

**INDIANA HORSE RACING COMMISSION
OFFICIAL AGENDA
December 10, 2013
9:00 A.M.
INDIANA STATE LIBRARY - ROOM 211
315 W. OHIO STREET
INDIANAPOLIS, IN 46204**

I. Call to Order

II. Approval of minutes of the October 29, 2013 meeting.

III. Agenda

1. Discussion regarding initial distribution agreement pursuant to I.C. 4-35-7-17. (Notice of Hearing and Pre-Hearing Order issued on or about November 13, 2013).
2. Discussion regarding purse monies contractually paid to horsemen's associations (survey results).
3. Review of Commission Rulings – October 1, 2013 through December 1, 2013.
4. Approval of IHRC complaint policy.
5. Consideration of emergency rules re: complaints.
 - a. 71 IAC 1-1-23 "Complaint" defined
 - b. 71 IAC 1.5-1-23 "Complaint" defined
 - c. 71 IAC 3-1-5 Complaints against officials
 - d. 71 IAC 3.5-1-6 Complaints against officials
6. Request for Approval of Standardbred Breed Development Program Budget for 2014.
7. Consideration of emergency rule re: 71 IAC 8.5-8-2, Physical inspection of horses.
8. Consideration of the Petition of Hoosier Park, LP In re: The Petition of Hoosier Park to:
 - 1) Amend the Final Order of the Indiana Horse Racing Commission Entered on July 14, 1994 to Authorize the Relocation of the Fort Wayne Satellite Facility to 645-821 Lincoln Highway West, New Haven, Indiana 46774; and
 - 2) Authorize Execution of a Real Estate Lease; and
 - 3) Authorize the Sale of the Real Estate Upon Which the Fort Wayne Satellite Facility is Located; and
 - 4) Delegate Authority to the Executive Director to Approve Contracts Related to the Relocation and Construction of the New Haven Satellite Facility; and
 - 5) Authorize Pari-Mutuel Wagering by means of Fast Bet Mobile.

9. Review of Hoosier Park's permit renewal application and consideration of pari-mutuel permit for 2014 in accordance with 71 IAC 11-1-21 and consideration of Hoosier Park's request for live racing dates for 2014 pursuant to IC 4-31-5-9, IC 4-31-5-10 and 71 IAC 11-1-7.
10. Approval of the renewal of Hoosier Park's satellite facility licenses in Merrillville, Fort Wayne and Indianapolis for 2014 in accordance with 71 IAC 12-1-23.
11. Review of Indiana Downs' permit renewal application and consideration of pari-mutuel permit for 2014 in accordance with 71 IAC 11-1-21 and consideration of Indiana Downs' request for live racing dates for 2014 pursuant to IC 4-31-5-9, IC 4-31-5-10 and 71 IAC 11-1-7.
12. Approval of the renewal of Indiana Downs' satellite facility license in Clarksville for 2014 in accordance with 71 IAC 12-1-23.

IV. Old Business

V. New Business

VI. Adjournment

Minutes of the Regular Meeting of the
Indiana Horse Racing Commission

October 29, 2013

Indiana State Library, Room 211
315 W. Ohio Street
Indianapolis, IN 46204

Commission members present: William Diener, Chairman; Steve Schaefer, Vice-Chairman; Commissioners Greg Schenkel and Thomas Weatherwax. Also present were Joe Gorajec, IHRC Executive Director; Lea Ellingwood, IHRC General Counsel; Holly Newell, IHRC Deputy General Counsel; IHRC Assistant Executive Director Deena Pitman; Phil Bayt, Ice Miller/Centaur; Robin Babbitt, Ice Miller/Centaur; Brian Elmore, Centaur General Manager of Racing; Tammy Schaeffer, Centaur CFO; Tom Mosley, Quarter Horse Racing Association of Indiana (“QHRAI”); Nat Hill, Indiana Standardbred Association (“ISA”), Jack Kieninger, ISA; Joe Davis, Indiana Horsemen’s Benevolent and Protective Association (“IHBPA”); Mike Brown, IHBPA; Chris Duke, QHRAI; Herb Likens, Indiana Thoroughbred Owners and Breeders Association (“ITOBA”); Rod Ratcliff, CEO and Chairman of Centaur; Roger Young, counsel to the ISA; Christina Lawton, Executive Director of ITOBA; Jessica Barnes, IHRC Director of Racing and Breed Development; Jon Schuster, General Manager of Racing at Indiana Downs; and Rick Moore, General Manager of Racing at Hoosier Park.

I. Call to Order

Chairman William Diener called the meeting to order at approximately 9:00 a.m. A quorum was present.

II. Approval of minutes of the September 17, 2013, meeting.

Chairman William Diener asked that Item No. 5 be amended to state: the Executive Director, after consultation with the Chair, be delegated the authority to approve an amendment to a specific line item of a budget of up to \$50,000.00 “as long as the total of the particular budget for that account was not changed.” *The Commission unanimously approved the September 17, 2013, minutes as amended.*

III. Agenda

Note: All items on the agenda were transcribed by a court reporter from Stewart Richardson. Transcripts are available for review upon request.

1. Hearing on proposed distribution agreement pursuant to I.C. 4-35-7-18. (Notice of Hearing and Pre-Hearing Order issued on or about October 3, 2013).

Phil Bayt and Robin Babbitt, Ice Miller/Centaur, partnering with the Indiana Horsemen’s Benevolent & Protection Association, the Indiana Standardbred Association, and the Quarter Horse Association of Indiana presented a joint petition to request approval of the initial distribution agreement.

John Keeler, General Counsel for Centaur; Brian Elmore, Centaur General Manager of Racing; Tammy Schaeffer, Centaur CFO; Tom Mosley, Director of Industry

Relations, QHRAI; Nat Hill, ISA; Jack Kieninger, president of the ISA; Joseph Davis, president of the IHBPA; Mike Brown, IHBPA executive director; Chris Duke, QHRAI president; Herb Likens, ITOBA president; Rod Ratcliff, Chairman and CEO of Centaur; and Joe Gorajec, Executive Director of the IHRC offered testimony about the proposed agreement and its effects on the horse racing industry in Indiana.

The Chairman closed the evidentiary record and opened deliberations among the commissioners. *Chairman Diener moved to approve the Initial Distribution Agreement, subject to the elimination of Section 5(c). Vice Chairman Schaefer seconded. Chairman Diener and Vice Chairman Schaefer voted aye, and Commissioners Schenkel and Weatherwax voted nay. Motion did not carry. Commissioner Weatherwax moved to approve the agreement as submitted. Commissioner Schenkel seconded. Commissioners Weatherwax and Schenkel voted aye. Chairman Diener and Vice Chairman Schaefer voted nay. Motion did not carry. No action taken on the petition.*

2. Hearing on Renewal Application of Quarter Horse Racing Association of Indiana for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 et seq. (Notice of Hearing and Pre-Hearing Order issued on or about October 2, 2013).

Tom Mosley presented the renewal application. *Commission unanimously approved renewal application of the Quarter Horse Racing Association of Indiana to be registered for 2014.*

3. Hearing on Renewal Application of Indiana Thoroughbred Owners and Breeders Association for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 et seq. (Notice of Hearing and Pre-Hearing Order issued on or about October 2, 2013).

Christina Lawton, Executive Director for ITOBA presented the renewal application. *Application unanimously approved under condition that the certifications required by 71 IAC 13-1-3(3) and (5) are filed with the IHRC.*

4. Hearing on Renewal Application of Indiana Horsemen's Benevolent & Protective Association for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 et seq. (Notice of Hearing and Pre-Hearing Order issued on or about October 2, 2013).

Heard out of order as Agenda Item No. 2. Matter tabled until December meeting of the IHRC pending investigation of allegations made to the Chairman.

5. Hearing on Renewal Application of Indiana Standardbred Association for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 et seq. (pursuant to Notice of Hearing and Pre-Hearing Order issued on or about October 2, 2013).

Roger Young, counsel to ISA and Jack Kieninger, ISA president, presented the application. *Chairman Diener moved to approve the application. Vice Chairman Schaefer seconded. Application approved 4-0.*

6. Consideration of settlement agreement between IHRC Staff and Ruben Serna.

General Counsel Lea Ellingwood presented the agreement. *Chairman Diener moved to ratify the settlement agreement. Vice Chairman Schaefer seconded. Commission ratified agreement 4-0.*

7. Review of Commission Rulings – September 1, 2013 through September 30, 2013.

Deputy General Counsel Holly Newell presented the rulings.

8. Re-adoption of expiring rules.

Ms. Ellingwood addressed the need to readopt 900 rules to avoid expiration at year's end. *Vice Chairman Schaefer moved to readopt the rules. Commissioner Weatherwax seconded. The Commission voted unanimously to readopt the rules.*

9. Presentation on Indiana Breed Development programs.

Jessica Barnes, Director of Racing and Breed Development presented an overview and update on the status of the programs.

10. Consideration of request by Indiana Downs to modify formula utilized in distributing pari-mutuel and slot generated purse monies between open and Indiana bred races.

Jon Schuster, Indiana Downs General Manager for Racing presented the proposal. *The Commission unanimously adopted the guidelines. Commission Staff to draft the two approved guidelines into policy.*

11. Consideration of request by Indiana Downs for approval of a contract for totalizator services pursuant to 71 IAC 12-1-15(a)(3).

Mr. Elmore presented the contract, which would apply to both tracks and the off-track betting facilities. *Chairman Diener moved to approve the contract. Vice Chairman Schaefer seconded. The Commission unanimously approved the contract.*

12. Consideration of request by Centaur to renovate the Indiana Downs track surface (estimated cost \$1,000,000.00) and enter into contracts related thereto with Executive Director approval.

Mr. Elmore presented the plan for track renovation at Indiana Downs, and requested that the Executive Director be authorized to approve related contracts in excess of \$50,000.00. *Chairman Diener moved to approve the request for renovation and executive director approval of certain contracts. Commissioner Weatherwax seconded. The Commission unanimously approved the contract.*

13. Consideration of request by Centaur to build a new tote board at Indiana Downs (estimated cost \$1,000,000.00) with a contract to be approved by the Executive Director.

Mr. Elmore provided details about the planned tote board at Indiana Downs and requested Commission approval. *Chairman Diener moved to authorize construction of the tote board at Indiana Downs. Commissioner Schenkel seconded. Request approved 4-0.*

14. Consideration of request by Centaur to construct a new driver's lounge at Hoosier Park, subject to contract approval by the Executive Director.

Rick Moore, Hoosier Park General Manager of Racing, presented the request for approval to construct the driver's lounge. *Chairman Diener moved to authorize construction. Vice Chairman Schaefer seconded. Request approved 4-0.*

IV. Old Business

None.

V. New Business

None.

VI. Adjournment

With no further business, Chairman Diener adjourned the meeting.

Respectfully submitted,

Agenda Item #1

STATE OF INDIANA
BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:

The Petition of Centaur Holdings, LLC, New Centaur, LLC, Hoosier Park, LLC, Centaur Acquisition, LLC, Indiana Horsemen's Benevolent & Protective Association, Inc., Indiana Standardbred Association, Inc. and Quarter Horse Racing Association Of Indiana, Inc. Requesting That the Commission Approve Initial Distribution Agreement)
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NOTICE OF HEARING AND PRE-HEARING ORDER ON PETITION TO APPROVE INITIAL DISTRIBUTION AGREEMENT PURSUANT TO I.C. 4-35-7-17

This matter comes before the Indiana Horse Racing Commission (hereinafter "the Commission") on The Petition Requesting Approval of an Initial Distribution Agreement Pursuant to I.C. 4-35-7-17 [hereinafter "the Petition"], submitted by the above-captioned parties (hereinafter "the Petitioners") on or about September 27, 2013, and heard by the Commission on October 29, 2013, but unresolved on that date. The Commission, by its Chair, issues this notice and order pursuant to the provisions of the Indiana Administrative Orders and Procedures Act, Indiana Code sections 4-21.5-1-1 *et seq.*:

NOTICE OF HEARING

The Indiana Horse Racing Commission will hold a hearing on Tuesday, December 10, 2013, at 9:00 a.m., *or* as soon as this matter advances on the Commission's agenda during its regularly scheduled meeting, which will commence at 9:00 a.m. in the Indiana State Library, Room 211, 315 W. Ohio St., Indianapolis, Indiana 46204. The Hearing will relate to the following Petition that was filed with the Commission on or about September 27, 2013 (**The Petition of Centaur Holdings, LLC, New Centaur, LLC, Hoosier Park, LLC, Centaur Acquisition, LLC, Indiana Horsemen's Benevolent & Protective Association, Inc., Indiana Standardbred Association, Inc. and Quarter Horse Racing Association Of Indiana, Inc. Requesting That the Commission Approve Initial Distribution Agreement**), and all related filings made on or before December 2, 2013.

The Hearing will be held for the purpose of providing an opportunity for the Petitioners to make a presentation of the Petition to the Indiana Horse Racing Commission; an opportunity for the Commission to ask questions of any party representatives and witnesses who may testify at the Hearing; and an opportunity for interested nonparty organizations and persons to provide testimony in support of or adverse to the Petition.

The Hearing is to be held by the Indiana Horse Racing Commission pursuant to the authority granted to it by Indiana Code section 4-31-1-1, Indiana Code sections 4-35-7-17 and 4-35-7-18, and Indiana Code sections 4-21.5-3-1 *et seq.* All members of the Indiana Horse Racing Commission intend to act as the Administrative Law Judge for the Hearing. The members include: William Diener, Chairman; Steve Schaefer, Vice Chairman; Greg Schenkel, and Thomas

Weatherwax, Members. Lea Ellingwood, Esq. and Holly Newell, Esq., are and will act as legal counsel to the Indiana Horse Racing Commission during these proceedings and may be contacted for information concerning the proposed Hearing schedule, the procedure to be followed at the Hearing, and for inspection of copies of the notice to the parties, at the offices of the Indiana Horse Racing Commission, 1302 North Meridian Street, Suite 175, Indianapolis, Indiana 46204 (tel. no. (317) 233-3119). Joe Gorajec, Executive Director, will also appear for the Indiana Horse Racing Commission Staff.

PRE-HEARING ORDER

The Commission, by its Chairman, William Diener, pursuant to Indiana Code section 4-21.5-3-19(d), issues the following Pre-Hearing Order with respect to the matters described herein:

I. Purpose of the Hearing on Applicant's Petition.

The Commission will consider **The Petition of Centaur Holdings, LLC, New Centaur, LLC, Hoosier Park, LLC, Centaur Acquisition, LLC, Indiana Horsemen's Benevolent & Protective Association, Inc., Indiana Standardbred Association, Inc. and Quarter Horse Racing Association Of Indiana, Inc. Requesting That the Commission Approve Initial Distribution Agreement** filed with the Commission on or about September 27, 2013, requesting Commission approval an initial distribution agreement in accordance with Indiana Code section 4-35-7-17, and all related filings made to the commission on or before December 2, 2013.

II. Petition Process Time Line.

a. Hearing Date and Time.

The hearing will commence at the Indiana State Library, Room 211, 315 W. Ohio St., Indianapolis, Indiana, on Tuesday, December 10, 2013, at 9:00 a.m. EST or as soon as it advances on the agenda of the Commission meeting commencing at 9:00 a.m. EST. This matter will be heard and will continue, with appropriate recesses until completed. The record will be closed at the conclusion of the hearing. Thereafter, the Commission will deliberate on and decide whether the Petition will be approved or denied and does not comprehend discussion during the deliberation with the Applicant or other interested parties.

b. Amendment to Petition.

No substantive changes to the Petition made after Tuesday, November 26, 2013 will be considered as part of the Petition.

c. Report of the Commission Staff.

The Commission Staff will review the Petition and related information provided and submit a Staff Report on the Petition, which will be distributed to the Applicant, on or before the close of business on Friday, November 29, 2013.

- d. Exhibits the Commission Proposes to Make a Part of the Record.
A list of exhibits which the Commission intends to make a part of the record may be prepared by the Commission's counsel and distributed to the Petitioners' representative or counsel for the Petitioners on or before the close of business on Tuesday, December 3, 2013. It should be understood that even in the absence of filing a list of exhibits, the Commission will offer into evidence any Staff Report issued by the Commission Staff. The Petitioners must notify the Commission in writing of any exhibits to which they object on or before noon on Friday, December 6, 2013. If no objection is timely made, all specified exhibits will be made a part of the record at the commencement of the hearing. The Commission may expand that list prior to or at the scheduled hearing, however, the Petitioners will be given an opportunity to make an objection to any such additional materials.
- e. Pre-filed Testimony, Exhibits and Supporting Information.
All parties to the Agreement should pre-file testimony, exhibits and supporting information on or before November 26, 2013.
- f. Witness and Exhibits Lists of Applicant.
Unless the Petitioner intends to submit an additional filing or supplement to the Petition, no Witness List is contemplated. In the event that the Applicant does submit an additional filing, or otherwise determines that witness testimony is necessary, any such Witness and Exhibit Lists are to be filed with the Commission on or before noon on Friday, December 6, 2013. When the Applicant files the Witness and Exhibit List, copies of the exhibits are to be left with the Commission so that they can be marked sequentially by the court reporter. While the Applicant may retain its oversized exhibits, reduced copies must be made available to the Commission on or before noon on Friday, December 6, 2013. Documents or exhibits not identified on Applicant's Exhibit List may not be introduced into the record by Applicant.
- g. Request for Official Notice.
The Applicant should submit in writing any request for matters to be officially noticed pursuant to Indiana Code section 4-21.5-3-26(f) on or before noon on Friday, December 6, 2013.
- h. Issuance of Subpoenas.
The Applicant should submit proposed subpoenas to be issued by the Commission no later than the time that the Witness and Exhibit Lists are filed so that they can be issued pursuant to Indiana Code section 4-21.5-3-22. Subpoenas shall be issued on the signature of the Chair, or on the signature of the Vice Chairman in the event that the Chair is unavailable.

