

# OKLAHOMA HORSE RACING COMMISSION

## REGULARLY SCHEDULED MEETING JANUARY 28, 2010

### MINUTES

#### CALL TO ORDER/ROLL CALL

Chairman Grimmert called the Regularly Scheduled Meeting of the Commission to order at Track North, Remington Park, Oklahoma City, Oklahoma.

Mrs. Barkett, Mr. Carter, Mrs. Goumaz and Mr. Savage were absent from the meeting. Mr. Leader, Commission Counsel, was present as well as the following Commission staff members: Mr. Constantin A. Rieger, Mr. William Brogden, Ms. Bonnie Morris and Ms. E J Brees. Approximately twelve persons attended and signed the registry which is part of the record.

#### APPROVAL OF MINUTES

Commissioner Bowers moved to approve the drafted Minutes, as presented, from the December 22, 2009 Rescheduled Special Meeting. Commissioner Smicklas seconded the motion. The vote was as follows:

Aye: Mr. Bowers, Mr. Smicklas, Mr. Bollenbach, Mr. Grimmert

Abstain: Mr. Burton

Mrs. Barkett, Mr. Carter, Mrs. Goumaz and Mr. Savage were absent from the meeting.

The motion passed with 4 ayes and 1 abstention.

#### GLOBAL GAMING RP, LLC'S REQUEST FOR AMENDED CY 2010 LIVE RACE DATES FOR THOROUGHBRED RACE MEETING

On December 3, 2009, Mr. Scott Wells, President and General Manager, submitted a request on behalf of Remington Park, Inc. asking to amend the CY 2010 Thoroughbred live race dates, citing "lengthy discussions with representatives of the Thoroughbred Racing Association of Oklahoma" for racing dates "which we believe will better serve our shared interests." Upon inquiry, Mr. Wells indicated that the present Licensee, Global Gaming RP, LLC, made the same request.

Specifically, Remington Park requested dropping Sundays and Mondays with the exception of Monday, September 6, 2010, Labor Day, and Sunday, October 10, 2010, Oklahoma Derby Day. Further, Remington Park asked to add Wednesdays and Thursdays, with the exception of November 25, 2009, Thanksgiving. The changes in the live race days would also change the race week from Friday through Monday to Wednesday through Saturday. The length of the race meeting, 67 days, would remain the same, with opening day beginning August 19, 2010 rather than August 20, 2010 and an ending day of December 11, 2010 rather than December 12, 2010.

The proposed changes in the CY 2010 Thoroughbred live race dates were as follows:

August 19, 20, 21, ~~22, 23~~, 25, 26, 27, 28, ~~29, 30~~

September 1, 2, 3, 4, ~~5~~, 6\*, 8, 9, 10, 11, ~~42, 43~~, 15, 16, 17, 18, ~~49, 20~~, 22,  
23, 24, 25, ~~26, 27~~, 29, 30

October 1, 2, ~~3~~, 4, 6, 7, 8, 9, 10\*\*, ~~44~~, 13, 14, 15, 16, ~~47, 48~~, 20, 21, 22,  
23, ~~24, 25~~, 27, 28, 29, 30, ~~34~~

November ~~4~~, 3, 4, 5, 6, ~~7, 8~~, 10, 11, 12, 13, ~~44, 45~~, 17, 18, 19, 20, ~~24, 22~~,  
26, 27, ~~28, 29~~

December 1, 2, 3, 4, ~~5, 6~~, 8, 9, 10, 11, ~~42~~

\*Labor Day afternoon program

\*\*Oklahoma Derby Sunday afternoon program

Mr. Wells said that the proposed change in race days was expected to result in a better market position for exporting its signal.

Commissioner Smicklas made a motion to approve Global Gaming RP, LLC's request to amend its CY 2010 Thoroughbred live race dates. Commissioner Bowers seconded the motion. The vote was as follows:

Aye: Mr. Smicklas, Mr. Bowers, Mr. Bollenbach, Mr. Burton, Mr. Grimmer  
Mrs. Barkett, Mr. Carter, Mrs. Goumaz and Mr. Savage were absent from the  
meeting.

