

OKLAHOMA HORSE RACING COMMISSION

REGULARLY SCHEDULED MEETING

May 21, 2009

MINUTES

CALL TO ORDER/ROLL CALL

Chairman Bledsoe called the May 21, 2009 Regularly Scheduled Meeting of the Commission to order at 9:35 a.m. in the Activity Center of Shepherd Mall, Oklahoma City, Oklahoma.

Commission members answering roll call were Commissioner Bledsoe, Commissioner Bollenbach, Commissioner Bowers, Commissioner Calvert, Commissioner Grimmatt, Commissioner Savage and Commissioner Smicklas. Commissioners Barkett and Carter were absent from the meeting. Mr. Leader, Commission Counsel, was present as well as the following Commission staff members: Mr. Constantin A. Rieger, Ms. Sue Chappell, Mr. Mike Corey, Ms. Bonnie Morris and Ms. E J Brees. Approximately twenty other persons attended and signed the registry which is part of the record.

APPROVAL OF MINUTES

Commissioner Bowers moved to approve the drafted Minutes from the March 26, 2009 Regularly Scheduled Commission Meeting. Commissioner Bollenbach seconded the motion. The vote was as follows:

Aye: Mr. Bowers, Mr. Bollenbach, Mr. Calvert, Mr. Grimmatt,
Mr. Savage, Mr. Smicklas, Dr. Bledsoe

Mrs. Barkett and Mr. Carter were absent from the meeting.

The motion passed on a 7-0 vote.

REPORT ON THE STATUS OF THE MEC BANKRUPTCY AS IT PERTAINS TO THE OPERATIONS OF REMINGTON PARK

On March 5, 2009, Magna Entertainment Corporation [MEC], the parent company of Remington Park, announced that it had filed for Chapter 11 bankruptcy protection, filing voluntary petitions for reorganization in the U.S. Bankruptcy Court for the District of Delaware.

A compilation of press releases and articles regarding the MEC bankruptcy since the March 26, 2009 status report was made available to the Commission by Commission Staff.

Mr. Scott Wells, President and General Manager of Remington Park, stated that there had been no effect on the day-to-day operations of the racetrack as a result of the bankruptcy proceedings. He further stated that on May 27, 2009, a list of prospective buyers would be released.

Commissioner Calvert asked that Commission Staff do what is necessary to pre-approve proposed buyers to insure there are no interruptions to Remington Park's gaming or racing.

Mr. Leader said that an order from the Bankruptcy Court would allow for any pre-approval information provided by potential buyers to be held as confidential [as applicants' information] so that they may be exempt from Open Records' requests.

No action was taken by the Commission.

INDIVIDUAL PROCEEDING TO DETERMINE HOW BREAKAGE AND UNCLAIMED TICKET PROCEEDS GENERATED OUTSIDE OF RACE MEETINGS AND DESIGNATED FOR USE AS PURSE SUPPLEMENTS OR AWARDS AT REMINGTON PARK IN 2009 ARE TO BE DISTRIBUTED (1) BETWEEN RACE MEETINGS AND (2) AMONG PARTICIPATING BREEDS AT THE RACETRACK'S MIXED BREED RACE MEETING

Background

In an October 3, 2008 Letter of Counsel provided by Senior Assistant Attorney General Neal Leader, the Commission's Counsel, he noted that there are gaps in the Commission's present regulatory scheme – one of which is lack of any direction on how breakage and unclaimed ticket revenues, generated outside of a race meeting, are to be distributed. Accordingly, such issues must be determined on a case-by-case basis until the Commission acts to fill the regulatory gap.

At its January 22, 2009 meeting, the Commission held a Hearing regarding the distribution of breakage and unclaimed ticket revenues, generated outside a race meeting, at Fair Meadows at Tulsa for 2009, and determined the distribution will be based on per breed ratios based on the number of races per breed as evidenced in Commission Order 2009-OHRC-006 dated February 19, 2009.

The Oklahoma Quarter Horse Racing Association requested that the Commission determine the issues for Remington Park's 2009 race meetings. On May 12, 2009, the Commission sent Notice of a Hearing on the issues to the parties.

Mr. Wells stated that Remington Park would continue to cooperate with the Commission and the Horsemen's Groups and would appreciate the Commission's input into the matter. Remington Park took no position on the issues.

Ms. Debbie Schauf, Executive Director of the Oklahoma Quarter Horse Racing Association (OQHRA), said that the OQHRA would prefer that the split be handled in the same manner as Fair Meadows at Tulsa in Order 2009-OHRC-006.

