

LOUISIANA STATE RACING COMMISSION

MINUTES – September 25, 2017 Meeting

As transcribed by Mary E. Lee DiLeo, Certified Court Reporter

COMMISSIONERS IN ATTENDANCE

Bob F. Wright, *Chairman*

Judy W. Wagner, *First Vice Chairperson*

Dr. Patrick Bernard

Thomas B. Calvert

Donald "Don" Cravins

R. Hamilton "Hammy" Davis

K. R. "Ron" Finkelstein, O.D.

Benjamin J. Guilbeau, Jr.

Eric G. Johnson

Mike R. McHalfey

Kenneth "Kenu" Romero

Mike Shelton

ABSENT

Louis Reine

The meeting of the Louisiana State Racing Commission (LSRC) was called to order by the Chairman on Monday, September 25, 2017 at 9:05 AM in the Riverview Room of the Monteleone Hotel, 214 Royal Street, New Orleans, Louisiana. Roll call was taken; a quorum was present.

Commissioner Calvert motions to approve the meeting minutes from the April 24, 2017 meeting; Commissioner Wagner seconds; motion carries.

I. ASSOCIATION REQUESTS

A. BOYD RACING, LLC d/b/a DELTA DOWNS RACETRACK, CASINO & HOTEL

1. **PROGRESS REPORT**, by *Mr. Chris Warren*. Mr. Warren informs that Delta Downs' 46-day 2017 Quarter Horse Meet, which ended July 8, 2017, was down 2% live handle and up 2% total handle. He states that Delta Downs' 84-day 2017-2018 Thoroughbred Meet starts on October 18, 2017. He says that horses are on the grounds with entries beginning on October 10, 2017. He states that the new safety rail is installed, the racetrack has been refurbished, the backside has been maintained with a newly added bathroom, cleaned barn roofs, and some repaved back roads.

Mr. Warren informs that Hurricane Harvey devastated about 90% of Delta Downs' market from the border of Texas and ruined the houses of many employees. He says that the Longhorn Equine Training Center got flooded with a foot of water, so Delta Downs took in all the horses to help them until the meet opens. He states that Delta Downs' coin-in, which regulates how much revenue the track earns, is down 40% four weeks after Hurricane Harvey. He says that the decision to cancel certain stakes races at Delta Downs was made with the Louisiana Horsemen's Benevolent and Protective Association (LaHBPA) in order to preserve the overnight purse structure and the Louisiana-bred stakes program. He informs that Delta Downs staff will continue

discussions with the LaHBPA over adjusting the stakes schedule further if their handle improves enough to add any races.

Commissioner Guilbeau asks if there was any consideration to keep the Delta Downs Jackpot Stakes on the racing calendar, due to its national appeal. Mr. Warren responds that, despite how much spotlight Delta Downs gets for the race, putting on the Jackpot Stakes would have devastated the purse account for all of the other races and the horsemen don't like how much money it takes to put on just the Jackpot Stakes. Commissioner Guilbeau asks if there was any consideration to get a sponsorship to fund the Jackpot Stakes. Mr. Steve Kuypers, Vice President and General Manager of Delta Downs, responds that they made some phone calls but could not get any sponsorships. He states that he will update the Commission at the next Commission Meeting about any further decisions on purses and stakes schedule.

Commissioner Guilbeau asks if they considered application of the business interruption policy to cover economic loss based upon the disruption from Hurricane Harvey. Mr. Kuypers responds that Delta Downs has a business loss policy that may be applied to this down the road but he can't answer the question from a legal point of view. He says that the planning for the Jackpot Stakes occurs in late August and September during which they felt that cancelling the race was the best decision. Commissioner Wagner says that she is disappointed at the cancellation of this year's Jackpot Stakes, which means a lot to Louisiana horse racing's stature in the nation, and hopes that this is not an establishing a pattern for future meets.

2. HORSE IDENTIFICATION

- a. **Update** on Delta Downs' written policy and procedure for pre-race and post-race horse identification per the LSRC's request at the April 24, 2017 Meeting.