III. Matters Relating to the Conduct of the Hearing.

- a. The Commission will be sitting as an Administrative Law Judge at the Hearing.
The Commission is sitting both as Administrative Law Judge and as “ultimate authority” (pursuant to Indiana Code section 4-21.5-1-15) with respect to this Petition. Indiana Code section 4-21.5-3-11 provides in part that an Administrative Law Judge serving in a proceeding may not communicate, directly or indirectly, regarding any issue in the proceeding while the proceeding is pending with any party or any individual who has a direct or indirect interest in the outcome of the proceeding. Such communications are prohibited and are referred to as “ex parte communications.” Additionally, while a Commission Member may communicate separately with another Commission Member and may receive aid from members of the Commission’s Staff, the Commission Staff is prohibited from having ex parte communications with a Commission Member which contain information that would furnish, augment, diminish, or modify the evidence in the record. If the Commission receives an ex parte communication in violation of this statute, please contact counsel for the Commission so that an appropriate public disclosure can be prepared pursuant to the Administration Orders and Procedures Act. In appropriate circumstances a Commission Member receiving or otherwise participating in such a prohibited communication can be disqualified from acting further on the Peittion before the Commission.

Additionally, when acting as an Administrative Law Judge, each Commission Member is prohibited (pursuant to Indiana Code section 4-21.5-3-12) from commenting publicly, except as to hearing schedules or procedures, about pending proceedings. Accordingly, both the Commission Members and the members of the public are to be mindful of this limitation as the Commission moves forward to consider the evidence and to make a decision on the Petition.

- b. Hearing to be Conducted under Oath.
The hearing will be conducted under oath or affirmation pursuant to Indiana Code section 4-21.5-3-26(b). In order to insure consistency, any non-party statements are to be given under oath or affirmation pursuant to Indiana Code section 4-21.5-3-25(f).
- c. Staff Review and Presentation of Findings.
The Commission Staff is conducting a review of the Petition and may speak to its report (*see* § II.c. *supra*) at the hearing.
- d. Hearing Time Schedule.

The maximum time allotted for each part of the hearing is as follows:

Opening Statement of Petitioners	Up to 15 minutes
Oral Presentation by Applicant	Up to 45 minutes

Testimony of Commission Staff	Up to 10 minutes
Testimony of Interested Persons And Organizations	Up to 15 minutes
Rebuttal and Final Statement	Up to 25 minutes

- e. Chairman to Rule on Procedural Issues.
The Chair will rule on any procedural issues requiring an immediate ruling which are raised at the hearing on the Petition.
- f. Commission Free to Ask Questions.
During the hearing on Applicant's presentation, any Commissioner, the Commission's counsel or the Commission's Executive Director may ask questions of any witness in the nature of cross-examination or to assist the Commission's understanding of the issues relevant to the Petition and any appropriate action to be taken.
- g. Individuals Requesting Time to Speak to the Petition.
A sign-up sheet will be made available on the date of the hearing for those interested in speaking during the time allotted for Testimony of Interested Persons and Organizations. An appropriate amount of time will be determined by the Chair at the hearing with consideration of the number of individuals who wish to speak and the total amount of time available in which to do so.

IV. Notice of Pre-Hearing Order.

This Notice of Hearing and Pre-Hearing Order will be served within nine days of its issuance, by electronic mail, to the individuals and organizations identified on the list which is attached and identified as Exhibit "A". This Notice will also be published to the Indiana Horse Racing Commission website within nine days of its issuance.

The Applicant is advised that if it fails to attend or participate in the scheduled hearing, or any other stage of the proceeding, the proceeding may be dismissed pursuant to Indiana Code section 4-21.5-3-24.

This Pre-Hearing Order is issued by the Indiana Horse Racing Commission this 13th day of November, 2013.



William Diener, Chair
On Behalf of the Indiana Horse Racing Commission

Exhibit A

Heddington, Sam

Laur, Michael

Weatherwax, Thomas K

Leist, Jim

Hopper, Ashley

Wilson, Kurt

Thompson, Randy

Keeler, John

Duke, Vickie

Engel, Ted

CERTIFICATE OF SERVICE

I hereby certify that the a copy of the foregoing has been served upon the following parties by first class United States mail, postage prepaid, this 13th day of November, 2013.

Greg Schenkel
Indiana Pacers
125 South Pennsylvania Street
Indianapolis, IN 46204

Joe Davis
Indiana HBPA
4820 Fox Rd.
Charlestown, IN 47170

Steve Schaefer
10987 Innisbrooke Lane
Fishers, IN 46037

Chris Duke
QHRAI
PO Box 254
Whiteland, IN 46184

Thomas Weatherwax
3012 Woodland Drive
Logansport, IN 46947

Jack Kieninger
Indiana Standardbred Association
737 W Green Meadows Drive
Suite 300
Greenfield, IN 46140

Joe Gorajec
1302 North Meridian Street, Suite 175
Indianapolis, IN 46204

Robin Babbitt
Phil Bayt
Ice Miller
One American Square, Suite 2900
Indianapolis, IN 46204

John Keeler
Centaur Gaming
10 West Market Street
Suite 200
Indianapolis, IN 46204

Roger Young
Young & Young
40 West Court Street
Franklin, IN 46151



STATE OF INDIANA
BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:)
THE PETITION OF CENTAUR HOLDINGS, LLC,)
NEW CENTAUR, LLC, HOOSIER PARK, LLC,)
CENTAUR ACQUISITION, LLC, INDIANA)
HORSEMEN'S BENEVOLENT & PROTECTIVE)
ASSOCIATION, INC., INDIANA)
STANDARD BRED ASSOCIATION, INC. AND)
QUARTER HORSE RACING ASSOCIATION OF)
INDIANA, INC. REQUESTING THAT THE)
COMMISSION APPROVE INITIAL)
DISTRIBUTION AGREEMENT)

2013 NOV 26 PM 1:35
INDIANA HORSE RACING COMMISSION

**SUPPLEMENTAL PRE-HEARING BRIEF IN SUPPORT OF REQUEST FOR
COMMISSION APPROVAL OF INITIAL DISTRIBUTION AGREEMENT
SUBMITTED ON BEHALF OF CENTAUR RELATED ENTITIES**

Petitioners, Centaur Holdings, LLC ("Centaur"), New Centaur, LLC ("New Centaur"), Hoosier Park, LLC ("Hoosier Park"), and Centaur Acquisition, LLC ("Indiana Downs"; Hoosier Park and Indiana Downs are collectively referred to as the "Licensees"; Centaur, New Centaur and Licensees are collectively referred to as the "Centaur Related Entities"), by counsel, and Indiana Horsemen's Benevolent & Protective Association, Inc. ("IHBPA"), Indiana Standardbred Association, Inc. ("ISA"), and Quarter Horse Association of Indiana, Inc. ("QHRAI"; collectively referred to as the "Associations"), have jointly requested that the Indiana Horse Racing Commission (the "IHRC" or "Commission") approve the Initial Distribution Agreement ("IDA") submitted by Petition dated September 27, 2013.

This Supplemental Pre-Hearing Brief is submitted in compliance with the Pre-Hearing Order issued on November 13th, 2013 and in response to certain questions raised and statements made by the Commissioners at the October 29 hearing regarding the legality of the proposed IDA and the procedures to be followed at the December 10 Commission meeting. It is submitted on behalf of the Centaur related entities and is joined by the representatives of the horsemen's

associations that testified at the October 29, 2013 Commission Meeting with respect to Agenda Item 1.

I. INTRODUCTION

In 2013, the Indiana legislature ushered in a new day for the Indiana horse racing industry and breed development. Since late 2009, the race track owners had twice filed for bankruptcy protection. Indiana horsemen had experienced five years of uncertainty about what funding, if any, the legislature would require to flow to Indiana horsemen from the slot machine revenues generated at Indiana race tracks.¹ The 2013 budget from the Governor had proposed eliminating entirely the distribution of race track slot revenues directed to the horse racing industry. Faced with this unsustainable arrangement, the legislature through SB 609 moved away from providing to Indiana horsemen a governmental subsidy which was constantly subject to threats of being reduced, redirected, or eliminated entirely by other claimed needs of state government or unaffiliated industries.

SB 609 turned instead to a more market-based approach, allowing for the first time the affected horse racing industry representatives to chart their own future without the constant uncertainty about whether their distributions would be significantly reduced or eliminated. First, the legislature removed the provisions in the existing law which redirected funds in excess of a fixed amount to the state's general fund. Second, the legislature authorized the affected industries, the gaming licensees and the horsemen, represented by the various horse associations ("Associations") to negotiate a long-term distribution agreement which would determine much more than just the percentage of adjusted gross receipts ("AGR") distributed. The IDA could also contain any term determined by the negotiation committees to be necessary and appropriate

¹ The distribution of purse and breed development money has been subject to annual legislative discussion and change long before slots were authorized at the tracks in 2007. See *Indianapolis Downs, LLC v. Ind. Horse Racing Comm'n*, 827 N.E.2d 162 (Ind. Ct. App. 2005).

to promote the “best interests of pari-mutuel horse racing in Indiana.” In other words, the legislature authorized the Licensees and the Associations to “put something together ... to kind of craft their own future with their own incentives to do the best job that they can and use the money they can ... to grow the business [themselves].” Commissioner Weatherwax, Transcript, p. 138-139.

Although the legislature set the parameters of ten percent (10%) to twelve percent (12%) of AGR for the distribution percentage, SB 609 allows the negotiating teams to forge a more stable and predictable future for their industries by removing the cap on the amount of AGR that can be distributed. This revised statutory structure encourages the negotiation teams to develop a distribution agreement that will increase the amount of the AGR generated, a change which should provide increased economic benefits to both the licensees and the horsemen. It also establishes the framework for a partnership between the tracks and horsemen.

More importantly, SB 609 allows and even encourages the two negotiating sides to develop a plan that will provide for long-term stability and growth in the Indiana horse racing industry by authorizing the parties to enter into a distribution agreement longer than a single year with a focus on what is in the “best interests of pari-mutuel horse racing in Indiana.”

But who speaks for the horsemen in this new statutory structure? The legislature has set up a process for the various individual horsemen to be represented in the negotiations through members of the Associations who will negotiate the percentage of AGR distributed, the duration of the distribution agreement, and other “necessary and appropriate” terms for the long-term welfare of the Indiana horse racing industry.

Under this new statutory framework, the Licensees and the Associations have negotiated the current IDA which is under consideration by the Commission in these proceedings.

Consistent with the goals of SB 609, the negotiating teams have unanimously reached an agreement with enormous upside benefits to the Indiana horse racing industry. First, the parties agreed to an initial distribution of 12% of AGR (the maximum percentage permitted by law) to the horsemen. In addition, subject to IHRC approval, the Licensees are prepared to complete expensive immediate capital improvements at Indiana Downs, including significant track surface improvements, renovations of existing dorm rooms, and construction of new dorm rooms and the addition of 100 new Quarterhorse stalls. More importantly, the parties have agreed to a framework that will allow the Licensees to arrange for new financing of its debt structure which, if successful and approved by the Associations and the IHRC, will allow the parties to move forward with a seven-year term on the IDA which will provide much needed stability and continuity, and enable major capital improvements of up to \$36.5 million. These improvements include a substantial rebuild of the grandstand and clubhouse at the Indiana Downs track which would provide a venue for concerts and non-racing events in an effort to draw additional patrons who would generate significant new AGR.

In order to obtain workable refinancing the parties have agreed, again subject to numerous safeguards and ultimate regulatory approval by the IHRC and the Indiana Gaming Commission, to allow the Licensees to enter into refinancing terms that would allow the right to payment of the AGR distributions to be subordinated to the claims of the senior lenders on the refinancing in the event of default. Without the ability to subordinate, there is no realistic chance to obtain refinancing on terms that would permit the long term duration of the IDA (up to seven years under the negotiated IDA) or the enormous capital investment to the facilities which would attract additional patrons to grow the AGR and provide significant financial benefits to the Indiana horse racing industry.

While all of the Commissioners seem to agree that the IDA offers significant and important benefits, some Commissioners have raised specific concerns about the potential subordination of the AGR distributions to the new senior lenders in a future refinancing in a way that gives rise to the following legal issues: namely, (1) Do both I.C. § 4-35-7-17 and concepts of fundamental fairness require that the IHRC at its next meeting in December take another vote (or, if necessary a series of votes) to determine whether to approve or deny the IDA as submitted? and (2) whether I.C. § 4-35-7-12, as a matter of law, prohibits the Associations' negotiation committee representatives (as the statutorily designated representatives of all horsemen participating in Indiana racing) from entering into an initial distribution agreement that includes a future conditional subordination clause, where all stakeholders testified that the overall agreement was fair and in the best interests of the industry.

As demonstrated below, the new statutory framework of SB 609 not only authorizes, but also encourages, exactly this type of distribution agreement which serves the long term interests of the Indiana horse racing industry. Further, the legislature has conferred on the Associations, through their representatives, the authority to negotiate on behalf of Indiana horsemen. Indiana law is clear that an individual horseman has no property right in future purse or breed development monies and consequently, individual horsemen would not likely succeed in any such lawsuit that could be spawned by the Commission's approval of the IDA. Based on the legal authorities and analysis set out below, the terms and structure of the IDA, including the possible subordination to senior lenders, are fully authorized by existing Indiana law and should be approved by the IHRC.

II. LEGAL ANALYSIS

A. Both I.C. § 4-35-7-17 and Concepts of Fundamental Fairness Require That the Commission Take Another Vote (or, if Necessary, Another Series of Votes) on December 10th to Determine Whether to Approve or Deny the IDA as Submitted.

I.C. § 4-31-3-4 provides that “[T]hree (3) affirmative votes are required for the commission to take an action.” Because only four of the five IHRC members were able to attend the October 29 commission meeting, the IHRC deadlocked on the IDA. The first vote taken was on a motion made by the Chair to “approve the Initial Distribution Agreement subject to the elimination of Section 5(c) therein.” (Transcript of October 29, 2013 IHRC Meeting, “Transcript,” pp.139-140.) That vote failed because the motion could not garner the three votes statutorily required for passage. (*Id.*, p. 140.) After the initial motion failed for lack of support, Commissioner Weatherwax made a motion to approve the IDA as submitted. That motion also failed. (*Id.*, p. 144.) Ultimately, the Commissioners in attendance could not agree on a motion that would garner the three votes required for agency action. (*Id.*)

In closing this section of the meeting, the Chair indicated that the “fifth commissioner” was not scheduled to attend the meeting set for December, so we “won’t be able to break the 2-2 split.” Since that time, Commissioner Barclay has resigned and the Governor is in the process of appointing his replacement. To the extent that a fifth (or new) member is available to attend the December meeting and/or to the extent that additional supporting information is provided to the Commission pursuant to the November 13, 2013 Pre-Hearing Order that might alter the vote of any IHRC member, the Commission would be failing its statutory responsibility if it did not entertain a motion to either approve or deny the IDA submitted by the Petition of September 27 at the next meeting scheduled for December 10.

At that meeting, the IHRC must first take another vote (or, if necessary, another series of votes) to determine whether to approve or deny the IDA as submitted if an appropriate motion is

made and seconded. Only in the event of a denial or another deadlock would it be necessary to entertain an alternative proposal of the Committees to cure a “deficiency” in the IDA. To do otherwise would be a clear violation of the process established by the statute.