Mr. Mark Ramsey, representing the Thoroughbred Association of Oklahoma, spoke against changing the split at Remington Park. The Association supported distributing breakage and unclaimed ticket proceeds in the same manner that simulcast-in revenues are split.

Commissioner Calvert made a motion to deliberate in Executive Session regarding the distribution of breakage and unclaimed ticket proceeds to be used at Remington Park for 2009 and include in the discussion Mr. Rieger and Mr. Leader. Commissioner Bowers seconded the motion. The vote was as follows:

Aye: Mr. Calvert, Mr. Bowers, Mr. Bollenbach, Mr. Grimmatt, Mr. Savage,
Mr. Smicklas, Dr. Bledsoe
Mrs. Barkett and Mr. Carter were absent from the meeting.
The motion passed on a 7-0 vote.

Commissioner Bowers made a motion to return to Open Session. Commissioner Smicklas seconded the motion. The vote was as follows:

Aye: Mr. Bowers, Mr. Smicklas, Mr. Bollenbach, Mr. Calvert, Mr. Savage,
Dr. Bledsoe
Mr. Grimmatt was absent from the vote.
Mrs. Barkett and Mr. Carter were absent from the meeting.
The motion passed on a 6-0 vote.

Commissioner Calvert made a motion to take preliminary action to make the number of live race days as listed in the organization license Order the method to be used for distribution of breakage and unclaimed ticket proceeds between race meetings at Remington Park for 2009; to instruct Staff to draft an Order, including Findings of Facts and Conclusions of Law, for continued deliberation at the June 18, 2009 meeting; and include the definition of "racing program" as the live racing program. Commissioner Bowers seconded the motion. The vote was as follows:

Aye: Mr. Calvert, Mr. Bowers, Mr. Bollenbach, Mr. Savage, Mr. Smicklas,
Dr. Bledsoe
Abstain: Mr. Grimmatt
Mrs. Barkett and Mr. Carter were absent from the meeting.
The motion passed with 6 ayes and 1 abstention

**PROPOSED AMENDMENT TO COMMISSION-SANCTIONED
MEDICATION THRESHOLD DIRECTIVE**

Since March 23, 2006, the Commission has provided a Directive on Commission-Sanctioned Thresholds. Updates have been made four times: May 18, 2006, January 25, 2007, February 21, 2008 and June 19, 2008.

Mr. Constantin Rieger, Commission Executive Director, proposed that the Directive be updated to reflect Caffeine's level as 100 ng/ml serum rather than urine.

Commissioner Calvert made a motion to amend the Commission-Sanctioned Thresholds Directive to reflect Caffeine's level as 100 ng/ml serum [rather than urine]. Commissioner Grimmett seconded the motion. The vote was as follows:

Aye: Mr. Calvert, Mr. Grimmett, Mr. Bollenbach, Mr. Bowers, Mr. Savage,
Mr. Smicklas, Dr. Bledsoe
Mrs. Barkett and Mr. Carter were absent from the meeting.
The motion passed on a 7-0 vote.

**REMINGTON PARK'S REQUEST TO EXTEND APPLICATION DEADLINE
FOR CY 2010 LICENSES**

OHRC Rules of Racing Rule 325:15-3-2, Application for License and Days to Conduct a Horse Racing Meeting, sets the application deadline of June 1 of the calendar year preceding the calendar year for which the requested race meeting is to be conducted. That rule in pertinent part provides:

"... (F)urther, for good cause shown, the Commission may, in the exercise of its discretion, grant any applicant an extension of time in which to file its application."

In a May 15, 2009 letter, Mr. Fred Hutton, Director of Racing/Racing Secretary at Remington Park, requested an extension of the application deadline to June 17, 2009 because the 2010 Racing and Gaming Applications were not distributed by the Commission until May 13, 2009.

Commissioner Calvert made a motion to approve Remington Park's request to extend the application deadline for submission of the 2010 racing and gaming applications from June 1, 2009 to June 17, 2009. Commissioner Bollenbach seconded the motion. The vote was as follows:

Aye: Mr. Calvert, Mr. Bollenbach, Mr. Bowers, Mr. Grimmert, Mr. Savage,
Mr. Smicklas, Dr. Bledsoe
Mrs. Barkett and Mr. Carter were absent from the meeting.
The motion passed on a 7-0 vote.