Mr. Warren informs that Delta Downs and Evangeline Downs have the same process. He states that horses are identified in the paddock by lip tattoo with the Identifier making documentation of markings as a backup. He says that if reading the lip tattoo is a problem, the Identifier will ask for backup from the Paddock Judge or Stewards. He informs that, during the thoroughbred meet, the racing software lists all marking of a horse but, during the quarter horse meet, the Identifier uses a copy of or the original foal registration papers in the paddock for backup since the American Quarter Horse Association doesn't provide that data to Delta Downs' software provider. He says that the LSRC is in charge of identification post-race.

Commissioner Calvert asks what training is given to the Identifier. Mr. Warren responds that reading the lip tattoo doesn't take a lot of knowledge. He states that, in the case of disfigured or discolored lip tattoos, you have to review the foal papers and get a second opinion from a backup Identifier. He says that they hire people who are familiar with horses and don't require much training for the identifying process. Commissioner Calvert says that, in the last 12 months, someone mis-identified three times at Delta Downs. Mr. Warren responds that two of the misidentifications are speculation from the investigation and the only definite mis-identification was supported by factual evidence from the test barn. Commissioner Calverts asks about training for Identifiers. Mr. Warren responds that someone who has never checked horses' lip tattoos would have to shadow an Identifier prior to taking on the position. He says that mis-identification happens two or three times a year in the country.

Chairman Wright asks if the problem comes from a lackadaisical attitude. Mr. Warren responds that most likely is the case since Identifiers have to inspect quickly and be vigilant. Chairman Wright says that some spot checking should be the answer. Mr. Warren responds that there are so many ways to spot check but markings on horses are the biggest indicators that most Identifiers probably don't rely on everytime like lip tattoos. He says that microchips will likely be the best scenario as it is implemented.

Commissioner Calvert says that there should be quality people as Identifiers because the national betting public doesn't see mis-identification as a simple mistake. Chairman Wright asks if the issue is under control now. Mr. Warren responds that they are doing the best they can to make sure it never happens again and may implement some ideas to strengthen the process.

Mr. Benard Chatters, President of the LaHBPA, suggests that, after the Identifier checks horses in the paddock, the Paddock Judge could recheck the horses' identities when they go into their box stalls. Mr. Warren says that Mr. Duane Domingue, Paddock Judge for Delta Downs, backs up the Identifier and has 40 years of experience on the racetrack. Commissioner Romero asks if horses are identified when they arrive at the track for an upcoming meet to help avoid identification errors later. Mr. Warren responds that the idea may be overkill since the trainers or assistant trainers should not make a swap by mistake in the first place.

Chairman Wright states that the racetracks will make corrective actions for the identification problems or face serious penalties if mis-identification occurs in the future. Commissioner Calvert says that the Commission will want microchips to be utilized for identification at Louisiana racetracks if the microchip program goes into full effect. Mr. John Duvieilh, counsel for the LaHBPA, informs that there should be a simple form with the horse's name and tattoo number signed by the horse's handler that the Identifier would collect, verify, and immediately scratch any horses who do not match their document.

Mr. Charles Gardiner, Executive Director of the LSRC, asks if Delta Downs is nominating Ms. Melissa Dueitt to be Identifier again. Mr. Warren responds that Ms. Dueitt has been training with Duane Domingue and worked at Fair Grounds for its 2017 Quarter Horse Meet. He says that Delta Downs had a couple of issues with trainers trying to school horses, which Delta Downs staff eliminated right away. Commissioner McHalfey asks what is Delta Downs' policy on schooling now. Mr. Warren responds that horsemen can't school a horse in a race in which they have another horse entered. He says that Delta Downs will likely cut down the number of horses in the paddock due to space limitations.

Mr. Warren informs that they may implement Mr. Chatter's idea of using the Paddock Judge for spot-checking. He says that experienced Identifiers can know horses just by looking at them. Mr. Gardiner says that having that mindset is where complacency begins when the job should be to check every tattoo every time conscientiously.

Commissioner Wagner asks whose guidance was Ms. Dueitt under prior to the mis-identification incident. Mr. Warren responds that she was probably on her own then. Commissioner Wagner says that these mis-identification incidents disturb her because the reputation that Louisiana racing is not doing things properly sticks with the betting public.