If a distribution agreement is not submitted in compliance with the statute, the IHRC can set the percentage of AGR to be distributed by the companies. However, once a distribution agreement meeting the statutory requirements is submitted to the IHRC in compliance with I.C. § 4-35-7-16(e), the IHRC must evaluate the distribution agreement in accordance with the criteria prescribed by the statute. First, if the IHRC is unable to approve the distribution agreement as submitted, then the IHRC should identify the specific deficiency in the proposed IDA (As the Chair’s comments seemed to acknowledge, there would be a Commission determination of an IDA “deficiency” if the Commission takes action (by a three vote majority) to deny the IDA that is the subject of the September 27th Petition. (Transcript, p. 141, 145).²); Second, the negotiation committees then have the opportunity to cure the identified deficiency with a new IDA (the IHRC shall “give the negotiation committees an opportunity to correct any deficiencies in a proposed distribution agreement before making a determination of the applicable percentage.”); Finally, only if the negotiation teams cannot present an IDA that cures the deficiency can the IHRC set the following year’s distribution amount for the parties.³

The IDA entered into by the negotiation committees complies with the statute. The IDA is in writing and was submitted to the IHRC prior to the October 1, 2013 deadline. Further, the IDA set the applicable percentage of AGR for distribution at 12% in conformance with statute

² Having said that, if the Commission were “unable to approve” the IDA because of concerns that relate solely to the subordination provisions, it defies logic and common sense to maintain that there is no “deficiency” which would give rise to the negotiation committees’ statutory right to present an alternative IDA to the Commission which addresses its articulated concerns. (See Transcript, pp. 129-146.)

³ The legislature has designated that the IDA “must be approved by the Indiana horse racing commission before January 1, 2014” . . . I.C. § 4-35-7-16(e)(3). Within that timeframe, the negotiation committees should be given an appropriate opportunity to “correct any deficiencies” by the Commission.

and included only provisions which the committees deemed necessary and important. Since the IDA was properly submitted, the IHRC cannot set the applicable percentage without first re-evaluating and determining whether to approve the IDA – and then (if necessary) giving the negotiation committees the opportunity to submit a proposal that would address any commission determined “deficiencies.”

I.C. § 4-35-7-18 sets forth the specific criteria to be used by the IHRC to evaluate the IDA. The IDA should be in the best interests of pari-mutuel racing, maintain the highest standards and greatest levels of integrity, be fair to all parties, and support the financial stability of the companies.⁴ The Commission’s Executive Director, pursuant to the initial Pre-Hearing Order, was directed to issue a Staff Report. That Staff Report recommended that:

The Executive Director recommends to the Commission that it approve the Initial Distribution Agreement (“IDA”).

The Executive Director believes the IDA to be in the best interest of pari-mutuel horse racing in the state of Indiana and the IDA satisfies the criteria set forth in I.C. § 4-35-7-18. Furthermore, the Executive Director believes the IDA provides the best opportunity for Indiana’s horse racing industry to improve its stability and optimize revenue.

Indiana Horse Racing Staff Report, Executive Summary, Petitioner’s Exhibit 4.

The Petitioners would respectfully submit that the substantial and reliable evidence presented on October 29 supports the Executive Director’s recommendation. Procedurally, all Petitioners are entitled to a determination that the Commission – as constituted on December 10, 2013 – either accepts or rejects the IDA presented by Petition dated September 27, 2013. Only

⁴ The IHRC was to consider the above criteria at the October meeting and determine whether to approve the IDA. The statute does not give the IHRC the authority to amend the IDA submitted to the IHRC. The IHRC may only evaluate the agreement submitted to them and determine whether it meets the approval criteria. The Chair’s motion to approve the IDA with an amendment dictated by the IHRC and not approved by the Committees was in conflict with the statute. According to the comments of the Vice-Chair, passing this motion would have materially impacted the contractual obligations and responsibilities of the Licensees and Associations. (Transcript, p. 142). If the IDA is not approved by the IHRC, the proper course of action would be to give the negotiation committees an opportunity to correct any deficiencies in the IDA by soliciting an alternative proposal.

in the event that the Commission is unable to approve the IDA should the Commission follow the steps outlined above, making certain to exhaust each step before proceeding to the next.

B. There Is No Legal Barrier to Approval of the Initial Distribution Agreement As Submitted.

Perhaps the single most important question that the Commission will be asked to answer in the next several years is:

Whether I.C. § 4-35-7-12, as a matter of law, prohibits the negotiation committee of the horsemen's associations from entering into an initial distribution agreement that includes a future conditional subordination clause, where all stakeholders testified that the overall agreement was fair and in the best interests of the industry.

For the reasons stated below, the answer is “no.”

SB 609 represents a fundamental transformation of the horse racing industry. The General Assembly recognized that its frequent and unpredictable policy changes were contributing to an unhealthy climate of uncertainty in the industry. SB 609 creates a new process which expressly authorizes “negotiation committees” representing the Licensees and the horsemen's associations to enter into an initial distribution agreement that need not be limited to a single year. The language and structure of the new Act make it clear that the legislature intended to give the parties maximum flexibility to craft their own agreement and chart their own future.

To that end, the legislature directed the negotiation committees to determine the amount of slot machine revenue to be distributed, so long as the amount is at least ten percent and no more than twelve percent of the Licensee's adjusted gross receipts. I.C. § 4-35-7-16(a) and (f). The legislature also empowered the negotiation committees to enter into an “initial distribution agreement” (IDA) which “may contain any terms determined to be necessary and appropriate by the negotiation committees, subject to subsection (f) and section 12 of this chapter.” I.C. § 4-35-

7-16(e)(4). The reference to “subsection (f)” means that the negotiation committees may not enter into an IDA that sets the distribution percentage at less than ten percent or more than twelve percent. The disagreement centers on what the legislature intended when it said the “any terms determined to be necessary and appropriate” authorization was “subject to ... section 12 of this chapter.”

Chairman Diener’s comments suggest that because the horsemen’s associations have no right to receive slot machine funds for purses and breed development, the Associations therefore have no right as a matter of law to agree to a conditional subordination of those funds. (Transcript, pp. 53, 131.) Although we have found no Indiana cases directly on point, that position overlooks both common law principles regarding the permissible scope of an association’s authority and, more importantly, the specific legislative directive in SB 609.

In general, in the absence of a statute, the authority of an association is determined by its governing documents. It is not unusual for an association to have the authority to negotiate and enter into contracts that affect the financial interests of non-members as well as members. For example, the settlement agreements entered into by the Bayh and O’Bannon administrations through executive order contained “fair share” clauses that required non-members to pay a portion of certain union-related expenses. *See Byrd v. AFSCME*, 781 N.E.2d 713, 720-21 (Ind. Ct. App. 2003), trans. denied (fair share provisions valid unless statute provides otherwise); *Nass v. State ex rel. Unity Team*, 718 N.E.2d 757, 765 (Ind. Ct. App. 1999), trans. denied (“fair share provisions in general are valid in this jurisdiction” because they help ameliorate the free rider problem), overruled in part on other grounds by *Daimler Chrysler Corp. v. Yaeger*, 838 N.E.2d 449, 450 (Ind. 2005). Of course, unions routinely agree to wages, benefits, pensions and other significant financial matters on behalf of all employees in the bargaining unit.

In this case, the IHBPA by-laws provide that “[t]he Association shall represent horsemen and may bargain collectively with Racing Association[s] in an attempt to reach agreements with respect to purses and other conditions affecting racing.” *See* letter dated November 15, 2013, from Michael Brown to Lea Ellingwood. This gives the Associations broad authority to act on behalf of the individual horsemen even without considering the Associations' statutory sources of authority.

By definition, a horsemen's association must represent, through membership, more than one-half of the aggregate of all licensed owners and trainers, and may contract with the permit holders “to represent owners and trainers participating in a horse racing meeting conducted by the permit holder.” I.C. § 4-31-8-6. There is nothing new about horsemen's associations representing individual owners and trainers and entering into contracts with the permit holders on their behalf.

What is new is that SB 609 expressly expands the Associations' authority to represent horsemen in negotiating an IDA under I.C. § 4-35-7-16. If the legislature had wanted to require individual horsemen to vote on ratifying the proposed IDA or give individual consent to a conditional subordination clause, it knew how to say so. The legislature intended to move to a more market-based system in which the participants are largely free to make their own agreement, wherein the representatives of the horsemen's associations are legally charged, through both statute and contractual by-laws, to speak for and bind the horsemen. The Commission should respect the intent of the legislature and take notice of the multitude of examples in Indiana law and practice of associations and unions having the legal authority to speak for their members and those who fall within their purview.

Moreover, the Chair's comments also indicate a belief that the "subject to section 12" language prohibits the negotiation committees from entering into an IDA that includes a future and conditional subordination clause, even though all stakeholders (including a breeders' association that was not part of the negotiation committees) testified that the overall IDA was fair and in the best interests of the industry.

We respectfully submit that the Chairman's interpretation focuses on one narrow provision rather than on other more critical provisions and the overall intent of the legislature to fundamentally change the relationship between the Licensees and horsemen's associations and the source of the support funds. The correct interpretation that is consistent with the legislature's intent is that the "subject to section 12" language simply precludes the negotiation committees from entering into an IDA that changes the statutory distribution percentages. For example, the IDA could not increase or decrease the general allocation of 46% for Thoroughbred purposes, 46% for Standardbred purposes, and 8% for Quarter Horse purposes. *See* I.C. § 4-35-7-12(f). Under this interpretation, the statute would not prohibit the negotiation committees from determining that a future conditional subordination clause is a "necessary and appropriate" term of the IDA.

Statutory construction is a question of law, and "[t]he primary rule in statutory construction is to ascertain and give effect to the intent of the legislature." *Hendrix v. State*, 759 N.E.2d 1045, 1047 (Ind. 2001). As the Indiana Supreme Court recently explained:

When courts set out to construe a statute, the goal is to determine and give effect to the intent of the legislature. The first place courts look for evidence is the language of the statute itself, and courts strive to give the words their plain and ordinary meaning. We examine the statute as a whole and try to avoid excessive reliance on a strict literal meaning or the selective reading of individual words. We presume the legislature intended the language used in the statute to be applied logically, consistent with the statute's underlying policy and goals, and not in a manner that

would bring about an unjust or absurd result. We look to the underlying purpose of these provisions and to similar Code sections for guidance.

Cooper Industries, LLC v. City of South Bend, 899 N.E.2d 1274, 1283-84 (Ind. 2009) (citations omitted).

Applying these principles to this situation, the “underlying policy and goals” of SB 609 were: (1) to end the practice of treating certain slot machine revenues as general state tax revenues; (2) to create a representative form of government whereby the horsemen’s associations, through their negotiation committee, are authorized to speak for all horse owners and trainers with respect to the terms of the IDA; and (3) to give the parties the power to craft their own long-term agreement, subject to Commission approval and compliance with the statutory distribution percentages.

The Court of Appeals recently applied these principles of statutory construction to the pari-mutuel racing act (I.C. § 4-31-1-1, *et seq.*) in *Ind. Horse Racing Comm’n v. Martin*, 990 N.E.2d 498 (Ind. Ct. App. 2013). The main issue was whether Martin, the Executive Director of ITOBA, “participate[d] in racing” within the meaning of I.C. § 4-31-6-1, because the statute requires those who “participate in racing” to have a license. The trial court ruled that Martin was not required to be licensed, but the Court of Appeals reversed. The court first “note[d] the substantial deference our court affords to administrative agencies like the IHRC in their interpretation of the statutes and regulations they are required to enforce.” *Id.* at 503. The IHRC admitted that its interpretation of the phrase “participate in racing” was “broad,” but contended that its interpretation was consistent with other statutory requirements. *Id.* at 504. The court agreed, holding that Martin’s “narrow interpretation” of the phrase “participate in racing” was inconsistent with the legislature’s decision to give the IHRC “broad authority” to enforce the statute. *Id.* at 506.

Likewise, under SB 609, the legislature decided that the scope of the negotiation committee's authority would be extremely broad. For example, the negotiation committee could have agreed to a long-term IDA at 10% of the adjusted gross receipts. Using Chairman Diener's estimates, the annual purse and breed development funds total about \$54 million at a 12% distribution rate (Transcript, p. 48). If the negotiating committee had agreed to a 10% rate instead – which it plainly had the authority to do – the difference would be \$9 million per year. Over a seven-year period, that would amount to a reduction of \$63 million (with a corresponding increase to Licensees) that would otherwise go to individual owners and trainers as purses and breed development money. Clearly, the horsemen's negotiating committee does have the power to speak for and, thereby impact, individual horsemen.

Because SB 609 provides the negotiating committee with such wide latitude over the range of possible financial outcomes, then surely the negotiating committee has the authority to enter into an IDA that contains a future conditional subordination clause. The legislature specifically directed the creation of two negotiation committees – one representing “all licensees” and the other representing “the horsemen's associations having contracts with licensees that have been approved by the Indiana horse racing commission.” I.C. § 4-35-7-16(a). The Chairman's position suggests that the negotiation committee can enter into a binding distribution agreement only with respect to the approximately 3% of the distributions that are paid directly to the horsemen's associations. However, it is obvious from the language of the statute that the legislature intended the negotiation committee to play a much larger role.

The legislature has long recognized that a horsemen's association is authorized to act on behalf of individual owners and trainers. *See* I.C. § 4-31-8-6 (defining “horsemen's association” and authorizing permit holder to contract with an association “to represent owners and trainers

participating in a horse racing meeting conducted by the permit holder.”).⁵ SB 609 takes this representative government model a step further by authorizing the Associations, through their negotiation committee, to enter into an IDA that not only sets the distribution percentage, but also contains “any terms determined to be necessary and appropriate.” The elaborate negotiation process created by SB 609 makes no sense unless it applies to all adjusted gross receipts and all individual horse owners and trainers, regardless of whether they are members of a recognized association.

At the October 29 hearing, Chairman Diener also noted that SB 609 made no change with respect to the “mandatory” distribution and allocation provisions of I.C. § 4-35-7-12 (Transcript, pp. 55, 130). He was presumably referring to the language of subsection (b) that says a licensee “shall before the fifteenth day of each month distribute the following amounts for the support of the Indiana horse racing industry.” In his view, the use of the word “shall” prohibits the parties, as a matter of law, from including the future conditional subordination clause in the IDA.

First, it is important to point out that the distribution and allocation provisions **were** amended by SB 609 in an important way that confirmed the legislative intent to empower the industry. The introductory language of subsection (b) added language that made clear that the Licensees were to distribute “the following amounts **for the support of the Indiana horse racing industry.**” (Emphasis added.) When that subtle change is read with the entirety of the SB 609 amendments and given the broad authority conferred upon the negotiating committees (as industry representatives), it’s meaning becomes clear: the Commission is not free to ignore

⁵ This concept has also been recognized in the Commissions’ regulations. 71 IAC 1.5-1-45.1 provides that a “horse industry trust account” is the “property of a horsemen’s association representing the owners and trainers of a designated breed.” 71 IAC 4.5-2-8 and 71 IAC 4-2-7 reference “horse industry trust purse accounts” and provides (at subsection f.) “subject to the review and approval of the commission, any association and any horsemen’s association may contract for additional provisions governing a horse industry trust purse account specified in this section...”

“any terms and conditions determined to be necessary and appropriate by the negotiation committees.” I.C. § 4-35-7-16(e)(4). In this particular situation, the entire industry has banded together to promote an IDA that provides important and unprecedented support for the Indiana horse racing industry.

Once again, we must respectfully submit that the Chairman has not followed the Indiana Supreme Court’s directive to “examine the statute as a whole and try to avoid excessive reliance on a strict literal meaning or the selective reading of individual words.” *Cooper Industries*, 899 N.E.2d at 1283. Although the “shall before the fifteenth day of each month distribute” language of subsection (b) sets forth the legislature’s directions and expectations, it does not follow that every potential temporary deviation is always prohibited as a matter of law.

Indiana courts have long followed the “general rule” that “the words ‘shall’ and ‘may’ will sometimes be read interchangeably to prevent defeat of the legislative intent.” *Allen Co. Dept. of Public Welfare v. Ball Memorial Hospital Ass’n*, 253 Ind. 179, 185, 252 N.E.2d 424, 427 (1969). In *Ball Memorial*, the court construed a statute that said any hospital to which an indigent person is admitted “shall within seventy-two (72) hours ... report such matter to the department of public welfare” 252 N.E.2d at 426. The court first noted that “[t]he meaning and intention of the legislature are to be ascertained not only from the phraseology of the statute but also by considering its design, its nature and the consequences that flow from the various interpretations.” *Id.* at 427. After examining other possible interpretations of the statute, the court concluded that the word “shall” was “directory” and therefore the hospitals’ failure to report within 72 hours did not bar its claim. *See also Hancock Co. REMC v. City of Greenfield*, 494 N.E.2d 1294, 1296 (Ind. Ct. App. 1986) (following *Ball Memorial* and holding that statute providing that Commission “shall rule” on a petition within 90 days was “merely declaratory”

where the legislature had not “clearly delineated the consequences,” in contrast to the preceding sentence of the statute).