The motion passed on a 5-0 vote.

### **GLOBAL GAMING RP, LLC'S REQUEST FOR APPROVAL OF FINANCING OF FACILITY IMPROVEMENTS**

On December 3, 2009, Mr. Calvert, Counsel for Global Gaming RP, LLC, submitted a cover letter regarding a proposed \$20 million Senior Secured Credit Facility loan with the Bank of Oklahoma.

Mr. Calvert, as Counsel for Global Gaming RP, LLC, presented the financing details and answered questions from the Commission at the meeting.

Commissioner Smicklas made a motion to approve Global Gaming RP, LLC's request for approval of the \$20 million Senior Secured Facility contingent upon a side agreement or modification of agreement that purse funds and winnings to be paid to patrons are either not the property of the borrower or are held in trust [not collateral securing the loan]. Commissioner Burton seconded the motion. The vote was as follows:

Aye: Mr. Smicklas, Mr. Burton, Mr. Bollenbach, Mr. Bowers, Mr. Grimmitt  
Mrs. Barkett, Mr. Carter, Mrs. Goumaz and Mr. Savage were absent from the meeting.

The motion passed on a 5-0 vote.

### **INDIVIDUAL PROCEEDINGS TO CONSIDER RENEWAL APPLICATIONS FOR CY 2010 INDEPENDENT TESTING LABORATORY LICENSES**

The Commission received CY 2010 renewal applications from the following Independent Testing Laboratories: **Nick Farley and Associates d/b/a Eclipse Compliance Testing**; and **Gaming Laboratories International, LLC**. In compliance with OHRC *Rules for Racetrack Gaming* Rule 325:80-19-1, Procedures for Consideration of Applications for Racetrack Gaming Operator and Independent Testing Laboratory Licenses, such applications are heard and licenses issued by the Commission.

BMM North America, Inc. d/b/a BMM Compliance asked that its application be heard at the February 18, 2010 Commission meeting.

Mr. Ron Rollins, representing Nick Farley and Associates d/b/a Eclipse Compliance Testing, appeared to answer questions.

When asked, Mr. William Brogden, OHRC Law Enforcement Gaming Agent, stated that there were no significant changes that would affect licensing for CY 2010 regarding Eclipse Compliance Testing.

Because of the inclement weather, representatives from Gaming Laboratories International, LLC [GLI] were not present at the meeting but were available by telephone, if needed. Mr. William Brogden stated that GLI was involved in a case with the Tennessee Education

Lottery Corporation. Mr. Brogden said that he had been contacted by the Tennessee Education Lottery Corporation's attorney and told that GLI had only tested the random number generator but there were issues with some of the rest of the equipment. Mr. Leader said that if GLI only tested the random number generator and the random number generator was not part of the controversy, he did not believe that would be an issue in its licensing by the Commission.

Commissioner Smicklas made a motion to take preliminary action to approve the CY 2010 Independent Testing Laboratory Licenses for both Nick Farley and Associates d/b/a Eclipse Compliance Testing and Gaming Laboratories International, LLC and direct Commission Staff to draft Orders for further deliberation at the February 18, 2010 meeting. Commissioner Bowers seconded the motion. There was no objection by any Commissioner to the consideration of both Orders in a single motion. The vote was as follows:

Aye: Mr. Smicklas, Mr. Bowers, Mr. Bollenbach, Mr. Burton, Mr. Grimmett  
Mrs. Barkett, Mr. Carter, Mrs. Goumaz and Mr. Savage were absent from the meeting.

The motion passed on a 5-0 vote.