Commissioner Guilbeau informs that, at the last Commission Meeting, he distinctly told all of the racetracks that the Commission wanted written policy and procedure for horse identification because the Commission cannot depend on verbal promises. He states that the racetracks need the procedure, personnel training, and the administration to implement meaningful changes.

Mr. Jason Boulet, Director of Racing at Fair Grounds, informs the Ms. Dueitt trained with Fair Grounds' Identifier for a week per Mr. Warren's request. He says that they offered her a job to work in the racing office and as a paddock judge for the 2017 Quarter Horse Meet because of her conscientiousness and character. Commissioner Calvert states that a possible training program should involve what Mr. Boulet described, including a week-long internship under the supervision of an experienced Identifier who would recommend if the person is capable for the position.

Commissioner Shelton says that having the policy and procedure in place would prevent good workers from getting caught in incidents like Ms. Dueitt experienced. Mr. Warren informs that, this past summer, a horse that just ran at Fair Grounds came to Evangeline Downs and the Identifier was a little suspect of the horse. He says that the State Vet backed her up and they scratched the horse, even though it ended up being the correct horse, due to feeling overly cautious over the recent misidentifications. Commissioner Calvert says that, because the association is ultimately responsible for the quality and integrity of races, the Commission will propose strong sanctions if this happens again.

3. STAKES RACES CANCELLATION

- a. **Discussion** of agreement between HBPA and Delta Downs regarding cancellation of stakes races for Delta Downs' 2017-2018 thoroughbred meet.

See Section "I. ASSOCIATION REQUESTS – A. BOYD RACING, LLC – 1. PROGRESS REPORT" on pages 1 & 2 for this discussion.

2017-2018 THOROUGHBRED MEET

4. RACES

- a. **Approval** of first condition book for 2017-2018 thoroughbred meet.
- *Revised Stakes Schedule for 2017-2018 thoroughbred meet condition book.*

Commissioner Davis motions to approve; Commissioner Guilbeau seconds; motion carries.

- b. **Approval** of designated races for 2017-2018 thoroughbred meet:

10/20/17	Magnolia
10/21/17	Gold Cup
11/17/17	Louisiana Jewel
11/18/17	Louisiana Legacy
01/05/18	Lookout
01/06/18	B-Connected
01/12/18	Take Charge Brandi
01/12/18	El Dorado
01/13/18	Big Drama
01/13/18	Fremont
02/10/18	LA Bred Premier Night Prince
02/10/18	LA Bred Premier Night Ladies Starter

02/10/18	LA Bred Premier Night Distaff
02/10/18	LA Bred Premier Night Starlet
02/10/18	LA Bred Premier Night Championship
02/10/18	LA Bred Premier Night Gentlemen Starter
02/10/18	LA Bred Premier Night Ragin Cajun Starter
02/10/18	LA Bred Premier Night Sprint
02/10/18	LA Bred Premier Night Bon Temps Starter
02/10/18	LA Bred Premier Night Matron
03/09/18	Owner Appreciation Distaff
03/09/18	Azalea
03/10/18	Owner Appreciation Cup
03/10/18	Pelican

Commissioner Wagner motions to approve; Commissioner Davis seconds; motion carries.

Commissioner McHalfey asks if combining the Track Superintendent and Stall Superintendent positions is a new standard or if it is temporary until they fill the Stall Superintendent position. Mr. Warren responds that job duties and positions have changed in the past and these two positions are for oversight with more than enough people fulfilling the track and stall needs. Commissioner McHalfey asks if this is to save money. Mr. Warren responds that Delta Downs is trying to do something in a different capacity in which they pay certain workers year-round and get them to fulfill more tasks during Delta Downs' dark season racing downtimes.

Commissioner McHalfey asks for the LaHBPA's opinion on the matter. Mr. Chatters responds that he was pleased with the condition of the tack rooms and the horsemen's needs for moving in and moving out at Delta Downs, so he has no problems with the current situation. He says that the Racing Secretary and one of the Stewards were doing the backside work and everything went better this year than last year.