This does not mean that the Licensees are entitled, in the ordinary course of business, to pay whatever they want whenever they want.⁶ But it does mean that the use of the word “shall” in subsection 12(b) needs to be construed in the context of the overall purpose of the statute, and that a strict literal reading may not be consistent with legislative intent. In *Ball Memorial*, the purpose of the notice provision was to give the welfare department an adequate opportunity to investigate, and that purpose was accomplished by the notice given under the circumstances. 252 N.E.2d at 428. In this case, the overall purpose of SB 609 was to give the parties maximum flexibility to chart their own course. That means the “shall ... distribute” language of subsection 12(b) should not be interpreted in a manner that automatically prohibits a contractual arrangement providing for the potential of a delayed payment that may be, under the circumstances, in the best interests of the industry. By enacting SB 609, the legislature has given the negotiating committees and the Commission the flexibility to approve temporary deviations if the circumstances warrant. For example, there may be situations where a permit holder is required to pay the money into an escrow account rather than to a horsemen’s association, even though that does not follow the literal language of the statute. *See* 71 IAC 31-1-1(c). The conditional subordination clause of the proposed IDA is another example of where reliance on a strict literal interpretation would be contrary to the overall legislative intent. That is particularly true in this case, where the parties have determined as a result of arm’s length negotiations that a potential refinancing which could include a subordination term, would significantly enhance, rather than impair, the financial ability of the Licensees to timely and consistently make the

⁶ Instead, the IDA requires that a distribution not timely made as a result of subordination by a senior lender would be due with interest as soon as the event of default is cured. (IDA, Par. 6(d)).

distribution payments into the future, exactly as the legislature had intended. Here, as in *City of Greenfield*, the statute does not provide for mandatory sanctions if the payments are not made by the fifteenth of the month.⁷ In the end, it is fundamental error to say that subsection 12(b) precludes approval of the IDA as a matter of law.

In short, the language, the structure, and the underlying purpose of SB 609 all point to the same conclusion – that the legislature intended to give the negotiation committees broad authority and flexibility to chart their own future course, and that any exceptions to that broad grant of authority should be narrowly construed. Accordingly, the “subject to section 12” exception in I.C. § 4-35-7-16(e) should not be construed to prohibit, as a matter of law, the subordination provision of the proposed IDA.⁸

This situation is analogous to the recent decision in *Town of Cedar Lake v. Alessia*, 985 N.E.2d 55 (Ind. Ct. App. 2013), *reh. denied*, in which the main issue was whether the Town exceeded its legal authority when it dissolved its parks department and parks board. The trial court held that the dissolution was illegal because no statute expressly authorized it. The Court of Appeals reversed, finding that under the Home Rule Act, **unless an act is prohibited it is allowed**. *Id.* at 60 (emphasis added). The legislature’s intent in enacting the Home Rule Act was to grant local units broad powers subject to certain specific exceptions. *Id.* at 61; *see* I.C. § 36-1-3-8 (list of exceptions). The parks board argued that one of the statutory exceptions did apply, but the court construed the exception narrowly in keeping with the legislative intent. *Id.* at 61-62. Similarly, SB 609 makes a broad grant of authority to the negotiation committees,

⁷ Under I.C. § 4-35-7-12(j), if the Commission finds, after notice and a hearing, that “a licensee has failed to comply with the purse requirements set forth in this section,” the Commission “may” (not “shall”) issue a warning, impose a civil penalty, or suspend a meeting permit.

⁸ In addition, by moving to a market-based model and eliminating the tax provision, the legislature negated any argument that the purse and breed development monies are public funds or imprinted with same sort of alleged state interest that could preclude subordination.

subject to section 12. It would defeat the overall purpose of SB 609 to interpret this exception as precluding (as a matter of law) the IDA's subordination clause.

Finally, at the October 29 hearing, some Commission members also raised the prospect of litigation by individual owners or trainers if the IDA were approved. Of course, anyone can file a lawsuit about pretty much anything, but the existing case law is clear that individual owners and trainers do not have a legally cognizable property right in either the distribution of purse money or the issuance of a trainer's license. *See Edelberg v. Illinois Racing Board*, 540 F.2d 279, 282-83 (7th Cir. 1976) (no property right in prize money until all conditions precedent are met); *Daley v. Gorajec*, 2007 U.S. Dist. Lexis 57842 (S.D. Ind. 2007) (Tinder, J.) (no property right in a trainer's license merely by the fact of applying for it). Although litigation is always possible, that possibility should not deter the Commission from approving the IDA.

For these reasons, there is no legal barrier to approval of the IDA as submitted.

III. POLICY ANALYSIS

A. The Proposed IDA Fulfills the Policy Goals of SB 609 Through a Multi-year Financial Platform That Provides Stability and Growth to the Indiana Horse Racing Industry.

Everyone agrees that the horse racing industry is fraught with risk. As Commissioner Weatherwax put it, "... the word risk totally describes the horse racing industry, because obviously when these men invest, they go through all the breeding stock and they do all the things they do to spend thousands of dollars, there's no guarantee they're going to get what they want." Transcript 137. Recent history in Indiana further confirms this risk – twice the Licensees operating the horse racing tracks have had to seek bankruptcy protection which has raised concerns about the availability of the purse and breeding money.

Some of the Commissioners have indicated that paragraph 5(c) of the proposed IDA is bad policy because a refinancing of the Licensees' debt which would subordinate to the new

lenders (in the event of default) the payments of the AGR distributions which would otherwise go to the horsemen creates too much risk to the horsemen. But the refinancing of the Licensees' debt not only adds financial strength to the Licensees but also helps to minimize the main risk to Indiana horsemen on the payment of the AGR distributions, namely that the licensees are out of business and are no longer generating any AGR.

Nat Hill, an officer and board member of the Indiana Standardbred Association, succinctly described the industry risk, "The biggest fear we have is bankruptcy [of the licensee], and the best way to avoid bankruptcy is let the guy that runs the [track] renegotiate at a more favorable rate and save money ... if the track goes bankrupt, and the doors close, what difference does it make whether we subordinated or not." Transcript, p. 83, 88. Subordination would actually decrease the risk that the tracks might be forced into an involuntary bankruptcy.

The benefits of a refinancing could be enormous for the horse racing industry. First, the refinancing would allow the IDA to be extended for a full seven years, providing much needed stability and predictability to the industry. Second, the refinancing would allow for very significant capital improvements to the race tracks, including a major rebuilding of the grandstand and clubhouse at Indiana Downs which should not only draw new racing patrons, but would also allow the track to hold concerts and other events to draw non-race fans to the venue. A targeted effort to draw new patrons to the facility should increase slot machine betting and significantly increase the AGR to the benefit of both the horse racing industry and the Licensees.

Of course, approval of this IDA does not mean that the parties would immediately enter into a subordination agreement. There are numerous other conditions that would have to be satisfied before any subordination could occur, both financial contingencies and regulatory approvals. However, approval of the IDA would provide the parties with another key tool for the

refinancing toolbox that the Licensees could use to explore meaningful refinancing options at advantageous interest rates now available in the marketplace to put together necessary capital for a multi-year extension of the IDA and the additional capital improvements. Without the ability to subordinate, the refinancing options would be so limited that the refinancing would not be feasible.

One of the Commissioners raised the issue of whether a subordination term would put at risk the payments for purses and breeding for a year or two or even five, at an estimated amount of \$54 million a year (Transcript, p. 134). However, such a concern misapprehends how such a refinancing would work, ignores the substantial safeguards for the Associations built into any subordination under the IDA and the interests of the lenders in such a financing arrangement, as well the various regulatory mechanisms that the IHRC would employ to make any such scenario impossible.

Subordination would only be possible if certain key conditions are met by the Licensees.⁹ For example, under the provisions of the IDA, the Licensees may only obtain refinancing of current indebtedness if they can establish their financial solvency to the reasonable satisfaction of the Associations. The IDA (at paragraph 5(a) of the Extension Provisions) provides that prior to the closing of any refinance, the Licensees would be required to present projections and financial data satisfactory to a majority of the members of the Associations' negotiation committee demonstrating that (at the end of the fiscal year after the closing) Licensees will have aggregate cash-on-hand (not including cage cash or operating cash in the aggregate amount for both Licensees of \$30,000,000) in excess of \$27,500,000. First, the Cash-

⁹ As the Petitioners have repeatedly pointed out, the detailed analysis of a specific proposal would come only at a time when the Licensees sought Commission approval (consistent with the IDA) of a refinancing arrangement. The analysis that follows assumes the Licensees' quarterly obligations that are due under the current financing arrangement.

On-Hand Projections will demonstrate to the satisfaction of the Associations the Licensees' strong cash position. Second, the Licensees' strong cash position should reduce the risk that any payment default resulting in invoking the subordination term will ever occur because the Licensees should have more than adequate funds to service their senior debt each year, which has current annual principal and interest payments of approximately less than half of the Cash-On-Hand Projections. Moreover, increased ownership of management takes away some control from the senior lenders and places it in the hands of individuals that have proven themselves to be staunch supporters of the horse racing industry. The Cash-On-Hand also amounts to fifty percent of the estimated annual distribution payments of \$55,000,000, which would provide additional cash to prevent a default resulting in subordination.

Third, in the remote event that the Licensees were to default (after an approved refinance) under the senior credit agreements, and subordinated payments ceased during the default, the obligation to make any distribution payments not made during the default would accrue with interest (IDA, ¶ 6(d)) and would be payable after the default ceased or in bankruptcy after removal of the automatic stay. In fact, the automatic stay was lifted in the two prior bankruptcies of the track operators and no distribution payments were missed. The lenders would have no right to claw back or recover from the horsemen any portion of the payments already made or which had passed from the Licensees' accounts into the distribution waterfall.

Most importantly, the IHRC has an array of enforcement measures to require the Licensees to cure the default and immediately resume the payment of distributions to the horsemen. The Legislature made clear in I.C. § 4-35-5-4.5 that if the Licensees failed to "maintain" a valid pari-mutuel racing permit, the slot machines cannot operate. For example, if the Licensees would fail to make any distribution payments, the IHRC retains the right to

investigate any claim of non-payment and impose any of the following upon the Companies: (a) issue a warning to the Licensees, (b) impose a civil penalty that may not exceed one million dollars (\$1,000,000), or (c) suspend a meeting permit issued I.C. § 4-31-5 to conduct a pari-mutuel wagering horse racing meeting in Indiana as provided for in I.C. § 4-35-7-12(j). Based upon the Commission Staff's longstanding history of diligent and effective regulation, it is unlikely that the Licensees would or could fail to make distribution payments for lengthy periods of time without the IHRC exercising any of its enforcement powers to compel payments.

In addition, since a gaming license is crucial to the Licensees' ability to repay the debt of senior lenders, it is highly unlikely that the senior lenders would prevent the Licensees from making distribution payments for the lengthy periods of time suggested by the comments and questions of the Commission's Vice-Chair. Continued non-payment without reasonable assurances of how and when the shortfall would be cured would seriously jeopardize the gaming licenses, which generate the tracks most significant revenue stream. The Commission's power to potentially impact this revenue stream motivated the track operators and lenders in the prior bankruptcies and not a single distribution payment was missed. There is no reason to believe the IHRC would ignore its oversight responsibilities and allow non-payment to go unchecked in the future, particularly for any extended period of time like a year or more.

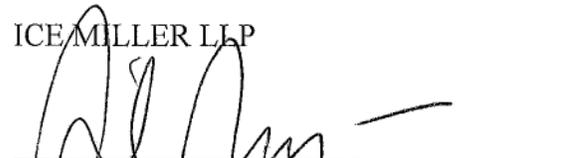
IV. CONCLUSION

Considered together, the testimony of all industry participants on October 29th makes clear that this is both a historic moment and opportunity for the Indiana horse racing industry. Unfortunately, this window of opportunity is not open-ended. Unnecessary delay and predicted economic changes could foreclose the chance to realize the cost-of-capital savings, proposed improvements and long term certainty and stability that the Petitioners so desperately seek and are provided for by the IDA that has been unanimously embraced by the industry. The path to

those benefits is simple and straightforward: instead of relying on a literal reading of isolated statutory terms, the Commission should look at the entire statute and give effect to the intent of the legislature and approve the IDA. This Commission's power to interpret its governing statutes and regulations has never been more important. The Petitioners respectfully request that the Commission exercise its substantial power in a way that empowers a united industry - not in a way that deprives the industry of the many benefits the IDA can provide.

Respectfully submitted,

ICE MILLER LLP



Phillip L. Bayt (#3769-49)



Robin L. Babbitt (#3765-49)

*Counsel for Centaur Holdings, LLC (and
Centaur Related Entities)*

ICE MILLER LLP
One American Square, Suite 2900
Indianapolis, IN 46282
(317) 236-2100
phillip.bayt@icemiller.com
robin.babbitt@icemiller.com

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served upon the following, via hand delivery and email on the 26th day of November, 2013:

Lea Ellingwood, Esq.
1302 N. Meridian Street, Suite 175
Indianapolis, IN 46202

John S. Keeler, Esq.
10 West Market Street, Suite 200
Indianapolis, IN 46204

Joseph Gorajec
Executive Director
Indiana Horse Racing Commission
1302 North Meridian Street, Suite 175
Indianapolis, IN 46202

I hereby certify that a copy of the foregoing was served upon the following, via United States First Class Mail, postage prepaid, the 26th day of November, 2013:

Indiana Standardbred Association
737 W. Meadows Drive
Greenfield, IN 46140

Roger Young, Esq.
40 West Court Street
Franklin, IN 46151

Indiana Horsemen's Benevolent &
Protective Association
32 Holloway Blvd.
Brownsburg, IN 46112

Quarter Horse Racing Association, Inc.
P.O. Box 254
Whiteland, IN 46184



STATE OF INDIANA
BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:)
THE PETITION OF CENTAUR HOLDINGS, LLC,)
NEW CENTAUR, LLC, HOOSIER PARK, LLC,)
CENTAUR ACQUISITION, LLC, INDIANA)
HORSEMEN'S BENEVOLENT & PROTECTIVE)
ASSOCIATION, INC., INDIANA)
STANDARD BRED ASSOCIATION, INC. AND)
QUARTER HORSE RACING ASSOCIATION OF)
INDIANA, INC. REQUESTING THAT THE)
COMMISSION APPROVE INITIAL)
DISTRIBUTION AGREEMENT)

2013 NOV 26 P 1:05
INDIANA HORSE RACING COMMISSION

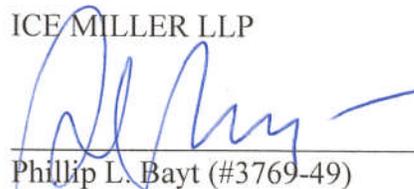
CENTAUR RELATED ENTITIES
SUPPLEMENTAL REQUEST FOR OFFICIAL NOTICE

Petitioners, Centaur Holdings, LLC, New Centaur, LLC, Hoosier Park, LLC, and Centaur Acquisition, LLC (collectively referred to as the "Centaur Related Entities"), by counsel, pursuant to the Pre-Hearing Order issued on November 13, 2013 and I.C. § 4-21.5-3-26(f), respectfully request that the Commission take official notice for purposes of I.C. § 4-21.5-3-27(c) of the following:

- All matters specified in the Request for Official Notice filed by Centaur herein on October 15, 2013.
- The transcript, exhibits admitted into the administrative record, and record of proceedings involving the above-captioned matter relating to the October 29, 2013 hearing that was conducted by the Indiana Horse Racing Commission.

Respectfully submitted,

ICE MILLER LLP



Phillip L. Bayt (#3769-49)



Robin L. Babbitt (#3765-49)

*Counsel for Centaur Holdings, LLC (and
related entities)*

ICE MILLER LLP
One American Square, Suite 2900
Indianapolis, IN 46282
(317) 236-2100
phillip.bayt@icemiller.com
robin.babbitt@icemiller.com

CERTIFICATE OF SERVICE

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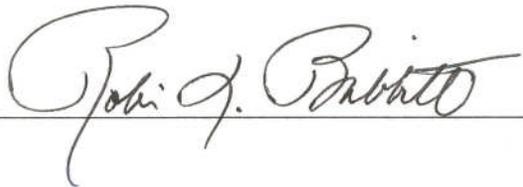
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Brownsburg, IN 46112

Quarter Horse Racing Association, Inc.
P.O. Box 254
Whiteland, IN 46184



Agenda Item #2

Pitman, Deena

Subject: FW: Horsemen's Contracts

From: Bill Diener [mailto:diener1@comcast.net]

Sent: Wednesday, May 29, 2013 5:46 PM

To: 'jbarclay@btlaw.com'; 'doug grimes'; 'SSchaefer@SchaeferTech.us'; 'Schenkel, Greg'

Subject: Horsemen's Contracts

Dear Fellow Commissioners.

At our Meeting on April 5, 2013, I abstained from approval of the horsemen's contract between the ISA and Hoosier Park. This e-mail will, hopefully, provide each of you with a context for my concerns.

Contracts between the track and the association for each breed are generally for one-year terms. These contracts are generally approved by the Commission without discussion. Each horsemen's contract provides, and has done so for many years, that the track is to deduct 3% of the purses generated from wagering and pay these funds to the horsemen's association for "its administrative expenses and for services rendered to its members". According to the tracks, these deductions in 2012 were as follows: ISA, \$107,650; HBPA, \$126,172; QHRA, \$6,629.

