

BEFORE THE OKLAHOMA HORSE RACING COMMISSION RECEIVED  
STATE OF OKLAHOMA

IN THE MATTER OF:

2009 NOV -2 P 1:23

Directions from the Oklahoma Horsemen's )  
Benevolent and Protective Association, Inc., )  
An Oklahoma Corporation, d.b.a. Thoroughbred )  
Racing Association of Oklahoma (TRAO), for )  
2010 Distribution of Purse Funds from Tribal )  
Gaming in the Tulsa Area )

OKLAHOMA HORSE  
RACING COMMISSION

November 1, 2009

I.

INTRODUCTION

Oklahoma law, specifically 3A O.S. Section 263 (K), requires that participating tribes in the specified area that operate certain games must remit a certain portion of the income from those games to the Oklahoma Horse Racing Commission. Oklahoma law, specifically 3A O.S. Section 263 (L), requires that the distribution of those "purse funds" shall be at the direction of the "purse committees", which are the official elected horsemen's representatives as designated by statute. Further, 3A O.S. Section 263 (L) sets out the allocation of the "purse funds" between particular breeds. The purse committees are to meet and provide direction at least sixty (60) days prior to the beginning of a calendar year pursuant to certain criteria that the purse committees shall "consider and attempt to achieve" in making their directives.

On October 30, 2009, the TRAO purse committee met and made findings of fact; with the TRAO Board of Directors approval, they have directed the placement of "purse funds" as stated herein.

Directions for placement of "purse funds" are based on the projected gross revenue the TRAO anticipates will be generated for use by the Thoroughbred industry during the calendar year 2010. This method of allocation is not unlike the projection required by the Oklahoma Horse Racing Commission for racetrack organization licensees when they project purses for overnight and stakes races listed in their license applications each year, which are also made without any guarantee of the actual income that will be available at the time of the race meetings.

To encourage growth and development of live Thoroughbred horseracing and breeding in this State, and considering and attempting to achieve all criteria set forth in 3A O.S. Section 263 (L), the TRAO "purse committee", with authorization of its full Board of Directors, respectfully submits these findings of fact and directions to the Oklahoma Horse Racing Commission for placement and distribution of 2010 "purse funds".

With this document, the TRAO "purse committee" states its objective in directing placement of projected revenue from the "purse fund", and asks that the Oklahoma Horse Racing Commission

recognize that, in the event the projections are inaccurate, either high or low, for any reason, the TRAO has the right to amend and/or supplement its directions for 2010 "purse fund" distributions.

## II.

### FINDINGS OF FACT AND DIRECTION FOR PLACEMENT OF 2010 TULSA AREA TRIBAL PURSE FUNDS

The TRAO is projecting the total "purse funds" available from the Tulsa Area Tribal Purse Fund (TATPF) to be approximately \$5,460,000. This projected amount is based on twelve (12) \$470,000 monthly deposits into the TATPF. According to statute, fifty percent (50%) of this projected amount, or \$2,820,000, is to be allocated for Thoroughbred purses in Oklahoma.

Oklahoma law, specifically 3A O.S. Section 263 (L), requires purse committees to "consider and attempt to achieve . . . [each purse structure] at a level that is competitive with the purse structures of similarly situated race tracks, including those in surrounding states, and that will encourage the participation by horsemen in that organization licensee's race meet or meets". With regard to Thoroughbred racing in Oklahoma, the TRAO purse committees' goal is to attain the following average purse levels for Thoroughbred races conducted in Oklahoma in calendar year 2010, in part, through the distribution of available "purse funds". The TRAO recognizes the Thoroughbred purse levels listed below may not yet be sufficient for Oklahoma racetracks to reach the level we hope to ultimately attain, but we do find these purse levels are competitive with similarly situated tracks in surrounding states, to the extent possible, considering the total amount of revenue our State's Thoroughbred industry has available. The TRAO also feels these purse levels will continue to encourage participation by the Thoroughbred horsemen who race at each of the meets listed.

- Remington Park                      \$23,000 Per Race Based on 600 Races
- Will Rogers Downs                 \$15,000 Per Race Based on 320 Races
- Fair Meadows Tulsa                \$10,000 Per Race Based on 160 Races
- ~~Blue Ribbon Downs                \$4,125 Per Race Based on 270 Races~~

(Please See Section III. For Purse Formula)

The TRAO "purse committee" has duly considered the current environment for Thoroughbred racing in Oklahoma and surrounding states and has made extensive evaluations to ensure that the placement of said "purse funds" supports the Oklahoma Legislature's goal to continue the development of the Thoroughbred racing and breeding industries in the State of Oklahoma. The TRAO will periodically instruct the Oklahoma Horse Racing Commission to distribute "purse funds" to the various Thoroughbred purse accounts in an attempt to meet the purse levels shown above.