Commissioner McHalfey asks about mats on the concrete walls of the stalls. Mr. Chatters says that the stall mats have metal hangers that are a real danger to the horses and should be taken down. Mr. Warren responds that they are taking the mats down as people request it but the mats were originally put up with the LaHBPA's consent.

Commissioner McHalfey asks if the back gate access problems at Delta Downs have been resolved. Mr. Warren responds that they had a 17-hour window during which horses could ship in due to Hurricane Harvey staffing issues. He says that they were getting concrete laid on one road and tried to get the horsemen to come in the other gate, which was a mistake. He states that Mr. Chatters called about it and Mr. Kuypers fixed the problem.

Commissioner McHalfey asks what are the hours of the backside gate. Mr. Warren says that at least one of the two backside gates is always open. Commissioner McHalfey says that the horsemen don't rely on the gate by the racing office as much as the other backside gate. Mr. Warren states that the other gate is open 99% of the time horsemen come and go, around 5:00 AM to past midnight on race days. Mr. Chatters informs that the horsemen assume that the back gate on Horsemen's Road is open all of the time for ship-ins. Mr. Chatters says that, when a truck blocks the road or the road is otherwise closed, it puts horsemen in danger of having to back their horse trailers onto the highway.

Commissioner Calvert requests Ms. Dueitt to come up and speak. He asks how the misidentification took place. Ms. Dueitt responds that the incident occurred right after she was hired as Identifier and she's not sure how it happened. She says that there were a lot of schooling horses that shouldn't have been in the paddock and three people were identifying horses at that point. Commissioner Calvert asks why she got the blame when there were two other people identifying. Ms. Dueitt responds that she was the listed Identifier for every race and was ultimately responsible for the duty. She states that she worked with Mr. John Simon, Racing Secretary at Delta Downs, to correct the issue and enforce the new schooling policy. She says that she had some cases of finding horses marked incorrectly that she resolved since the incident.

Commissioner Calvert asks what makes her a better Identifier now. Ms. Dueitt responds that she is more confident in her ability and has vastly improved her documentation skills from working at Fair Grounds. Commissioner Calvert asks if there were times at Delta Downs where Ms. Dueitt couldn't check a horse. Ms. Dueitt responds that she felt like she checked all horses correctly but cannot guarantee that since she can't speak to specific race days due to the volume of horses and pace of the paddock. Commissioner Calvert asks if Ms. Dueitt is even certain that she is the person who misidentified the horse at Delta Downs. Ms. Dueitt responds that she is not certain.

Commissioner Wagner asks why Ms. Dueitt would pass on any of her responsibilities as Identifier to other people. Ms. Dueitt responds that the paperwork was a mess as she entered the position and she got people to fill in when she was running behind, including a co-worker that Delta Downs decided to cross-train in the position. Commissioner Wagner asks if Ms. Dueitt was originally properly trained for the position. Ms. Dueitt responds that she was not but, after working with Mr. Domingue and Fair Grounds officials, she is now more than qualified. Commissioner Wagner asks what Ms. Dueitt's job was prior to being Identifier. Ms. Dueitt responds that she worked in real estate, then worked with race horses in the barns, and finally worked as Program Coordinator for Delta Downs before becoming an Identifier.

Chairman Wright asks if Ms. Dueitt is in control or is uncomfortable with any aspect of the job. Ms. Dueitt responds that she has no issues and is very confident in her ability to do the job. Chairman Wright states that there would be severe punishment to those involved if a misidentification occurs again. Commissioner Calvert asks what Ms. Dueitt's understanding of the national reaction to the misidentification incident is. Ms. Dueitt responds that the response was extremely negative.

5. STEWARDS, OFFICIALS & MANAGEMENT

a. Approval of officials for 2017-2018 thoroughbred meet.