When slot machines were authorized at the tracks, the statute prescribed specific percentage allocations of the 15% of AGR, including specified percentages to each horseman's association, the uses for which are not specified or restricted by statute. For 2012, the unrestricted amounts were as follows:

- ISA \$409,464.
- HBPA \$354,930.
- QHRA \$150,031.

The Commission has limited, if any, oversight of these undesignated funds from slot machines, unlike the Commission oversight of the slot revenues to backside benevolences and equine welfare.

My **personal** opinion is that there is no need for a horsemen's association to receive **both** the unrestricted funds from slot revenues **and** the 3% from purses generated. Stated differently, I find no justification for a reduction in purses for horsemen, when there is a separate, significant source of funding for administrative expenses of a horsemen's association. Each of you will have to make your own decision.

71 IAC 1-1-89 and 71 IAC 1.5-1-85 are the two rules defining "**Purse**":

"Purse" means the total cash amount for which a race is contested, provided that the total cash amount for purses may be reduced by any direct remittance by an association to a horsemen's association, subject to the following:

(1) The approval by the commission of the horsemen's contract pursuant to 71 IAC 11-1-12.

(2) Any accounting and disbursement preapproval requirements which the commission may require of the horsemen's association.

I intend to make a motion at the June 11 Commission meeting that Commission counsel and staff prepare a proposed rule eliminating (1) from the rule defining "Purse", i.e. there will be no deduction from purses under a horsemen's contract for an association's administrative expenses, and that such proposed rule be presented to the Commission for its consideration at its next regular meeting, with an effective date of January 1, 2014.

In order that each horsemen's association be treated the same, my suggestion is that the already-approved horsemen's contracts be allowed to run the remaining period of its one-year term, i.e. a waiver of the effective date of the rule would be permitted for the remaining term of any previously-approved contract, if there are any. Thus, each breed and each association would be treated the same. To the best of my knowledge, the ISA contract has a term ending 12/31/2013, and the QHRAI contract to be considered at the June 11 meeting, has no deduction from purses generated for administrative expenses after 12/31/2013. Thus, only the HBPA contract, which has yet to be presented to the Commission, would be potentially affected, if the Commission were to concur with my suggestion and subsequent rule change.

Again, feel free, as I know each of you will, to disagree!

The ISA receives approximately \$108,000.00 each year from the purse account by contract with Hoosier Park. This amounts to .4% of total purses. These funds are used to support the ISA's programs, which include political action and lobbying. Are you in favor of continuing to use those monies to fund political action or lobbying?

Yes _____ No _____

Signature _____

Printed Name _____

Please respond prior to October 4, 2013

October 18th, 2013

Leah Ellingwood
General Council
Indiana Horse Racing Commission

Leah,

In response to your message on October 7th about the timing of submitting our results of the poll that Chairman Deiner has asked each of the breed associations to submit, I am hereby submitting the results of the Quarter Horse Racing Association (QHRAI) Poll.

The QHRAI completed its poll electronically by sending emails to our membership, recent attendees at our annual horsemen's meeting on September 24th and 26th, directors, and other horsemen (breeders, owners, trainers, jockeys, sire owners) we represent that we have current email addresses for. QHRAI regularly communicates with our members and other contacts by email for a variety of reasons and have found this to be an efficient way to communicate important information quickly, and as in this case, to receive responses in a timely manner.

The attached email was sent to approximately 230 people representing the Quarter Horse racing industry. I received responses electronically from over half of the recipients, and I along with other directors have had several follow up calls to discuss this poll question in more detail to ensure it was understood correctly.

The overwhelming response to the QHRAI Question sent was "Yes" (in support for the QHRAI to continue using these funds for the identified purposes in the poll). There were some who wanted the board to continue making these decisions upon our discretion as they felt the board is closest to understanding the entire financial picture for the QHRAI. There was not one response that indicated opposition for the board continuing to use the funds in the manner identified.

Please let me know if you have any additional questions. Thank you.

Michelle Collins
Executive Director
Quarter Horse Racing Association of Indiana

From: Michelle Collins <mjcollins2004@yahoo.com>
To:
Subject: QHRAI POLL - PLEASE RESPOND

Quarter Horsemen and Women:

The Chairman of the Indiana Horse Racing Commission has asked QHRAI to poll the horsemen and women we represent about funds the QHRAI receives from simulcast revenue that are currently used for costs associated with administration, political action and lobbying. The amount of funds that QHRAI receives for this is approximately \$6,000 a year from a total budget of approximately \$4,500,000.

Please simply indicate your response by responding to this email with "yes" or "no" and your name. Thank you.

Survey Question:

The QHRAI utilizes funds received from simulcast revenue to pay for costs associated with political action and lobbying. Do you support the QHRAI continuing to utilize funds received from simulcasting revenue to pay for these costs?

Please indicate your response: Yes or No

Michelle Collins
Executive Director
Quarter Horse Racing Association of Indiana, Inc.
ph 317-509-6372

Q.H.R.A.I.

Serving the Quarter Horse Racing Industry In Indiana Since 1966

Pitman, Deena

From: Ellingwood, Lea
Sent: Monday, December 02, 2013 3:55 PM
To: Pitman, Deena
Subject: FW: Survey Questions regarding lobbying expenditures

-----Original Message-----

From: Michael Brown [<mailto:brownpreston@indy.rr.com>]
Sent: Friday, November 15, 2013 11:20 AM
To: Ellingwood, Lea
Cc: joedondavis@aol.com
Subject: Re: Survey Questions regarding lobbying expenditures

Lea,

Although we still have some survey responses straggling in, the Indiana HBPA wishes to comply with your deadline for reporting the results of survey results related to the expenditure of funds for lobbying. We appreciate your consideration in extending the original deadline to allow us to get a more complete level of response.

Using the licensee list we obtained from the IHRC, we sent out the single question you returned to us and received a surprising number of responses. The results are as follows:

501 -- "Yes" votes for continuing to use a portion of these funds to pay for lobbying
53 --- "No" votes
27 --- "Returned for bad addresses" (not counted)
10 --- "Returned with no vote indicated" (not counted)

Please feel free to contact me if I can provide any additional information.

Mike

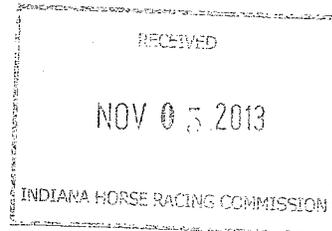
Michael Brown, executive director
Indiana HBPA

----- "Ellingwood wrote:

=====
Gentlemen, Michelle:

It has come to our attention that one of the associations will be unable to meet the October 10th deadline concerning the collection of survey results related to the expenditures of funds for lobbying. I have spoken to the Chairman and Executive Director and they've decided that we will defer the Commission's consideration of these results to the December meeting. The new deadline for submission of the survey results is November 15th.

Indiana Horse Racing Commission Staff:



The Indiana Thoroughbred Owners and Breeders use the monies allocated to them for the best interests of thoroughbred horse racing in Indiana and actively pursue means to promote the breed and insure it's welfare. No monies distributed pursuant IC 4-35-7-12 have been or will ever be used as a contribution to a candidate or committee nor for lobbying, as defined in IC 2-7-1-9.

Sincerely,

A handwritten signature in cursive script, appearing to read "Herbert Likens".

Herbert Likens
ITOBA President



Agenda Item #3

Ruling Log

ID	Ruling Number	Ruling Date	Name	Breed	Violation Date	Violation	Fines	Suspended From	Suspended To	Days Suspended
886	13692	11/27/2013	Ruben Serna	TB	9/21/2012	Conduct/behavior	\$7,500	9/21/2012	9/19/17	1825
896	13205	11/13/2013	Trent Stohler	SB	11/9/2013	Driving infraction	\$100			
897	13206	11/13/2013	James Arledge	SB	10/2/2013	Flunixin overage	\$500			
898	13207	11/13/2013	Joseph Baliga	SB	10/25/2013	Medication violation	\$300			
894	13203	11/9/2013	Robert Hackman	SB	5/11/2013	Restored-FP rec'd				
895	13204	11/9/2013	Ross Leonard	SB	11/7/2013	Whip-excessive	\$300			
887	13195	11/2/2013	Yannick Gingras	SB	11/1/2013	Ft-n-stirp/kicking	\$200			
888	13196	11/2/2013	Yannick Gingras	SB	11/1/2013	Ft-n-stirp/kicking	\$300			
889	13197	11/2/2013	Jacqueline Ricks	SB	10/29/2013	Late Driver Change	\$50			
890	13198	11/2/2013	Darrell Wright	SB	10/29/2013	Ft-n-stirp/kicking	\$100			
891	13199	11/2/2013	Corey Callahan	SB	11/1/2013	Fail to obey judges	\$300			
892	13201	11/2/2013	Douglas McNair	SB	11/1/2013	Ft-n-stirp/kicking	\$200			
893	13202	11/2/2013	Derek Moreland	SB	11/2/2013	Falsify license app.		11/2/2013	indefinite	
857	13193	10/25/2013	Michael Shroyer	SB	5/8/2013	Miscellaneous-PR	\$200			
858	13194	10/25/2013	Trent Stohler	SB	10/22/2013	Driving infraction	\$250			
855	13191	10/24/2013	Bobby Brower	SB	10/23/2013	Fail to obtain license	\$250			
856	13192	10/24/2013	Dagu Quirante	SB	5/23/2013	Fail to obtain license	\$500			
851	13187	10/23/2013	Dan Shetlet	SB	10/22/2013	Whip-indiscriminate	\$100			
852	13188	10/23/2013	Mark Evers	SB	10/15/2013	Trainer responsibility	\$100			

ID	Ruling Number	Ruling Date	Name	Breed	Violation Date	Violation	Fines	Suspended From	Suspended To	Days Suspended
853	13189	10/23/2013	Samuel Widger	SB	10/19/2013	Driving infraction	\$500			
854	13190	10/23/2013	William Crone	SB	10/19/2013	Late driver change	\$50			
850	13186	10/22/2013	Leon Schickman	SB	9/21/2013	Restored-misc.				
849	13185	10/18/2013	Martin Scharf	SB	9/20/2013	Restored-misc.				
880	13686	10/18/2013	Jon Frankel	TB	9/3/2013	F-print requirement		10/18/2013	Pending FP	
881	13687	10/18/2013	Olga Hening De Silva	TB	9/13/2013	F-print requirement		10/18/2013	Pending FP	
882	13688	10/18/2013	Carlos Silva	TB	9/13/2013	F-print requirement		10/18/2013	Pending FP	
883	13689	10/18/2013	Noel Kucich	TB	9/13/2013	F-print requirement		10/18/2013	Pending FP	
884	13690	10/18/2013	Jose Rosales	TB	9/16/2013	F-print requirement		10/18/2013	Pending FP	
848	13184	10/17/2013	Adam Friedland	SB	9/20/2013	Restored-misc.				
832	13685	10/16/2013	Raul De La Mora	QH	6/6/2013	Failure to pay fine		10/16/2013	Pending pmt.	
842	13178	10/16/2013	Trish Foulk	SB	9/17/2013	F-print requirement		10/15/2013	restored	
844	13180	10/16/2013	Trish Foulk	SB	9/17/2013	Restored - misc.				
877	13682	10/16/2013	John Hubbard	TB	10/12/2013	Fail Breathalyzer	\$250			
878	13683	10/16/2013	Robert Woodard	TB	9/2/2013	Failure to pay fine		10/16/2013	Pending pmt	
879	13684	10/16/2013	Marcelino Torres	TB	6/26/2013	Failure to pay fine		10/16/2013	Pending pmt	
843	13179	10/15/2013	Kurt Kratz	SB	9/20/2013	F-print requirement		10/15/2013	restored	
845	13181	10/15/2013	Adam Friedland	SB	9/20/2013	F-print requirement		10/15/2013	restored	
846	13182	10/15/2013	Martin Scharf	SB	9/21/2013	F-print requirement		10/15/2013	restored	
847	13183	10/15/2013	Leon Schickman	SB	9/21/2013	F-print requirement		10/15/2013	restored	
874	13679	10/15/2013	Julee Barrios	TB	10/14/2013	Fail Breathalyzer	\$100			
875	13680	10/15/2013	Saul Lagunas	TB	8/1/2013	Restored-FP rec'd				
876	13681	10/15/2013	Charles McMahon	TB	9/17/2013	Conduct/behavior	\$1,000	9/18/2013	11/16/13	60
830	13678	10/12/2013	Matthew Chappell	QH	10/11/2013	Trainer responsibility	\$200			

ID	Ruling Number	Ruling Date	Name	Breed	Violation Date	Violation	Fines	Suspended From	Suspended To	Days Suspended
872	13676	10/11/2013	Timothy Locker	TB	10/9/2013	Trainer responsibility	\$200			
873	13677	10/11/2013	Jerry Greenwell	TB	10/9/2013	Trainer responsibility	\$100			
834	13170	10/9/2013	Donald Eash	SB	10/5/2013	Late to paddock	\$100			
835	13171	10/9/2013	Bernard Wolin	SB	9/24/2013	Exp/msg health paper	\$100			
836	13172	10/9/2013	Timothy Lane	SB	9/27/2013	Exp/msg health paper	\$100			
837	13173	10/9/2013	Stephen Waller	SB	9/28/2013	Exp/msg health paper	\$100			
838	13174	10/9/2013	Anthony Price	SB	10/8/2013	Exp/msg health paper	\$100			
839	13175	10/9/2013	Darrell Petty	SB	9/19/2013	Whip-excessive	\$100			
840	13176	10/9/2013	Wilbur Eash	SB	10/5/2013	Late to Salix barn	\$100			
841	13177	10/9/2013	Trent Stohler	SB	10/4/2013	Whip-excessive	\$100			
863	13667	10/9/2013	Daniel Thompson	TB	10/8/2013	Trainer responsibility	\$100			
864	13668	10/9/2013	Leydi Salas	TB	9/21/2013	F-print requirement		10/9/2013	Pending FP	
865	13669	10/9/2013	Lola Warpool	TB	9/10/2013	F-print requirement		10/9/2013	Pending FP	
866	13670	10/9/2013	Carol Rickenbacher	TB	9/11/2013	F-print requirement		10/9/2013	Pending FP	
867	13671	10/9/2013	Cesar Herrera	TB	8/30/2013	F-print requirement		10/9/2013	Pending FP	
868	13672	10/9/2013	Antonio Osorio	TB	8/29/2013	F-print requirement		10/9/2013	Pending FP	
869	13673	10/9/2013	Mike Dierking	TB	8/16/2013	F-print requirement		10/9/2013	Pending FP	
870	13674	10/9/2013	Saul Lagunas	TB	8/1/2013	F-print requirement		10/9/2013	Pending FP	
831	13666	10/8/2013	Roman Arellano	QH	8/23/2013	Falsify License App	\$250			
871	13675	10/8/2013	Bulfrano Bahena	TB	7/25/2013	F-print requirement		10/9/2013	Pending FP	
862	13665	10/7/2013	Barbara McBride	TB	10/7/2013	Trainer responsibility	\$100			
861	13664	10/5/2013	Genaro Garcia	TB	10/4/2013	Trainer responsibility	\$100			
860	13663	10/4/2013	Thomas Pompell	TB	9/30/2013	Riding infraction	\$500			
833	13169	10/3/2013	Brett Miller	SB	9/11/2013	Whip-bleeding/welts	\$1,000			

ID	Ruling Number	Ruling Date	Name	Breed	Violation Date	Violation	Fines	Suspended From	Suspended To	Days Suspended
859	13662	10/2/2013	Valerie Statler	TB	10/2/2013	Change of occupation				
829	13661	10/1/2013	Julie Veltman	QH	9/28/2013	Riding infraction		10/4/2013	10/11/13	3

Agenda Item #4

Indiana Horse Racing Commission

Complaint Policy

1. Complaints shall be submitted to the Executive Director on a form prescribed by the Commission. The form is available at www.in.gov/hrc and can be filed either electronically, faxed or mailed to the Indiana Horse Racing Commission. The Assistant Executive Director and the agency's General Counsel will both be copied on any complaints received. Any complaint not received on the prescribed form will be returned upon receipt.
2. Each complaint shall:
 - a. Enumerate each-alleged violations of the Commission's enabling statute or administrative rules, including the specific statute or rule violated.
 - b. Provide specific facts and circumstances to support the alleged violations, including any relevant documentation.
 - c. Provide the name(s) (and contact information, if available) of individuals who are familiar with the relevant facts and circumstances and documents.
 - d. Complaints must be signed by and include the address and contact information of the complainant.
3. Complaints within the scope of racing or pari-mutuel racing shall be to the Presiding Judge or Senior State Steward, as applicable. The Presiding Judge or Senior State Steward shall review and investigate the complaint and advise the Executive Director of his findings. The Presiding Judge or Senior State Steward will respond to the Complainant in writing. A copy of that response shall be forwarded to the Executive Director.
4. Complaints outside the scope of racing or pari-mutuel wagering, but still pertaining to facts and or circumstances within the Commission's jurisdiction, will be reviewed and investigated by the Executive Director or his designee. The Executive Director or his designee will advise the Commission Chair of his findings, and will respond in writing to the Complainant.
5. The Indiana Horse Racing Commission shall annually post the following information on the commission's Internet web site.
 - a. A summary of the disciplinary actions taken by the commission in the preceding calendar year.
 - b. A summary of the complaints received and resolved in the preceding calendar year.