It should be noted that the ability of the Thoroughbred industry to attain the purse levels shown above depends, in part, on the Thoroughbred industry receiving the percent of simulcast-in revenue submitted by the racetracks in their 2010 racing applications.

WHEREFORE, the TRAO, after profound consideration and in an attempt to further cultivate the Thoroughbred breeding and racing industry of Oklahoma, and after meeting the criteria set forth in 3A O.S. Section 263 (L), hereby notifies the Oklahoma Horse Racing Commission of its intent to transfer and distribute 2010 "purse funds" to attain, as closely as possible, the specified purse levels listed in this directive.

III.

PROJECTED PURSE DISTRIBUTION FORMULA

REMINGTON PARK

2010 Projected Gross Thoroughbred Distribution  
\$13,800,000 ( $\$23,000 \times 600$ )  
2010 Projected Gross Thoroughbred Pari-Mutuel Revenue  
\$4,395,375 ( $\$12,042 \times 365$ )  
2010 Projected Gross Thoroughbred Gaming Revenue  
\$8,782,813 ( $\$250 \times 700 \times 365 \times 27.50\% / 2$ )

WILL ROGERS DOWNS

2010 Projected Gross Thoroughbred Distribution  
\$4,800,000 ( $\$15,000 \times 320$ )  
2010 Projected Gross Thoroughbred Pari-Mutuel Revenue  
\$274,000 ( $\$751 \times 365$ )  
2010 Projected Gross Thoroughbred Gaming Revenue  
\$2,771,718 ( $\$225 \times 250 \times 365 \times .30 \times .45$ )

FAIR MEADOWS TULSA

2010 Projected Gross Thoroughbred Distribution  
\$1,600,000 ( $\$10,000 \times 160$ )  
2010 Projected Gross Thoroughbred Pari-Mutuel Revenue  
\$1,152,800 ( $\$3,158 \times 365$ )

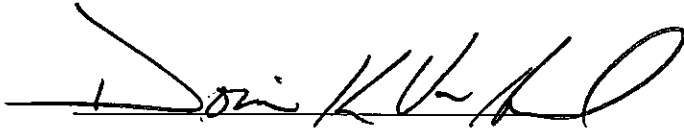
BLUE RIBBON DOWNS

~~2010 Projected Gross Thoroughbred Distribution~~ \_\_\_\_\_  
~~\_\_\_\_\_ \$1,113,750 ( $\$4,125 \times 270$ )~~  
~~2010 Projected Gross Thoroughbred Pari Mutuel Revenue~~ \_\_\_\_\_  
~~\_\_\_\_\_ \$140,550 ( $\$385 \times 365$ )~~  
~~2010 Projected Gross Thoroughbred Gaming Revenue~~ \_\_\_\_\_  
~~\_\_\_\_\_ \$615,000 ( $\$50 \times 250 \times 365 \times .30 \times .45$ )~~

TULSA AREA TRIBAL PURSE FUNDS

2010 Projected Gross Thoroughbred Revenue  
\$2,820,000 (\$235,000X12)

TATPF purse revenue will be applied to the respective Thoroughbred purse accounts throughout Oklahoma in an attempt to attain the above mentioned purse levels for Thoroughbreds participating in Oklahoma racing for the calendar year 2010.

A handwritten signature in black ink, appearing to read "Donnie K. Von Hemel". The signature is written in a cursive style with a horizontal line underneath the name.

Donnie K. Von Hemel, President, Thoroughbred Racing Association of Oklahoma

## 2010 TRA0 GAMING AND PARI-MUTUEL REVENUE PROJECTION

	GAMES	WIN PER MACHINE	DAYS OF OP.	TOTAL GAMING \$	TB HORSEMEN SHARE	DAILY DIST. GAMING	2010 LIVE DAYS	LIVE TO PURSES	SIMO TO PURSES	EXPORT TO PURSES	PARI-MUTUEL TO PURSES	DAILY DIST. TO PARI-MUTUEL	DAILY AVG. W/O PTF	RACE AVGERAGE	PTF REQUIREM ENT
<b>REMINGTON PARK</b>															
23,000 PER RACE	700	250	365	63,875,000	8,782,813	131,087	67	376,875	3,650,000	368,500	4,395,375	65,603	196,690	21,963	622,200
<b>WILL ROGERS DOWNS</b>															
15,000 PER RACE	250	225	365	20,531,250	2,771,718	86,616	32	112,000	146,000	16,000	274,000	8,563	95,178	9,518	1,754,240
<b>BLUE RIBBON DOWNS</b>															
4-125 PER RACE	250	\$0	365	4,562,500	615,937	2,281	270	6,400	127,750	6,400	140,550	4,393	18,912	2,364	475,470
<b>FAIR MEADOWS TULSA</b>															
10,000 PER RACE	400	200	365	10,000,000	1,333,333	360	32	45,000	1,095,000	12,800	1,152,800	36,025	36,025	7,205	447,200