- Chris Warren - Director of Racing
- John Simon - Racing Secretary
- Mohamed Alikhan - Asst. Racing Secretary
- Steve Ruff and Galen Boutte - Association Stewards
- Duane Domingue - Paddock Judge/Alternate Steward
- Mark Gilbert & Michael Phillips - Outriders
- Aaron Pelt - Track and Stall Superintendent
- Jeremy Courville - Starter
- Mayo Newhouse - Clerk of Scales
- Oscar Lopez - Head Clocker

Melissa Dueitt - Horse Identifier (request for approval at Commission Meeting)
 *Michael Celestine - Jocks Room Custodian/Asst. Clerk of Scales
 Steve Nick, Phillip Walker, Charles Sonnier, & Beverly McNeely – Placing
 Judges/Racing Office Staff
 *new official

Commissioner Guilbeau motions to approve; Commissioner Shelton seconds; motion carries.

b. **Approval** of Tom Davis to serve as state steward for 2017-2018 thoroughbred meet.

Commissioners Guilbeau and Bernard motion to approve; Commissioner Cravins seconds; motion carries.

2018 QUARTER HORSE MEET

6. LICENSE APPROVALS

a. **Approval** for 2018 quarter horse meet:

1. 10 year license to own and operate a race track, per R.S. 4:158.
2. 10 year license to own and operate OTB locations, per R.S. 4:211 et seq.
3. Serve as concessionaire.

Commissioner Cravins motions to approve; Commissioner Guilbeau seconds; motion carries.

7. RACING DATES (R.S. 4:158A), RACES AND POST TIMES

a. **Approval** for 2018 quarter horse meet:

1. Quarter horse racing on the flat
2. 46 quarter horse race dates (4/20/18 through 7/7/18):

April	20,21,25,26,27,28
May	2,3,4,5,9,10,11,12,16,17,18,19,23,24,25,26,30,31
June	1,2,6,7,8,9,13,14,15,16,20,21,22,23,27,28,29,30
July	4,5,6,7
3. Hold minimum of 9 live quarter horse races daily (Wednesday through Saturday)
4. Daily post time 6:15 PM

8. WAGERING (LAC 35:XIII.Ch 103-127)

a. **Approval** for 2018 quarter horse meet wagering:

1. \$1 minimum WPS & Exacta on all races
2. 50¢ Trifecta on all races with five or more entries
3. 10¢ Superfecta on all races with six or more entries
4. 50¢ Rolling Pick 3 beginning on Race 1
5. 50¢ Pick 4 on first 4 races and on last 4 races
6. 50¢ Pick 5 on last 5 races
7. 50¢ Super Hi-Five on designated races
8. \$1 Rolling Daily Double beginning on Race 1

Commissioner Wagner motions to approve Items #7 and #8; Commissioner Guilbeau seconds; motion carries.

B. THE OLD EVANGELINE DOWNS, LLC

d/b/a EVANGELINE DOWNS RACETRACK & CASINO

1. **PROGRESS REPORT**, by Mr. Chris Warren. Mr. Warren hands out pictures of Evangeline Downs' turf track to the Commission and explains that they are views of the stretch, first turn, and backside showing good progress over the last four months.

Chairman Wright asks what helped this progress. Mr. Warren responds that it was the work of Dr. Ron Strahan, Associate Professor at the School of Plant, Environmental and Soil Sciences at Louisiana State University (LSU), even though it took longer than expected. He states that compaction was the big focus for which Evangeline Downs spent thousands of dollars on special equipment to aerate the surface to allow water to penetrate it better. Chairman Wright says that the progress seemed to improve after Dr. Strahan got involved. Mr. Warren says that Dr. Strahan was not doing the hands-on work but was consulting Mr. Kyle Ducote, the turf specialist, about his process.

Commissioner Calvert asks what protocol will Evangeline Downs put in place to ensure that Dr. Strahan's recommendations of intensive maintenance are carried out long-term. Mr. Warren responds that Dr. Strahan will come monthly or bi-monthly to inspect the turf and recommend further actions as needed. He informs that if Mr. Ducote doesn't remain as a turf specialist to Evangeline Downs, they will find someone else who is qualified with Dr. Strahan's recommendation. He states that Evangeline Downs is investing a lot of money in overhauling the irrigation system and putting in a new rail.