Agenda Item #5

71 IAC 1-1-23; 71 IAC 1.5-1-23; 71 IAC 3-1-5; 71 IAC 3.5-1-6

SECTION 1. 71 IAC 1-1-23 IS AMENDED TO READ AS FOLLOWS:

71 IAC 1-1-23 "Complaint" defined

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 23. "Complaint" means a written statement: ~~submitted to the judges or commission about an issue relating to the conduct of racing:~~

- (1) On a form prescribed by the Commission;**
- (2) Signed by the complainant;**
- (3) And filed with the Commission.**

(Indiana Horse Racing Commission; 71 IAC 1-1-23; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1115; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA)

SECTION 2. 71 IAC 1.5-1-23 IS AMENDED TO READ AS FOLLOWS:

71 IAC 1.5-1-23 "Complaint" defined

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 23. "Complaint" means a written statement: ~~submitted to the stewards or commission about an issue relating to the conduct of racing:~~

- (1) On a form prescribed by the Commission;**
- (2) Signed by the complainant;**
- (3) And filed with the Commission.**

(Indiana Horse Racing Commission; 71 IAC 1.5-1-23; emergency rule filed Jun 15, 1995, 5:00 p.m.: 18 IR 2817, eff Jul 1, 1995; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; readopted filed Mar 23, 2007, 11:31 a.m.: 20070404-IR-071070030RFA)

SECTION 3. THE FOLLOWING ARE REPEALED: 71 IAC 3-1-5; 71 IAC 3.5-1-6

Agenda Item #6

**Standardbred Breed Development
2014 Program –
Remaining Items Not Approved 9/17/13**

Approved by the Standardbred Breed Development Committee on 12/2/13.

In September, the Standardbred Breed Development Advisory Committee submitted and the Indiana Horse Racing Commission approved a proposal for the Indiana Sires Stakes and Indiana Sired Fair Circuit Program for 2014. At that time, the Committee indicated that it would be submitting the remaining elements at a later date. As follows are the remaining elements of the 2014 Standardbred Breed Development Program.

Other Races At Fairs

ISA Elite – Breed Development will continue to support this event. ISA Elite Races to be funded at \$5,000 per category as follows:

- 2 YR Filly Pace - \$5,000
- 2 YR Filly Trot - \$5,000
- 2 YR Colt Pace - \$5,000
- 2 YR Colt Trot - \$5,000
- 3 YR Filly Pace - \$5,000
- 3 YR Filly Trot - \$5,000
- 3 YR Colt Pace - \$5,000
- 3 YR Colt Trot - \$5,000
- TOTAL \$40,000**

Elkhart County Races – Breed Development will continue to support this event. Elkhart County Races to be funded at \$15,000 each as follows:

- Elkhart Classic - \$15,000
- Maple City Trot - \$15,000
- TOTAL \$30,000**

Indiana Sired Fair Circuit

Structure approved by the IHRC on 9/17/13. In addition, we would like to propose:

- Championship races for Series 2 to be scheduled at \$10,000 each – guaranteed to take place.

Breeder's Awards

Continue the current format from 2013.

- Total Payout for Breeder's Awards - \$700,000
- A horse must win an eligible race to be eligible to the Breeder's Award Pool. The criteria is as follows:
 - Two & Three - Year Olds – ISB Horses only that win any race at the Pari-Mutual Tracks in Indiana or ISFC Championship Races excluding any race in which the horse is entered for a claiming price.

- Four Year Old – ISB Horses that win:
 - Final of any Breed Development Indiana Sired Late Closer Event
 - Elimination or Final of the Indiana Sires Stakes
 - Track’s Open or Invitational Race
 - Excluding any race in which the horse is entered for a claiming price.
- Aged Horses – IS Horses that win:
 - Final of any Breed Development Indiana Sired Late Closer Event
 - Elimination or Final of the Indiana Sires Stakes
 - Track’s Open or Invitational Race
 - Excluding any race in which the horse is entered for a claiming price.
- Awards will be distributed to eligible breeder’s based on the percentage win earnings of the total win earnings available. For example (please note that the example provided includes only a small sample of horses, there will be a much larger number of horses eligible for awards):

	TOTAL WIN EARNINGS	% OF WIN EARNINGS	BREEDER'S AWD AMOUNT
HORSE A	\$72,000	17.9%	\$125,217
HORSE B	\$125,000	31.1%	\$217,391
HORSE C	\$22,500	5.6%	\$39,130
HORSE D	\$40,000	9.9%	\$69,565
HORSE E	\$15,000	3.7%	\$26,087
HORSE F	\$96,000	23.9%	\$166,957
HORSE G	\$32,000	8.0%	\$55,652
TOTAL	\$402,500	100.0%	\$700,000

BREEDER'S AWD AMT = % OF WIN EARNINGS *AMT OF \$ AVAILABLE (\$700,000)

- Breeder’s Awards will be paid on an annual basis, at the completion of the last race meet in Indiana.

Indiana Bred Bonus

Total payout will be \$25,000. As approved in 2013, this program will be eliminated by the calendar year 2016. During 2013, mares were no longer eligible to be registered to have 2014 Indiana Bred foals.

- Total Payout for Indiana Bred Bonus - **\$25,000**
- A horse must win an eligible race to be eligible to the Indiana Bred Bonus Pool. The criteria is as follows:
 - Two, Three & 4 Year Olds – IB Horses only that win any race not restricted to IB horses. Please note that the race must be classified as \$8000 Claiming (Base Claiming Price) and above.
 - Five Year Olds – Horses, whose Breeder (all breeders) are registered Indiana Residents, that win any race not restricted IB horses. Please note that the race must be classified as \$8000 Claiming (Base Claiming Price) and above.
 - Six Year Olds & Older – Horses, whose Breeder (all breeders) are registered Indiana Residents, that win any open or invitation not restricted IB horses.

- Award to be distributed in the same manner as the Indiana Breeder's Awards.
- Bonus awards will be paid on an annual basis at the completion of the last race meet in Indiana.

Indiana Sired Overnight Supplements/Mini Series

Keep format of this program the same, however total amount available is \$1,800,000.

- Total Payout for Indiana Sired Overnights/Mini Series - **\$1,800,000**
- Overnight races which fill with all Indiana Sired (or ISB) horses will be boosted by 15%.
- Hoosier Park will be allocated **\$1,800,000** to fund overnight races/mini series which fill with all Indiana Sired horses. Once this allocation is met, the race track purse account will be responsible for funding any remaining races.
- As approved by the IHRC on 9/17/13 - "Hoosier Park agrees to write overnight races for Sires Stakes eligible horses to provide additional racing opportunities. These races will run concurrent with the Sires Stakes program. Breed Development will earmark a minimum of \$500,000 from the funds allocated for IS Overnight/Mini Series Budget."

Indiana Sired Late Closers

- Total BDF Payout for Indiana Sired Late Closers - \$850,000
- Purse Account contribution to remain at \$4,000 per leg.
- Purse Structure Proposed as follows:

PACING SERIES

<p><i>"The Jerry Landess"</i> Pace - Indiana Sired 3 YR & Up Old C/G NW 7500 LT through & including 3/15/14</p>	<p><i>"The Miss Windfall"</i> Pace - Indiana Sired 3 YR & UP Old Fillies NW 7500 LT through & including 3/15/14</p>
<p>1st Leg \$7,500 2nd Leg \$7,500 FINAL \$15,000</p>	<p>1st Leg \$7,500 2nd Leg \$7,500 FINAL \$15,000</p>
<p>NOMINATION FEE \$100</p>	<p>NOMINATION FEE \$100</p>
<p><i>"The Hal Dale"</i> Pace - Indiana Sired Stallions & Geldings NW 2 (3 YO 3) Ext PM Races or \$15000 LT up to & including 3/15/14.</p>	<p><i>"The Go On BB"</i> Pace - Indiana Sired Fillies & Mares NW 2 (3 YO 3) Ext PM Races or \$15000 LT up to & including 3/15/14.</p>
<p>1st Leg \$9,000 2nd Leg \$9,000 FINAL \$18,000</p>	<p>1st Leg \$9,000 2nd Leg \$9,000 FINAL \$18,000</p>

NOMINATION FEE	\$100	NOMINATION FEE	\$100
<p align="center">"The Tubby Trimble"</p> Pace - Indiana Sired 3 YR Old & Older S/G NW 30,000 LT through & including 6/1/14		<p align="center">"The Bill Thompson"</p> Pace - Indiana Sired 3 YR & Older Fillies/Mares NW 30,000 LT through & including 6/1/14	
1st Leg	\$10,000	1st Leg	\$10,000
2nd Leg	\$10,000	2nd Leg	\$10,000
FINAL	\$20,000	FINAL	\$20,000
NOMINATION FEE	\$125	NOMINATION FEE	\$125
<p align="center">"The Single G"</p> Pace - Indiana Sired Stallions & Geldings NW 4 (3 YO 6) Ext PM Races or \$40,000 LT up to and including 9/15/14		<p align="center">"The Peony"</p> Pace - Indiana Sired Fillies & Mares NW 4 (3 YO 6) Ext PM Races or \$40,000 LT up to and including 9/15/14	
1st Leg	\$15,000	1st Leg	\$15,000
2nd Leg	\$15,000	2nd Leg	\$15,000
FINAL	\$25,000	FINAL	\$25,000
NOMINATION FEE	\$200	NOMINATION FEE	\$200

TROTTING SERIES

<p align="center">"The Cardinal"</p> Trot - IN Sired 3 YR & Up Stallions and Geldings NW 7500 LT up to & including 3/15/14		<p align="center">"The Mya Tri"</p> Trot - Indiana Sired 3 YR & Up Old Fillies & Mares NW 7500 LT up to & including 3/15/14	
1st Leg	\$7,500	1st Leg	\$7,500
2nd Leg	\$7,500	2nd Leg	\$7,500
FINAL	\$15,000	FINAL	\$15,000
NOMINATION FEE	\$100	NOMINATION FEE	\$100
<p align="center">"The Expresson"</p> Trot - Indiana Sired Stallions & Geldings NW 2 (3 YO 3) Ext PM Races or \$15000 LT up to & including 3/15/14.		<p align="center">"The Msnaughtbynature"</p> Trot - Indiana Sired Fillies & Mares NW 2 (3 YO 3) Ext PM Races or \$15000 LT up to & including 3/15/14.	
1st Leg	\$9,000	1st Leg	\$9,000
2nd Leg	\$9,000	2nd Leg	\$9,000
FINAL	\$18,000	FINAL	\$18,000

NOMINATION FEE	\$100	NOMINATION FEE	\$100
<i>"The Ralph & Dorothy Rose"</i>		<i>"The I-69"</i>	
Trot - Indiana Sired NW 30,000 LT up to and including 6/1/14		Trot - Indiana Sired NW 4 (3yo & mares 6) Ext PM races or \$40,000 LT up to and including 9/15/14	
1st Leg	\$10,000	1st Leg	\$15,000
2nd Leg	\$10,000	2nd Leg	\$15,000
FINAL	\$20,000	FINAL	\$25,000
NOMINATION FEE	\$125	NOMINATION FEE	\$200

Indiana Sires Stakes

Approved at IHRC Meeting on 9/17/13.

Overall Budget

	2013 BUDGET	2013 SPENT	2014 BUDGET
Indiana Sires Stakes	\$7,200,000	\$6,044,400	\$7,200,000
Indiana Sired Late Closers	\$850,000	\$769,750	\$850,000
Indiana Sired Overnight Supplements/Mini Series*	\$1,700,000	\$1,700,000	\$1,800,000
Indiana Bred Bonus	\$25,000	\$25,000	\$25,000
Breeders Awards	\$700,000	\$700,000	\$700,000
Indiana Sired Fair Circuit	\$1,450,000	\$1,312,610	\$1,450,000
Other Races at Fairs	\$70,000	\$70,000	\$70,000
Promotions/Administrative Expenses	\$240,000	\$240,000	\$240,000
Total	\$12,235,000	\$10,861,760	\$12,335,000

2014 Projected Revenue

Breakages & Outs	\$465,000
Slots Revenue	\$11,410,179
Utilize from Budget Reserves	\$500,000
TOTAL	\$12,375,179

Agenda Item #7

Rule 8 Veterinarian's list

8.5-8-2 *Physical Inspection of Horses*

Authority: IC 4-31-3-9

Affected: IC 4-31

- Sec. 2 (a) Every horse entered to participate in an official race shall be subjected to a veterinary inspection prior to starting in the race in which it is entered.**
- (b) The inspection shall be conducted by the official veterinarian or the racing veterinarian.**
- (c) For purposes of carrying out this rule, the agency or the association employing the examining veterinarian(s) shall provide no fewer than two (2) racing veterinarians on association grounds each day that racing is scheduled.**
- (d) Either the trainer of each horse or a representative of the trainer must present the horse for inspection as directed by the racing veterinarian.**
- (e) Horses presented for examination must have:**
- (1) bandages removed; and**
 - (2) legs clean.**
- (f) Prior to examination, horses may not:**
- (1) be placed in ice; or**
 - (2) have any device or substance applied that impedes veterinary clinical assessment.**
- (g) The assessment of a horse's racing condition shall include:**
- (1) Proper identification of each horse inspected;**
 - (2) Observation of each horse in motion;**
 - (3) Manual palpation and passive flexion of both forelimbs;**
 - (4) Visual inspection of the entire horse and assessment of overall condition;**
 - (5) Clinical observation:**
 - (A) in the paddock and saddling area;**
 - (B) during the post parade;**
 - (C) at the starting gate;**
 - (D) during the running of the race; and**
 - (E) following the race until the horse has exited the race track;**
- (6) Any other inspection deemed necessary by the official veterinarian and/or the racing veterinarian.**
- (h) The official veterinarian and/or the racing veterinarian shall maintain all scratch slips and pre-race examination records for each horse during the race meet. Upon completion of the meet, scratch slips and examination records will be maintained in accordance with commission record retention policies.**
- (i) The official veterinarian and/or the racing veterinarian are authorized access to any and all horses housed on association grounds, regardless of entry status.**

(j) If, prior to starting, a horse is determined to be unfit for competition, or if the veterinarian is unable to make a determination of racing soundness, the veterinarian will recommend to the Stewards the horse be scratched.

(k) Horses scratched upon the recommendation of the official veterinarian and/or the racing veterinarian are to be placed on the Veterinarian's List.

Agenda Item #8

STATE OF INDIANA

BEFORE THE INDIANA HORSE RACING COMMISSION

IN RE:

THE PETITION OF CENTAUR HOLDINGS, LLC,)
 NEW CENTAUR, LLC AND HOOSIER)
 PARK, LLC TO: (1) AMEND THE FINAL ORDER)
 OF THE INDIANA HORSE RACING)
 COMMISSION ENTERED ON OR ABOUT)
 JUNE 30, 1994, TO AUTHORIZE THE RELOCATION)
 OF THE FORT WAYNE SATELLITE FACILITY)
 TO NEW HAVEN, INDIANA; (2) AUTHORIZE) SS
 EXECUTION OF A REAL ESTATE LEASE;)
 (3) AUTHORIZE THE SALE OF THE REAL)
 ESTATE UPON WHICH THE FORT WAYNE)
 SATELLITE FACILITY IS LOCATED)
 (4) DELEGATE AUTHORITY TO THE)
 EXECUTIVE DIRECTOR TO APPROVE)
 CONTRACTS RELATED TO THE RELOCATION)
 AND CONSTRUCTION OF THE NEW HAVEN)
 SATELLITE FACILITY; AND (5) AUTHORIZE)
 PARI-MUTUEL WAGERING BY MEANS)
 OF FAST BET MOBILE®.)