FY-2010 MEMBERSHIP ON THE OKLAHOMA-BRED ADVISORY COUNCIL

Each year, the Commission appoints organizations and individuals to the Oklahoma-Bred Advisory Council for the next fiscal year (July 1 through June 30). The following organizations and individuals were appointed as members of the Advisory Council for FY-2009 (July 1, 2008-June 30, 2009):

Remington Park
Blue Ribbon Downs
Will Rogers Downs
Oklahoma Appaloosa Racing
Oklahoma Horsemen's Association
Oklahoma Quarter Horse Association
Oklahoma Quarter Horse Racing Association
Oklahoma Thoroughbred Association
Oklahoma Office of State Auditor and Inspector
Thoroughbred Racing Association of Oklahoma

Commission Staff provided a meeting attendance list for the current fiscal year.

Commissioner Grimmert made a motion to reappoint all current members of the Oklahoma-Bred Advisory Council for FY-2010 (July 1, 2009 through June 30, 2010). Commissioner Bowers seconded the motion. The vote was as follows:

Aye: Mr. Grimmert, Mr. Bowers, Mr. Bollenbach, Mr. Calvert, Mr. Savage,
Mr. Smicklas, Dr. Bledsoe
Mrs. Barkett and Mr. Carter were absent from the meeting.
The motion passed on a 7-0 vote.

APPOINTMENT OF NOMINATING COMMITTEE TO PRESENT A PROPOSED SLATE OF NOMINEES FOR COMMISSION OFFICERS FOR FY-2010

Chairman Bledsoe appointed Commissioners Savage, Smicklas and Bowers to the Nominating Committee to develop a proposed slate of Commission Officers [Chair, Vice-Chair and Secretary] for FY-2010 (July 1, 2009 through June 30, 2010). Commissioner Savage will serve as Chair. The election is scheduled for the June 18, 2009 Commission meeting.

REPORTS

The Commission's annual gaming machine assessment is \$260.86 for each player terminal. The gaming license application forms for some prior years incorrectly reflected the amount as \$130.43, which was the semi-annual payment under the original licenses. The 2009 application correctly states the assessment amount.

The Legislative Narrative as of May 15, 2009 was supplied to the Commissioners. Ms. Bonnie Morris related during the meeting that SB 216 decreased agency budgets for 30 agencies, including the Commission, by 7% which translates to a cut in funding of \$187,000 for the Commission.

ANY MATTER NOT KNOWN ABOUT OR WHICH COULD NOT HAVE BEEN REASONABLY FORESEEN PRIOR TO POSTING THE AGENDA

There was no new business that could not have been foreseen prior to the posting of the agenda.

Commissioner Calvert requested that two items be placed on the next agenda which would allow Staff to begin the permanent rulemaking process to establish rules for the division of 1) simulcast-in revenues and 2) breakage and unclaimed ticket proceeds.

ANNOUNCEMENTS

Commissioners Bledsoe, Bowers and Calvert will complete their current six-year terms on June 30, 2009.

Governor Henry has reappointed Commissioner Bowers to an additional six-year term; the Senate confirmed the nomination on May 12, 2009.

Governor Henry has appointed Ms. Becky Goumaz of Kellyville to replace Chairman Bledsoe. Her Senate confirmation hearing is pending.

Governor Henry has appointed Mr. Brandon Burton of Oklahoma City to replace Commissioner Calvert. His Senate confirmation hearing is pending.

On May 4, 2009, Governor Henry approved the proposed rule amendments and proposed new rules to Chapter 75, Oklahoma-Bred Program, and five gaming rule amendments adopted by the Commission at its March 26, 2009 meeting.

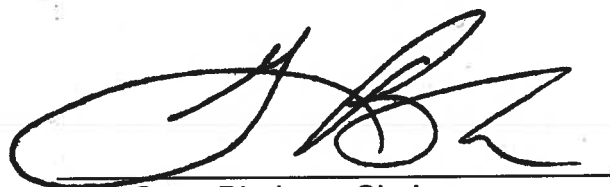
Legislative approval is projected for May 21, 2009, the date of this Commission meeting, so that the earliest possible effective date would be June 25, 2009.

The Oklahoma Thoroughbred Association's annual awards program is scheduled for Saturday, August 15, 2009, at Remington Park. The Commission will present the 2008 Thoroughbred Oklahoma-Bred awards during the program.

ADJOURNMENT

By acclamation, the Commission meeting was adjourned at 11:17 a.m.

Approved this 18th day of June, 2009.



Dr. Gene Bledsoe, Chairman

On Behalf of the Commission:
ATTEST:



Constantin A. Rieger, Executive Director
CAR/ejb/6/2/09, 6/3/09, 6/10/09, 6/18/09