Commissioner Romero asks about the bacteria found below the surface of the racetrack that was keeping grass from growing. Mr. Warren responds that algae forms when compaction causes water to sit on top of the surface rather than penetrating the soil, so they will keep aerating weekly to prevent compaction. Commissioner Romero asks if the first turn area is still not showing sufficient growth since the last Commission Meeting. Mr. Warren responds that the turf improvements cover up some of the blemishes but they are still working to make sure that the turf is completely covered in grass.

Commissioner Calvert asks if Evangeline Downs has any risk of losing Mr. Ducote's services. Mr. Warren responds that Mr. Ducote wasn't happy about being scrutinized at the last Commission Meeting but he has stayed on to help out Evangeline Downs and as a friend of Dr. Strahan. He says that Mr. Ducote may stick with Evangeline Downs since the course has finally turned around and makes him look good.

Commissioner Bernard asks if Boyd Gaming is committed to keeping the track up like it is supposed to be. Mr. Warren responds that Boyd Gaming is committed to the track's quality and Dr. Strahan will return to check on the track periodically through the racing season.

2. HORSE IDENTIFICATION

- a. Update** on Evangeline Downs' written policy and procedure for pre-race and post-race horse identification per the LSRC's request at the April 24, 2017 Meeting.

See Section "I. ASSOCIATION REQUESTS – A. BOYD RACING, LLC – 2. HORSE IDENTIFICATION" on pages 2-4 for this discussion.

3. TURF TRACK

- a. Update** on the condition and progress of Evangeline Downs' turf course.
 - *Letter from Dr. Ron Strahan dated August 23, 2017*

See Section "I. ASSOCIATION REQUESTS – B. THE OLD EVANGELINE DOWNS, LLC – 1. PROGRESS REPORT" on page 8 for this discussion.

2017 THOROUGHBRED MEET

4. **RESCHEDULE/MOVE TURF STAKES**

- a. **Ratification** of agreement between Evangeline Downs, Louisiana Downs, and the LaHBPA to reschedule/move turf stakes from Evangeline Downs to Louisiana Downs.

Commissioner Cravins asks who bore the cost of moving horses from Evangeline Downs to Louisiana Downs. Mr. Warren responds that the owner bore the cost. Commissioner Cravins informs that the horses were at Evangeline Downs for a couple of months prior to the move based on Boyd Gaming's promise that the turf course would be available for racing during the 2017 Thoroughbred Meet but it was ultimately determined that the track would not be ready during the season. He says that the horsemen suffered the extra costs and Boyd Gaming got away without even a slap on the wrist. He states that, by ratifying this agreement, there is no other course of action the Commission could take to penalize Boyd Gaming for their negligence.

Chairman Wright informs that the Commission can vote to not ratify the agreement if it wants to assess the problems differently but that would get the Commission involved in a process that he does not see as agreeable. Commissioner Calvert says that the evidence presented shows that Boyd Gaming was faced with a very difficult Act of God situation, legally known as a force majeure, and this agreement represents a solution between the involved parties. He says that any claims should be subject to private rights of action in which the Commission doesn't need to get involved and the evidence presented shows Boyd Gaming's commitment to fixing and maintaining Evangeline Downs' turf course.

Commissioner Cravins states that this solution has taken four years and he would like the term force majeure to be explained for what it implies since he feels that it doesn't fit this situation. Ms. Rhea Loney, counsel for the LSRC, informs that, if the Commission felt that there was an Act of God that occurred, then it could approve the relocation of the races based on the statute provision that is guiding this decision.

Commissioner Cravins says that the Commission must address Boyd Gaming's negligence exhibited toward the racing community. He says that the attitude of putting off resolving issues, especially by Boyd Gaming, will kill racing in Louisiana if it is not addressed. He informs that a trainer struck a security officer at Evangeline Downs but no action was taken, which led to the officer quitting. He states that Boyd Gaming assured that they would provide a full report of the incident, which they did not. He says that the Commission should have some consistency in Commission Meeting dates to deter the associations from procrastinating in dealing with issues. He informs that there will be a great opportunity in the next Legislative Session to increase the amount of gaming space for racing at the current venues and that there should be a partnership between the casino operators and the racing industry.

