

IN AND BEFORE THE OKLAHOMA HORSE RACING COMMISSION
STATE OF OKLAHOMA

RECEIVED

IN THE MATTER OF:

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Direction from the Oklahoma Horsemen's)
Benevolent and Protective Association, Inc.,)
an Oklahoma Corporation, dba Thoroughbred)
Racing Association of Oklahoma, hereinafter)
referred to as "TRAO" for 2007)
Distribution of Purse Funds from)
Tribal Gaming in Tulsa Area)

OKLAHOMA HORSE
RACING COMMISSION

November 1, 2006

I.

INTRODUCTION

3A O.S. § 263 (K) et seq. requires that compacted tribes in the specified area that are also playing compacted games to remit a pro-rata share of their net income to the Oklahoma Horse Racing Commission. 3A O.S. § 263 (L) sets forth that the distribution of those purse funds (hereinafter referred to as "purse funds") shall be at the direction of the "purse committees" for each of the participating breeds of horses and defines the "purse committees" as the official elected horsemen representatives as designated by statute. Further, 3A O.S. § 263 (L) sets out the allocation of the purse funds between the particular breeds. The "purse committees" are to meet and provide direction at least sixty (60) days prior to the beginning of a calendar year, and the statute provides certain criteria that the "purse committees" should consider and attempt to achieve in making their directives.

The Oklahoma HBPA (TRAO) "purse committee" has met as a committee before making these findings of fact and directives for placement of "purse funds".

Directions for placement of "purse funds" to be generated in 2007 are based on projected purse funds which will be generated throughout the calendar year of 2007. This method for allocation is not unlike the projection required by the OHRC from the racetrack organization licensees when they are required to project purses for overnight and stake races with their racing application each year without any guarantee of the actual income available at the time of the race meetings.

To encourage the growth, sustenance and development of live Thoroughbred horse racing and breeding in this state, and considering and attempting to achieve all criteria set forth in 3A O.S. § 263 (L), the TRAO "purse committee" with authorization of its Board of Directors, respectfully submits their findings of fact and directives to the OHRC for placement of 2007 "purse funds."

With this document, the TRAO "purse committee" is directing placement of projected revenue, and asks that the OHRC recognize that in the event the projections are inaccurate, either high or low, or in the event of any unforeseen circumstances, the TRAO "purse committee" has the right to amend or supplement its directives for 2007 "purse funds".

II.

FINDINGS OF FACT AND DIRECTIONS FOR PLACEMENT OF
2007 TULSA AREA TRIBAL PURSE FUNDS

FINDINGS OF FACT

1. The TRAO identified the projected average daily drop (net take from the compacted games) at the Compacting Tribal locations as \$200 per machine.
2. Using the estimated average daily drop, the projected total purse money to be generated in 2007 for the Tulsa Area Tribal Purse Fund will be \$ 8,100,000. According to statute, the allocation between the breeds will result in fifty percent (50%) or \$ 4,050,000 to be used for Thoroughbred purses.
3. With regard to Thoroughbred racing for 2007, the TRAO "purse committee" projected daily average purse distributions for each of the Oklahoma racetracks scheduled to conduct live racing in 2007, and compared those projected purses to purses of similar tracks in the region, both in Oklahoma and in other states in order to determine what level of purses would be required to maintain or enhance the purse money available at each Oklahoma racetrack.
4. In comparing Fair Meadows at Tulsa's scheduled 34-day fair meet to similar tracks in the region, we find the following daily Thoroughbred purse structures:

Anthony (KS) Fair	\$ 8,791
Gillespie County (TX) Fair	\$ 13,750
Fair Meadows at Tulsa (OK)	\$ 47,881

and that maintaining Fair Meadows at Tulsa's Thoroughbred purse structure at \$45,000 daily distribution (based on an average of 4 races per day restricted to participating Thoroughbreds) keeps its purse structure more than competitive with similar racetracks in the region.

5. In comparing Will Rogers Downs' scheduled 42-day race meet to similar tracks in the region, we find the following daily Thoroughbred purse structures:

Lincoln	\$ 63,141
Fonner Park	\$ 63,694
Sam Houston Race Park	\$ 95,598
Retama Park	\$ 84,733
Woodlands	\$ 37,622
Fairmount Park	\$ 59,501

The TRAO "purse committee" submits that in establishing an initial \$80,000 per day purse structure, based on 8 Thoroughbred races per day, allows Will Rogers Downs to compete with similar racetracks in the region (exclusive of stakes races in 2007).