PETITION

Comes Now Petitioners, Centaur Holdings, LLC (**Holdings**), New Centaur, LLC (**Centaur**), and Hoosier Park, LLC (**Hoosier Park**), by counsel, and respectfully request that the Indiana Horse Racing Commission (**Commission**) enter an order: (1) Amending the Final Order of the Commission approving the Fort Wayne Satellite Facility (**Existing Facility**) dated on or about June 30, 1994, (**Final Order**) (please note that the Final Order date cannot be confirmed because neither the original nor a signed copy of the Final Order could be located at the offices of the Petitioners or the Commission) so as to permit its relocation to Units 160 and 165 of Lincoln Plaza Shopping Center, 645-821 Lincoln Highway West, New Haven, Indiana (**Proposed Facility**); (2) Authorize Hoosier Park to enter into a real estate lease for the Proposed Facility subject to approval by the Executive Director; (3) Allow Hoosier Park to sell the real estate upon which the Existing Facility is located; (4) Delegate authority to the Executive Director of the Commission to approve contracts that require Commission approval and are related to the relocation and construction of the Proposed Facility; and (5) Authorize pari-mutuel wagering at the Proposed Facility by means of Fast Bet Mobile®. In support of such petition, Petitioners show the Commission as follows:

1. Holdings is the owner of Centaur, which is the owner of Hoosier Park;
2. Hoosier Park is the holder of a permit to conduct a horse racing meeting at its facilities located in Anderson, Indiana, which permit was issued by the Commission pursuant to

IC 4-31-5-8. The permit issued to Hoosier Park was most recently renewed by the Commission at its regular meeting on December 14, 2012;

3. Hoosier Park is the holder of (3) licenses to conduct pari-mutuel wagering at its satellite facilities in Fort Wayne, Indianapolis and Merrillville. These (3) licenses were issued by the Commission pursuant to IC 4-31-5.5 -3 and were most recently renewed by the Commission at its regular meeting on December 14, 2012;

4. On or about June 30, 1994, at its regular meeting, the Commission entered the Final Order granting Hoosier Park a license to operate its Existing Facility at 1820 West Washington Center Road, Fort Wayne, Indiana. The Existing Facility began operation prior to January 2, 1996 and Hoosier Park is operating the Existing Facility as of the date of the filing of this Petition;

5. In 2011, after having experienced several years of substantial and continuing decline in handle and other revenues at its satellite facilities, Hoosier began the process of reexamining its satellite facility business model and location of its satellite facilities. Hoosier conducted an in-depth study of off-track betting facilities throughout the nation, including visiting several successful locations in other states. The conclusion of the study was that a ground floor location with easy pedestrian and vehicular visibility, access and parking were essential ingredients to a successful and profitable satellite facility. Further, a business model that included food and beverage service of a high caliber in an aesthetically pleasing and comfortable environment was necessary to succeed. After conducting the study, Hoosier, with Commission approval, relocated its Indianapolis satellite facility from Claypool Courts to 20 N. Pennsylvania Street and began operations using the name "The Winner's Circle Pub, Grille & OTB" (Winner's Circle). The Winner's Circle became a "work in progress" where Hoosier Park experimented with various menus, themes, promotions, decors, smoking options and technologies such as Fast Bet Mobile®. The goal was to develop a successful business model which could be adapted with modifications to other satellite facility locations;

6. Much like the Indianapolis experience, handle at the Existing Facility has declined over time. As an example total handle in 2008 was \$11,717,629.00 compared to 2012 handle of \$7,767,151.00 or a decline of \$3,950,478.00. The operating loss at the Existing Facility in 2012 was \$287,450.00. This prompted Hoosier Park to consider a different Allen County location at which it could develop a satellite facility based on the Winner's Circle model. After a thorough search of potential locations in Allen County, Indiana, Hoosier identified the Proposed Facility, which was the one available location that met its requirements. It consists of approximately 10,040 square feet, is located in Suites 160 and 165 of Lincoln Plaza, New Haven, Indiana. The direct distance between the Existing Facility and the Proposed Facility is approximately 7.8 miles. The distance between the Proposed Facility and Hoosier Park's facility in Anderson is approximately 76 miles. Both distances have been measured based upon a straight line between two points;

7. Hoosier has had concept plans prepared for the Proposed Facility. Those plans provide for an exciting, high quality Pub and Grille, where racing is presented in comfort, very similar to the Winner's Circle. Insofar as applicable to Hoosier's limited request that the Final

Order be amended to permit the relocation of the Existing Facility to the location of the Proposed Facility, the information required by IC 4-31-5.5-4 and 71 IAC 12-1-6 (a) (2), (3), (5), (6), (11) and 12 and other relevant information is set forth in Exhibit A, attached hereto, and by reference incorporated herein (**New Haven Booklet**). Except to the extent indicated to the contrary in the New Haven Booklet, Hoosier Park plans to operate the satellite facility in the Proposed Facility in the same manner as previously approved in the Final Order;

8. Hoosier has negotiated a nonbinding letter of intent to enter into a real estate lease with Brixmor SPE 3 LLC (**Brixmor**), the owner of the Proposed Facility, a true and accurate copy of which is attached hereto as Exhibit B and incorporated by reference (**Letter of Intent**). The Letter of Intent provides for a long term lease, the confidential details of which are set forth in the Letter of Intent. A copy of the lease proposed by Brixmor, but subject to negotiation by Hoosier Park, is attached as Exhibit C and by reference made a part hereof (**Lease**). Because 71 IAC 11-1-12 (a) (1) requires Commission approval for a licensee to enter into a contract with consideration in the amount of \$50,000.00 or more, Commission approval of the Lease is required. Since Hoosier Park has not yet agreed to final terms of the Lease, it respectfully requests that the Commission delegate to its Executive Director authority to approve the final version of the Lease;

9. The City of New Haven has represented to Hoosier Park that the use of the Proposed Facility is permitted by its existing land use ordinance. An email from the Director of Planning and Economic Development of the City of New Haven to that effect is attached as Exhibit D;

10. If the Commission grants this Petition, Hoosier Park plans on demolishing the existing interior of the Proposed Facility and constructing the improvements described in the plans contained in the New Haven Booklet. The cost of the improvements is estimated to be approximately \$2,000,000.00 and construction is to begin as soon as all necessary building permits have been received. Construction is estimated to take about four (4) to five (5) months. It is anticipated that occupancy of the Proposed Facility will occur in June, 2014. 71 IAC 11-1-12 (a) (1) requires Commission approval of contracts of \$50,000.00 or greater. Because the cost of construction will exceed that amount, Commission approval of some construction contracts will be required. The delegation of this responsibility to the Executive Director pursuant to 71 IAC 11-1-12 (d) would expedite approvals and construction due to the incompatibility of Commission meeting dates with the anticipated construction schedule;

11. Hoosier Park is the owner of the Existing Facility. An Offer to Purchase the Existing Facility and underlying real estate has been received from Jaikar LLC, a true and accurate copy of which is attached as Exhibit E (**Offer to Purchase**). The offer is for Nine Hundred Thousand Dollars (\$900,000.00) and Hoosier is not required to close until June 16, 2014. 71 IAC 11-1-12 (a) (1) requires Commission approval of contracts of \$50,000.00 or greater. Because the purchase price will exceed that amount, Commission approval of the Offer to Purchase is required;

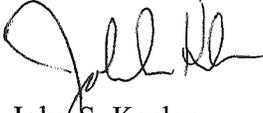
12. In addition to other legally permitted methods of pari-mutuel wagers, Hoosier Park requests authorization to conduct pari-mutuel wagering at the Proposed Facility by means of the Fast Bet Mobile® system currently in use pursuant to Commission authorization at the Winner's

Circle and Hoosier Park. Fast Bet Mobile® would be utilized in the same manner as at the Winner's Circle and comply in all respects with 71 IAC 9-1.1, 9-1.5; and

13. While the permitting process and construction are underway, Hoosier will operate the Existing Facility in the same manner. It is estimated that this satellite facility will be closed for a period of approximately two (2) weeks when it moves from the Existing Facility to the Proposed Facility.

WHEREFORE, Petitioners respectfully request that the Commission enter an order which: (1) Amends the Final Order to allow the relocation of Hoosier's Fort Wayne Satellite Facility from the Existing Facility location to the Proposed Location; (2) Authorize Hoosier to enter into the Lease subject to approval by the Executive Director; (3) Delegate to the Executive Director authority to approve contracts of \$50,000.00 or greater which pertain or relate to the relocation and construction of the Proposed Facility; (4) Authorize Hoosier to enter into the Offer to Purchase; (5) Authorize pari-mutuel wagering utilizing the Fast Bet Mobile® System at the Proposed Location; and (6) Grant such other relief as may be right and proper in the premises.

Respectfully Submitted,



John S. Keeler
Attorney for Petitioners

Certificate of Service

I hereby certify that a copy of the foregoing was served upon Lea Ellingwood, 1302 N. Meridian Street, Suite 175, Indianapolis, Indiana 46202, by hand delivery, this 2nd day of December, 2013.



John S. Keeler

John S. Keeler
New Centaur, LLC
10 West Market Street, Suite 200
Indianapolis, IN 46204
(317)656-8782
jkeeler@centaurgaming.net

STATE OF INDIANA
BEFORE THE INDIANA HORSE RACING COMMISSION

2013 DEC -3 P 1:09

IN RE:)
)
THE PETITION OF CENTAUR HOLDINGS,)
LLC, NEW CENTAUR, LLC AND HOOSIER)
PARK, LLC TO: (1) AMEND THE FINAL)
ORDER OF THE INDIANA HORSE RACING)
COMMISSION ENTERED ON JUNE 30, 1994,)
TO AUTHORIZE THE RELOCATION OF THE)
FORT WAYNE SATELLITE FACILITY TO)
NEW HAVEN, INDIANA; (2) AUTHORIZE)
EXECUTION OF A REAL ESTATE LEASE;)
(3) AUTHORIZE THE SALE OF THE REAL)
ESTATE UPON WHICH THE FORT WAYNE)
SATELLITE FACILITY IS LOCATED; (4))
DELEGATE AUTHORITY TO THE)
EXECUTIVE DIRECTOR TO APPROVE)
CONTRACTS RELATED TO THE)
RELOCATION AND CONSTRUCTION OF)
THE NEW HAVEN SATELLITE FACILITY;)
AND (5) AUTHORIZE PARI-MUTUEL)
WAGERING BY MEANS OF FAST BET)
MOBILE®)

INDIANA HORSE RACING COMMISSION

**NOTICE OF HEARING AND PRE-HEARING ORDER ON PETITION
OF CENTAUR HOLDINGS, LLC ET AL. TO AMEND FINAL ORDER; AUTHORIZE
EXECUTION OF REAL ESTATE LEASE; AUTHORIZE SALE OF REAL ESTATE;
DELEGATE AUTHORITY; AND AUTHORIZE FAST BET**

This matter comes before the Indiana Horse Racing Commission (hereinafter “the Commission”) on a Petition to Amend the Final Order of the Commission Entered on June 30, 1994 to Authorize the Relocation of the Fort Wayne Satellite Facility, Authorize the Execution of a Real Estate Lease, Authorize the Sale of Real Estate; Delegate Authority to the Executive Director to Approve Contracts Related to the Relocation and Construction of the Fort Wayne Satellite Facility, and Authorize Pari-Mutuel Wagering by Means of Fast Bet Mobile® (hereinafter “the Petition”), submitted by Centaur Holdings, LLC, New Centaur, LLC, and Hoosier Park, LLC, (hereinafter “Centaur” or “the Petitioners”) on or about November 27, 2013. The Commission, by its Chairman, issues this notice and order pursuant to the provisions of the Indiana Administrative Orders and Procedures Act, IND. CODE § 4-21.5-1-1 *et seq.*:

NOTICE OF HEARING

The Indiana Horse Racing Commission will hold a hearing on Tuesday, December 10, 2013, as soon as the matter advances on the Commission's agenda during its regularly scheduled meeting which will commence at 9:00 a.m. in the Indiana State Library, Room 211, 315 W. Ohio St., Indianapolis, Indiana 46204. The Hearing will relate to the following Petition that was filed with the Commission on or about November 27, 2013:

The Petition of Centaur Holdings, LLC, New Centaur, LLC and Hoosier Park, LLC to: (1) Amend the Final Order of the Indiana Horse Racing Commission Entered on June 30, 1994 to Authorize the Relocation of the Fort Wayne Satellite Facility to New Haven, Indiana; (2) Authorize Execution of a Real Estate Lease; (3) Authorize the Sale of the Real Estate Upon Which the Fort Wayne Satellite Facility is Located; (4) Delegate Authority to the Executive Director to Approve Contracts Related to the Relocation and Construction of the New Haven Satellite Facility; and (5) Authorize Pari-Mutuel Wagering By Means of Fast Bet Mobile®.

The Hearing will be held for the purpose of providing: the Petitioners an opportunity to make a presentation of their Petition to the Indiana Horse Racing Commission; an opportunity for the Commission to ask questions of any party representatives and witnesses who may testify at the Hearing; and an opportunity for interested nonparty organizations and persons to provide testimony in support of or adverse to the Petition.

The Hearing is to be held by the Indiana Horse Racing Commission pursuant to the authority granted to it by Indiana Code 4-31-1-1, 71 IAC 11-1-1- *et seq.* and Indiana Code 4-21.5-3-1 *et seq.* All members of the Indiana Horse Racing Commission intend to act as the Administrative Law Judge for the Hearing. The members include: Bill Diener, Chair; Steve Schaefer, Vice Chairman; Greg Schenkel, Tom Weatherwax and George Pillow, Members. Lea Ellingwood, Esq., and Holly Newell, Esq., 1302 North Meridian Street, Suite 175, Indianapolis, Indiana 46202 (tel. no. (317) 233-3119), are and will act as legal counsel to the Indiana Horse Racing Commission during these proceedings and may be contacted for information concerning the proposed Hearing schedule, the procedure to be followed at the Hearing, and for inspection of copies of the hearing notice. Joe Gorajec, Executive Director, will also appear for the Indiana Horse Racing Commission Staff.

PRE-HEARING ORDER

The following Pre-Hearing Order is being issued pursuant to the authority provided for by Indiana Code section 4-21.5-3-19(d):

I. Purpose of the Hearing on the Petition

The purpose of the hearing scheduled for December 10, 2013, is to hear evidence and argument on the Petition of Centaur to amend the final order of the Commission entered on June

30, 1994 to authorize the relocation of the Fort Wayne Satellite Facility, and requests related to that transaction.

II. Petition Process and Timeline

a. Hearing Date and Time

The hearing will commence at the Indiana State Library, Room 211, 315 W. Ohio St., Indianapolis, Indiana, on Tuesday, December 10, 2013, as soon as it advances on the agenda of the Commission meeting commencing at 9:00 a.m. EST. This matter will be heard and will continue, with appropriate recesses, until completed. The record will be closed at the conclusion of the hearing. Thereafter, the Commission will deliberate on and decide whether the Petition will be approved or denied and does not comprehend discussion during the deliberation with the Petitioners or other interested parties.

b. Exhibits the Commission Proposes to Make Part of the Record

A list of exhibits, if any, which the Commission intends to make a part of the record, will be prepared by the Commission's attorney and will be distributed to the parties on or before December 3, 2013. The parties must notify the Commission in writing of any exhibits to which they object on or before 4:30 p.m. on December 5, 2013. If no objection is timely made, all specified exhibits will be made a part of the record at the commencement of the hearing.

c. Exhibits the Petitioners are to Make Part of the Record

The Petitioners shall file into evidence the Petition, any amendments and any attachments thereto. The Petitioners shall also file into evidence any records of prior related hearings (including Final Orders) involving the Petitioners that they want to be considered.

d. Request for Official Notice

The Petitioners should submit any request for matters to be officially noticed pursuant to Indiana Code section 4-21.5-3-26(f) on or before 4:30 p.m. on December 4, 2013.

III. Matters Relating to the Conduct of the Hearing

a. The Commission Will be Sitting as an Administrative Law Judge at the Hearing

The Commission is sitting both as Administrative Law Judge and as "ultimate authority" (pursuant to Indiana Code section 4-21.5-1-15) with respect to the Petition. Indiana Code section 4-21.5-3-11 provides in part that an

Administrative Law Judge serving in a proceeding may not communicate, directly or indirectly, regarding any issue in the proceeding while the proceeding is pending with any party or any individual who has a direct or indirect interest in the outcome of the proceeding. Such communications are prohibited and are referred to as “ex parte communications.” Additionally, while a Commission member may communicate separately with another member of the Commission and may receive aid from members of the Commission’s Staff, the Commission Staff is prohibited from having ex parte communications with a Commission member that contain information that would furnish, augment, diminish, or modify the evidence in the record. If a Commission member receives an ex parte communication in violation of this statute, they are to contact counsel for the Commission so that an appropriate public disclosure can be prepared pursuant to the Administrative Orders and Procedures Act. In certain circumstances, a Commission member receiving or otherwise participating in such a prohibited communication may be disqualified from acting further on the Petition now before the Commission.

Additionally, when acting as an Administrative Law Judge, each Commission Member is prohibited (pursuant to Indiana Code section 4-21.5-3-12) from commenting publicly, except as to hearing schedules or procedures, about pending proceedings. Accordingly, both the Members of the Commission and the members of the public should be mindful of this limitation as the Commission moves forward to consider the evidence and to make a decision on the Petition.

b. Proposed Hearing Schedule

The Commission understands the importance to the Petitioner and to the public of having an adequate amount of time to present their respective positions, but encourages the Petitioner and the public to move as expeditiously as possible during the hearing so that all the information can be effectively presented to the Commission as promptly as possible.

