissioner Young seconds; motion carries.

VI. ADJUDICATIONS

A. CARELESS RIDING APPEAL (LA. REV. STAT. 4:154)

Roberto Morales, Jockey. Ruling#ED21253 of 7/30/15 - Careless Riding.
 Appeal withdrawn.

Not present for hearing. Ms. Loney informs that Mr. Morales is going to serve his suspension from August 30, 2015 through September 5, 2015 and his agent has requested the Commission to let him serve the remainder of his suspension from September 6, 2015 through September 12, 2015 at Louisiana Downs.

Commissioner Young motions to suspend Mr. Morales for seven calendar days from September 6, 2015 through September 12, 2015 during which if he participates in a designated race day not subject to suspension, he shall be required to make up the suspension day on the first following race day after the designated day of racing. Commissioner Guilbeau seconds; motion carries.

B. VIOLATIONS OF LAC 35:I.1797 (Equine Positives)

1. **Steven F. Garrison, Trainer.** (Adjudication Appealed and Referred) Ruling#DD19525 of 7/7/12 – Dermorphin (ARCI Category I)

Continued from 9/27-28/2012 Commission Meeting.

Consent to Adjudication.

Attorney -

Donald G. Kelly, Esq.

(See discussion and the motion to approve the consent decree of this case on page 17)

2. Carlos A. Saldivar, Trainer. (Adjudication Referred)
Ruling#ED20907 of 12/18/14 – Phenylbutazone & Flunixin (ARCI Category IV, Severity Level I)
(3rd offense within a 12-month period)

Commissioner Guilbeau motions uphold the Stewards' ruling so that Mr. Saldivar is suspended 60 days effective August 30, 2015 through October 28, 2015 and fined an additional \$500 for a total fine of \$1,500; purse redistributed. He will be denied access to all racetracks, off-track wagering facilities and recognized training tracks under the jurisdiction of the Louisiana State Racing Commission. Commissioner Young seconds; motion carries.

3. Roland Patt, Jr., Trainer. (Adjudication Referred)
Ruling#ED21249 of 7/25/15 – Methylprednisolone (ARCI Category IV, Severity Level I)
(3rd offense within a 12-month period)

Not present for hearing. Commissioner Wagner states that she has an issue with Mr. Patt not showing up to this hearing and not accepting the certified mail. Commissioner Wagner motions to uphold the stewards' fine, add \$1,000 to the fine, redistribute the purse, and suspend Mr. Patt for 60 days starting today. Commissioner Young seconds; the motion doesn't carry.

Commissioner Romero makes a substitute motion to suspend Mr. Patt for six months and fine him \$2,500. Commissioner Wagner argues that the substitute motion is far out of line with historical penalties, even though she agrees with it. Commissioner Delahoussaye argues that starting Mr. Patt's suspension today would penalize the owners who paid the fees to race their horses. Commissioner Delahoussaye suggests starting Mr. Patt's suspension after he runs his horses already signed up for August 28 and 29, 2015. Commissioner Romero makes an addition to his substitute motion to start Mr. Patt's suspension after the two horses run. Commissioner Taylor argues that the owners are not ignorant to trainers' penalties and should have changed their horses to different trainers.

Commissioner Romero motions for the Stewards' ruling to be upheld so that Mr. Patt will be suspended 6 months effective August 24, 2015 through February 23, 2016 and fined an additional \$1,500 for a total fine of \$2,500; purse redistributed. Mr. Patt would be denied access to all racetracks, off-track wagering facilities and recognized training tracks under the jurisdiction of the Louisiana State Racing Commission. Commissioner Taylor seconds. Poll vote: 6-yes; 5-no; motion carries.

C. VIOLATION OF LAC 35:I.303 (Impermissible Conduct)

1. **Donald Boxie, Pony Person.** (Adjudication Appealed)
Ruling#ED21207 of 7/2/15 – Impermissible/Disorderly Conduct.

Commissioner Young motions to uphold the Stewards' ruling to suspend Mr. Boxie for 69 days from August 24, 2015 through October 31, 2015 and deny Mr. Boxie access to all race tracks, off-track wagering facilities and recognized training tracks under the jurisdiction of the Louisiana State Racing Commission. Commissioner Babb seconds; motion carries.

D. VIOLATION OF LAC 35:I.1791 (Human Drug Testing)

1. **Donald Boxie, Pony Person**. (Adjudication Referred)
Ruling#ED21232 of 7/11/15 – Human Drug Testing (5th offense)

Commissioner Young motions to uphold the Stewards' ruling to suspend Mr. Boxie for 10 years with credit for time served, effective July 11, 2015 thru July 10, 2025, and deny him access to all race tracks, off-track wagering facilities and recognized training tracks under the jurisdiction of the Louisiana State Racing Commission. Commissioner Hollier seconds; motion carries.

E. VIOLATIONS OF LA. REV. STAT. 4:175(E) (Unnatural Stimulation of Horses)

1. **Joseph W. Patin, Jr., Jockey.** (Adjudication Referred/Potential Appeal) Ruling#ED21280 of 8/14/15; Race 4 of July 4, 2015

Attorney -

Roy Joseph Richard Jr, Esq.

(See discussion and motion for stay of this case on page 17)

2. Joseph W. Patin, Jr., Jockey. (Adjudication Referred/Potential Appeal)
Ruling#ED21281 of 8/14/15; Race 2 of July 4, 2015

Attorney -

Roy Joseph Richard Jr, Esq.

(See discussion and motion for stay of this case on page 17)

3. Billy C. Patin, Jockey. (Adjudication Referred/Potential Appeal)
Ruling#ED21282 of 8/14/15; Race 8 of July 4, 2015

Attorney –

Roy Joseph Richard Jr, Esq.

(See discussion and motion for stay of this case on page 17)

VII. ADJOURNMENT

Commissioner Babb motions to adjourn; Commissioner Young seconds; Chairman Wright adjourns the meeting.

Charles A. Gardiner III Executive Director