6. Recognizing Remington Park's scheduled 69-day Thoroughbred race meet as the premier Thoroughbred race meet in Oklahoma, it is the intent of the TRAO "purse committee" to establish Thoroughbred purse levels at Remington Park that will allow that facility to compete with similar racetracks within the region:

Oaklawn Park	\$ 290,000
Fair Grounds	\$ 305,096
Louisiana Downs	\$ 184,879
Lone Star Park	\$ 207,295

The TRAO "purse committee" submits that its goal is to establish a minimum purse structure of \$200,000 per day that would allow Remington Park to compete with similar racetracks within the region

7. Blue Ribbon Downs, with an anticipated limited number of Thoroughbred racing opportunities will generate adequate funds derived from the pari-mutuel and gaming revenue earned at that facility to compete with similar racetracks within the region (the average daily distribution was not used due to a lack of similar tracks within the region) Rather, an average purse per race comparison was used):

Eureka Downs	\$2,335/race
Blue Ribbon Downs	\$6,238/race
Gillespie Co. Fair	\$4,230/race

8. The TRAO "purse committee" finds the 2007 purse funds are to be distributed pursuant to 3A O.S. § 263 (H), (I), (L).
9. The TRAO "purse committee" has considered the current racing climate in Oklahoma and surrounding states and has made every effort to ensure that its direction for placement of "purse funds" will provide competitive and comparable racing at Oklahoma racetracks. The TRAO "purse committee" directives are consistent with the Horse Racing Act's purpose.

III.

DIRECTIONS FOR PLACEMENT OF 2007 FUNDS

1. TRAO "purse committee" directs the transfer of 50% (a minimum) of the "purse funds" to Remington Park. Transferred funds are subject to 3A O.S. § 263 (H) (I).
2. TRAO "purse committee" directs the transfer of sufficient "purse funds" to Fair Meadows at Tulsa to establish a daily Thoroughbred purse level of \$45,000 per day, based on conducting an average of four (4) Thoroughbred races per day for the scheduled 34-day race meet. Transferred funds are subject to 3A O.S. § 263 (H) (I).

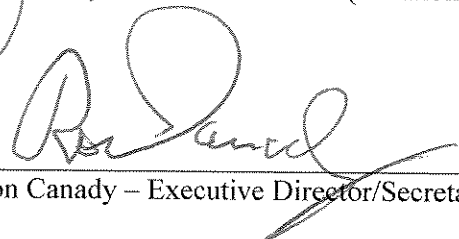
3. TRAO "purse committee" directs the remaining "purse funds" available be transferred to Will Rogers Downs in an effort to establish a minimum purse level of \$80,000 per day for Thoroughbred races conducted in 2007. Any excess "purse funds" transferred to Will Rogers Downs may be applied towards Thoroughbred races to be conducted at Will Rogers Downs in 2008 if approved by the TRAO, after the \$80,000 per day purse level has been reached for 2007. Transferred funds are subject to 3A O.S. § 263 (H) (I).
4. TRAO "purse committee" has determined that Blue Ribbon Downs will have adequate funds derived from their pari-mutuel wagering and gaming revenue generated and will be able to maintain purse levels for the limited number of Thoroughbred races that are anticipated to be conducted. Therefore, the TRAO "purse committee" directs no transfer of "purse funds" to Blue Ribbon Downs for 2007.
5. The TRAO "purse committee" reserves the right to amend and/or supplement these directives in the event any unforeseen circumstances arise or occur.

WHEREFORE, the TRAO "purse committee" after considering and attempting to achieve all the criteria of 3A O.S. § 263 (L) and in addition for the reasons set forth above, directs the OHRC to transfer 2007 funds as specified in the Directives. The foregoing Directives have been submitted to and approved by the Board of Directors of the TRAO.

Signed this 1st day of November, 2006



Joe Lucas, President – TRAO (Oklahoma HBPA)



Ron Canady – Executive Director/Secretary-Treasurer