**CONTINUED CONSIDERATION OF CY 2010 SIMULCAST-IN REVENUE DISTRIBUTION BETWEEN RACE MEETINGS AT REMINGTON PARK AND WILL ROGERS DOWNS AND CY 2010 SIMULCAST-IN REVENUE DISTRIBUTION DURING THE RACE MEETING AND BETWEEN RACE MEETINGS AT FAIR MEADOWS AT TULSA**

**Background**

At the November 19, 2009 meeting, the Commission held individual Hearings on proposed CY 2010 simulcast-in revenue distribution between race meetings at Remington Park and Will Rogers Downs. The Commission also held a Hearing on the proposed CY 2010 simulcast-in revenue distribution during Fair Meadows at Tulsa's race meeting and between the race meetings.

After the Hearings were conducted, the Commission took preliminary action to set the CY 2010 simulcast-in revenue distribution as follows:

**Remington Park**

Between Race Meetings: 90% Thoroughbred, 10% Quarter Horse,  
Paint and Appaloosa

**Will Rogers Downs**

Between Race Meetings: 90% Thoroughbred, 10% Quarter Horse,  
Paint and Appaloosa

**Fair Meadows at Tulsa**

Simulcast-In Revenue Earned During Live Race Meeting: 42% Thoroughbred,  
42% Quarter Horse, and 16% Paint and Appaloosa

Simulcast-In Revenue Earned Between Race Meetings: 80% Thoroughbred,  
16% Quarter Horse, and 4% Paint and Appaloosa

The Commission also directed Commission Staff to draft Orders for consideration in further deliberation at the January 28, 2010 Commission meeting.

At the January 28, 2010 meeting, Commissioner Bowers made a motion to take final action to adopt the Orders for CY 2010 simulcast-in revenue distribution between race meetings at Remington Park and Will Rogers Downs and during the race meeting and between race meetings at Fair Meadows at Tulsa. Commissioner Bollenbach seconded the motion. There was no objection by any Commissioner to the consideration of the three Orders in a single motion. The vote was as follows:

Aye: Mr. Bowers, Mr. Bollenbach, Mr. Burton, Mr. Smicklas, Mr. Grimmitt  
Mrs. Barkett, Mr. Carter, Mrs. Goumaz and Mr. Savage were absent from the  
meeting.

The motion passed on a 5-0 vote.

**LOCATIONS FOR CY 2010 COMMISSION MEETINGS**

The Activity Center at Shepherd Mall, the location in the past for the majority of Commission meetings, has been leased as office space to a state agency, and the Mall does not plan to offer a different meeting room for its tenants.

Remington Park agreed to host the January and February, 2010 meetings. The Commission discussed possible locations for the other six meetings this year [March 25, May 20, June 17, August 12, October 21 and November 18, 2010] and allowed Executive Director discretion as to future meeting locations.

**REVIEW OF LEGISLATIVE BILLS AFFECTING THE HORSE RACING INDUSTRY**

The Second Regular Session of the 52<sup>nd</sup> Oklahoma Legislature will convene on Monday, February 1, 2010. A preliminary report on proposed legislation that affects the industry

and/or agency was provided to Commissioners. Mr. Rieger stated that Commission Staff will continue to monitor legislation.

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

There were no items not known in advance of posting the agenda.

**ANNOUNCEMENTS**

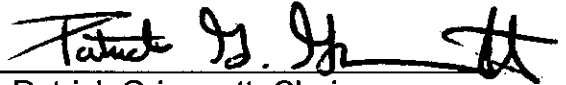
All racetracks accepted their respective CY 2010 racing and gaming License Orders. With the transfer of ownership of Remington Park, Magna Entertainment Corporation voluntarily relinquished both its CY 2010 organization license and CY 2010 gaming license, effective January 1, 2010 at 12:01 a.m.

The Oklahoma Quarter Horse Racing Association will host its annual awards program on Saturday, February 27, 2010, at Heritage Place.

**ADJOURNMENT**

By acclamation, the Commission meeting was adjourned at 10:01 a.m.

Approved this 18<sup>th</sup> day of February, 2010.

  
Mr. Patrick Grimm, Chairman

On Behalf of the Commission:

ATTEST:

  
Constantin A. Rieger, Executive Director

CAR/ejb/2/2/10, 2/3/10, 2/4/10, 2/18/10