While it is understood that circumstances may occur that could result in an adjustment to this schedule, each and every person who may testify at the hearing is expected to conduct his or her testimony or presentation in a manner that comports with the order established herein. The Commission encourages all persons who testify at the permit hearing to be brief and succinct in order to allow for as much and varied testimony as possible. Further, the Commission reserves the right to exercise its statutory power to impose conditions to avoid unreasonably burdensome or unduly repetitious presentations by any person or party. Any adjustment to this order shall be at the sole discretion of the Commission:

- Hearing to be convened by the Commission
- Commission to offer into evidence certain written materials pertaining to the Petition
- Petitioners’ Presentation

- Presentation of Commission Staff
- Testimony of Interested Persons and Organizations/Public Comment
- Rebuttal and Final Statement

c. Parties' Presentations May be in Narrative Form

The Petitioner may submit information in support of the Petition in narrative, as opposed to question and answer, form. It is necessary, however, that any such statements be given upon oath or affirmation.

d. Chair to Rule on Procedural Issues

The Chair will rule on any procedural issues requiring an immediate ruling that are raised at the hearing on the application.

e. Commission Free to Ask Questions

During the hearing on the Petition, any Commissioner, the Commission's counsel, or the Commission's Executive Director may ask questions of any witness in the nature of cross-examination or to assist the Commission's understanding of the issues relevant to the Petition.

f. Hearing to be Conducted Under Oath

The hearing will be conducted under oath or affirmation pursuant to Indiana Code section 4-21.5-3-26(b). In order to ensure consistency, all non-party statements are to be given under oath or affirmation, pursuant to I.C. § 4-21.5-3-25(f).

g. Individuals Requesting Time to Speak to the Petition

A sign-up sheet will be made available on the date of the hearing for those interested in speaking during the time allotted for Testimony of Interested Persons and Organizations. An appropriate amount of time will be determined by the Chair at the hearing with consideration of the number of individuals who wish to speak and the total amount of time in which to do so.

IV. Notice

This Order is being served upon counsel representing the Petitioners.

The Petitioners are advised that if they fail to attend or participate in the scheduled hearing, or any other stage of the proceeding, the proceeding may be dismissed pursuant to Indiana Code section 4-21.5-3-24.

This Pre-Hearing Order is issued by the Indiana Horse Racing Commission on this 3rd day of December, 2013.

A handwritten signature in cursive script that reads "William Diener". The signature is written in dark ink and is positioned above a horizontal line.

Bill Diener, Chair
Indiana Horse Racing Commission

CERTIFICATE OF SERVICE

I hereby certify that the a copy of the foregoing has been served upon the following parties by first class United States mail, postage prepaid, this 3rd day of December, 2013.

Mr. Steve Schaefer, Vice-Chair
10987 Innisbrooke Lane
Fishers, IN 46037

Greg Schenkel
Indiana Pacers
125 South Pennsylvania Street
Indianapolis, IN 46204

Tom Weatherwax
3012 Woodland Drive
Logansport, IN 46947

George Pillow
Pillow Logistics
4005 Vincennes Road
Indianapolis, IN 46268

John Keeler, Esq.
General Counsel
Centaur Gaming
10 West Market Street
200 Market Tower
Indianapolis, IN 46204

Joe Gorajec, Executive Director
INDIANA HORSE RACING COMMISSION
1302 North Meridian Street, Suite 175
Indianapolis, IN 46202



Agenda Items #9 - #10



2013 OCT 30 P 040

INDIANA HORSE RACING COMMISSION

October 30, 2013

Joe Gorajec, Executive Director
Indiana Horse Racing Commission
1302 N. Meridian St., Suite 175
Indianapolis, IN 46202

RE: Hoosier Park, LLC Annual Permit Renewal and Race Dates for 2014

Dear Joe:

Pursuant to IC 4-31-5-2(a) and IC 4-31-5-9, and 71 IAC 11-1-3(b), 71 IAC 11-1-7, 71 IAC 11-1-21 and 71 IAC 2-9-1, Hoosier Park, LLC ("Hoosier Park") hereby submits fifteen (15) copies of its annual permit renewal and proposed race dates for 2014 to the Indiana Horse Racing Commission ("Commission").

Hoosier Park is requesting 160 Harness racing dates for 2014. The meet will commence on Friday, March 28 and conclude on Saturday, November 15. We will again offer a 5-day a week schedule consisting of Tuesday, Wednesday, Thursday, Friday and Saturday with a tentative first post time of 5:15 p.m. Please note that this post time is slightly earlier than this years' first post time of 5:30 p.m. As always, there will be a minimum of eight (8) races per day.

I would also like to point out a couple of other modifications to the racing schedule. The first 5-day week will not start until the week of April 8. Also, there will be a one-week break in racing the week of August 12 to allow our horsemen to take part in harness racing at the Indiana State Fair.

*A detailed calendar and schedule of race dates for 2014 is attached.

*A formal request will be submitted in advance for any post time changes for special event days.

Hoosier Park attests that the assignment and allocation of the proposed race dates for 2014 are in the public interest, and the annual renewal permit application satisfies the criteria of 71 IAC 11-1-6 and 71 IAC 11-1-7 and that said renewal application should be approved.

Pursuant to 71 IAC 12-1-10, Hoosier Park proposes the simulcast of races up to seven (7) days and seven (7) nights a week during the calendar year 2014. Hoosier Park will submit calendars of the simulcast schedule at the racetrack to the Commission's Executive Director on a monthly basis.

4500 Dan Patch Circle
Anderson, Indiana 46013

tel (800) 526-7223

hoosierpark.com

A check for \$5,000 for the annual permit fee is enclosed herewith. If you need additional information, please do not hesitate to contact me.

Sincerely,



Richard B. Moore
Vice President and General Manager of Racing

Enclosures

2014 Harness Racing Dates

March 28 – November 15

Post Time: 5:15 p.m. Tuesday, Wednesday, Thursday, Friday & Saturday

March – 28, 29 – 2 days

April – 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 29, 30 – 20 days

May – 1, 2, 3, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, 30, 31 - 23 days

June – 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28 - 20 days

July – 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 29, 30, 31 – 23 days

August – 1, 2, 5, 6, 7, 8, 9, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30 – 17 days

September – 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 30 - 21 days

October – 1, 2, 3, 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 21, 22, 23, 24, 25, 28, 29, 30, 31 - 23 days

November – 1, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15 – 11 days

TOTAL DAYS 160



2014
160 Standardbred Days
5:15 p.m. Post Time

March

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August

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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April

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27	28	29	30			

September

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28	29	30				

May

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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

October

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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June

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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

November

S	M	T	W	T	F	S
						1
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		



October 30, 2013

2013 OCT 30 P 3 44
INDIANA HORSE RACING COMMISSION

Mr. Joe Gorajec
Executive Director
Indiana Horse Racing Commission
1302 N. Meridian, Suite 175
Indianapolis, IN 46202

RE: Hoosier Park, LLC – Merrillville OTB
Request for Renewal of License/2014 Simulcast Dates Request

Dear Joe:

Pursuant to 71 IAC12-1-23 and 71 IAC 12-1-10, Hoosier Park, LLC (Hoosier Park), operating as Merrillville at 7610 Broadway, Merrillville, Indiana ("Merrillville") hereby submits its proposed simulcasting dates at Merrillville in 2014, as follows:

- Simulcast of races up to seven (7) days and seven (7) nights a week during calendar year 2014.
- Calendars outlining the simulcast schedule to be submitted to the Commission on a monthly basis during calendar year 2014.

It is Hoosier Park's understanding that this submission of proposed simulcast dates for 2014, the request for conditional approval of the simulcast dates pursuant to 71 IAC 12-1-9 and the representation that there have been no material changes in the information previously submitted to the Commission for Merrillville's license application, shall constitute the annual license renewal, in accordance with 71 IAC-12-1-3(b) and 71 IAC 12-1-23. We believe that the requested dates will have a positive impact upon Hoosier Park's purses and will provide a wide variety of products to the patrons, which, in turn, should maximize the revenue to the State of Indiana.

If you need any additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. B. Moore', is written over a faint, larger version of the signature.

Richard B. Moore
Vice President and General Manager of Racing

4500 Dan Patch Circle
Anderson, Indiana 46013

tel (800) 526-7223

hoosierpark.com



October 30, 2013

2013 OCT 30 P 42
INDIANA HORSE RACING COMMISSION

Mr. Joe Gorajec
Executive Director
Indiana Horse Racing Commission
1302 N. Meridian, Suite 175
Indianapolis, IN 46202

RE: Hoosier Park, LLC – Indianapolis OTB (Winner's Circle)
Request for Renewal of License/2014 Simulcast Dates Request

Dear Joe:

Pursuant to 71 IAC12-1-23 and 71 IAC 12-1-10, Hoosier Park, LLC, (Hoosier Park) operating as Indianapolis OTB (Winner's Circle) at 20 North Pennsylvania Street, Indianapolis, Indiana ("Indianapolis") hereby submits its proposed simulcasting dates at Indianapolis in 2014, as follows:

- Simulcast of races up to seven (7) days and seven (7) nights a week during calendar year 2014.
- Calendars outlining the simulcast schedule to be submitted to the Commission on a monthly basis during calendar year 2014.

It is Hoosier Park's understanding that this submission of proposed simulcast dates for 2014, the request for conditional approval of the simulcast dates pursuant to 71 IAC 12-1-9 and the representation that there have been no material changes in the information previously submitted to the Commission for Indianapolis' license application, shall constitute the annual license renewal, in accordance with 71 IAC-12-1-3(b) and 71 IAC 12-1-23. We believe that the requested dates will have a positive impact upon Hoosier Park's purses and will provide a wide variety of products to the patrons, which, in turn, should maximize the revenue to the State of Indiana.

If you need any additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. B. Moore', is written over a faint blue line.

Richard B. Moore
Vice President and General Manager of Racing

4500 Dan Patch Circle
Anderson, Indiana 46013

tel (800) 526-7223

hoosierpark.com



October 30, 2013

2013 OCT 30 P 41
INDIANA HORSE RACING COMM

Mr. Joe Gorajec
Executive Director

Indiana Horse Racing Commission
1302 N. Meridian, Suite 175
Indianapolis, IN 46202

RE: Hoosier Park, LLC – Fort Wayne OTB
Request for Renewal of License/2014 Simulcast Dates Request

Dear Joe:

Pursuant to 71 IAC12-1-23 and 71 IAC 12-1-10, Hoosier Park, LLC (Hoosier Park), operating as Fort Wayne OTB at 1820 West Washington Center Road, Fort Wayne, Indiana ("Fort Wayne") hereby submits its proposed simulcasting dates at Fort Wayne in 2014, as follows:

- Simulcast of races up to seven (7) days and seven (7) nights a week during calendar year 2014.
- Calendars outlining the simulcast schedule to be submitted to the Commission on a monthly basis during calendar year 2014.

It is Hoosier Park's understanding that this submission of proposed simulcast dates for 2014, the request for conditional approval of the simulcast dates pursuant to 71 IAC 12-1-9 and the representation that there have been no material changes in the information previously submitted to the Commission for Fort Wayne's license application, shall constitute the annual license renewal, in accordance with 71 IAC-12-1-3(b) and 71 IAC 12-1-23. We believe that the requested dates will have a positive impact upon Hoosier Park's purses and will provide a wide variety of products to the patrons, which, in turn, should maximize the revenue to the State of Indiana.

If you need any additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. B. Moore'.

Richard B. Moore
Vice President and General Manager of Racing

4500 Dan Patch Circle
Anderson, Indiana 46013

tel (800) 526-7223

hoosierpark.com

Agenda Items #11 - #12

October 30, 2013

Centaur Gaming

VIA HAND DELIVERY

2013 NOV 26 A 9:50

INDIANA HORSE RACING COMMISSION

Joe Gorajec, Executive Director
Indiana Horse Racing Commission
1302 North Meridian Street, Suite 175
Indianapolis, IN 46202

RE: Centaur Acquisition, LLC d/b/a Indiana Downs
Annual Permit Renewal – Shelbyville Track

Dear Joe:

Pursuant to 71 IAC 11-1-21 and 11-1-3(b), Centaur Acquisition, LLC d/b/a Indiana Downs requests that its permit to conduct live racing at its Shelbyville, Indiana race track be renewed for the year 2014. Enclosed is a check in the amount of \$6000.00 which includes the \$5,000.00 renewal fee.

Also pursuant to the aforementioned rule, Indiana Downs is including fifteen (15) copies of this letter which we understand serves as the renewal application. Indiana Downs has not been informed of any additional information which has been requested by the Commission before the date for filing this renewal application.

Indiana Downs is requesting approval of race dates from the Commission. Those dates are:

Thoroughbred & Quarter Horse:

(Proposed race dates for Indiana Downs, 2014, subject to change and pending IHRC approval.)

Monday, May 6, 2014 – Saturday, November 1, 2014 – 114 Thoroughbred days; 6
Quarter Horse Days

Post Times: Tuesday, Wednesday and Thursday (Thursday begins July 17) at 2:05 pm
Friday and Saturday at 5:05 pm

Quarter Horse Days: To be determined

Mr. Joe Gorajec
October 30, 2013
Page 2

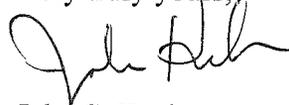
Racing on Tuesday, Wednesday, Thursday, Friday, and Saturday weekly – with the exception of the following notations:

Thursday Racing begins July 17, 2014

The assignment and allocation of the proposed race dates for 2014 are in the public interest, and this annual renewal permit application satisfies the criteria of 71 IAC 11-1-6 and 71 IAC 11-1-7.

Based upon the foregoing, Indiana Downs requests renewal of its permit for the Shelbyville, Indiana race track. Thank you.

Very truly yours,



John S. Keeler
Vice President & General Counsel



2014 - Proposed Live Racing Calendar

May 2014

S	M	T	W	R	F	S
		6	7		9	10
		13	14		16	17
		20	21		23	24
		27	28		30	31

June 2014

S	M	T	W	R	F	S
			3	4	6	7
		10	11		13	14
		17	18		20	21
		24	25		27	28

July 2014

S	M	T	W	R	F	S
		1	2		4	5
		8	9		11	12
		15	16	17	18	19
		22	23	24	25	26
		29	30	31		

August 2014

S	M	T	W	R	F	S
					1	2
		5	6	7	8	9
		12	13	14	15	16
		19	20	21	22	23
		26	27	28	29	30

September 2014

S	M	T	W	R	F	S
		2	3	4	5	6
		9	10	11	12	13
		16	17	18	19	20
		23	24	25	26	27
		30				

October 2014

S	M	T	W	R	F	S
			1	2	3	4
		7	8	9	10	11
		14	15	16	17	18
		21	22	23	24	25
		28	29	30	31	

November 2014

S	M	T	W	R	F	S
						1

INDIANA GRAND RACING & CASINO
2014 Post Times
120 Race Days

Thoroughbred & Quarter Horse (114 days)
Quarter Horse Only (6 days)

Tuesday, Wednesday, Thursday **Post Time 2:05 PM**
(Thursday racing begins July 17)

Friday & Saturday **Post Time 5:05 PM**

**Six Quarter Horse only race days - dates TBD*

October 30, 2013

Centaur Gaming

VIA HAND DELIVERY

Joe Gorajec, Executive Director
Indiana Horse Racing Commission
1302 North Meridian Street, Suite 175
Indianapolis, IN 46202

2013 NOV 26 A 9:52

INDIANA HORSE RACING COMMISSION

RE: Centaur Acquisition, LLC d/b/a Indiana Downs
Annual License Renewal – Shelbyville Track

Dear Joe:

Pursuant to 71 IAC 12-1-23 and 71 IAC 12-1-10, Centaur Acquisition, LLC d/b/a Indiana Downs requests that its license to operate a satellite facility in Clarksville, Indiana be renewed for the year 2014. A check in the amount of \$6000.00, which includes the \$1,000.00 renewal fee, is enclosed.

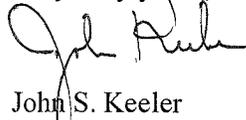
The proposed simulcasting dates at Clarksville for 2014 are every day of 2014, except for Easter Day and Christmas Day. We believe that the proposed dates will have a positive impact upon Indiana Downs' purses, and should maximize revenues to the State of Indiana. Indiana Downs requests conditional approval of the proposed dates.

Also pursuant to the aforementioned rule, Indiana Downs is including fifteen (15) copies of this letter which we understand serves as the renewal application. There are no changes to the information previously submitted to the Commission not previously considered or acted upon by the Commission. Indiana Downs has not been informed of any additional information which has been requested by the Commission before the date for filing this renewal application.

Based upon the foregoing, Indiana Downs requests renewal of its license to operate the satellite facility in Clarksville, Indiana.

Thank you.

Very truly yours,



John S. Keeler

Vice President & General Counsel