Commissioner Davis informs that the Rules Committee will conduct a survey of all racing jurisdictions to see how they handle penalties and fines. He says that the Rules Committee will give a report to the Commission about Louisiana's present codes and possible additions that would make the LSRC more consistent in its penalties and fines with other racing jurisdictions.

Commissioner Calvert motions to approve; Commissioner Guilbeau seconds; motion carries; opposition from Commissioner Cravins.

2017 QUARTER HORSE MEET**5. REQUEST TO AMEND RACING DATES (R.S. 4:158A) TO OMIT DECEMBER 20, 2017 AND ADD DECEMBER 18, 2017 (IN BOLD BELOW)****a. Approval for 2017 quarter horse meet:**

1. 46 quarter horse dates (10/4/17 through ~~12/20/17~~ **12/19/17**)

October	4,5,6,7,11,12,13,14,18,19,20,21,25,26,27,28
November	1,2,3,4,8,9,10,11,15,16,17,18,21,22,24,25,29,30
December	1,2,6,7,8,9,13,14,15,16,18,19, 20

Commissioner Davis motions to approve; Commissioner Calvert seconds; motion carries.

6. RACES**a. Approval of first condition book for 2017 quarter horse meet.****b. Approval of designated races for 2017 quarter horse meet:**

11/11/17	Opelousas
11/17/17	Louisiana Million Futurity Trials
11/18/17	LQHBA Breeders' Derby Trials
11/24/17	EVD Futurity Trials
11/25/17	EVD Derby Trials
12/16/17	EVD Derby
12/16/17	LQHBA Breeders' Derby
12/16/17	EVD Futurity
12/16/17	Louisiana Million Futurity (RG1)
12/16/17	LQHBA Invitational Breeders' Stakes

7. STEWARDS, OFFICIALS & MANAGEMENT**a. Approval of officials for 2017 quarter horse meet:**

Chris Warren – Director of Racing Operations
 Corey Veazey – Racing Secretary
 Ashley Simon – Assistant Racing Secretary/Stakes Coordinator
 Frank Rudis – Association Steward
 Mark Guidry – Association Steward
 Julie Gipson – Identifier
 Traci Vickers – Paddock Judge
 Bobby Granger - Clerk of Scales
 Vincent Cline – Jockey Room Custodian
 Sandra Calais – Claims Clerk
 TBD – Placing Judge
 Angela Hebert – Placing Judge
 Paula Kelly – Placing Judge
 Brett Poole – Clocker
 Russell Comeaux – Starter
 Jacob Deville – Outrider
 Kenneth Gipson – Outrider
 *Jonathan Boxie – Outrider
 David Correll – Stall Superintendent
 Randall Leger – Track Superintendent
**new official*

b. Approval of Brook Hawkins to serve as State Steward for 2017 quarter horse meet.

Commissioner Davis motions to approve Items #6 and #7; Commissioner Wagner seconds; motion carries.

2018 THOROUGHBRED MEET**8. LICENSE APPROVALS****a. Approval for 2018 thoroughbred meet:**

1. 10 year license to own and operate a race track, per R.S. 4:158.
2. 10 year license to own and operate OTB locations, per R.S. 4:211 et seq.
3. Serve as concessionaire.
4. Operate as official training facility for 2018 during off-season.

9. RACING DATES (R.S. 4:158A), RACES AND POST TIMES**a. Approval for 2018 thoroughbred meet:**

1. Thoroughbred racing on the flat
2. 84 thoroughbred race dates (4/4/18 through 8/25/18):

April	4,5,6,7,11,12,13,14,18,19,20,21,25,26,27,28
May	2,3,4,5,9,10,11,12,16,17,18,19,23,24,25,26,30,31
June	1,2,6,7,8,9,13,14,15,16,20,21,22,23,27,28,29,30
July	4,5,6,7,11,12,13,14,18,19,20,21,25,26,27,28
August	1,2,3,4,8,9,10,11,15,16,17,18,22,23,24,25
3. Hold minimum of 9 live thoroughbred races daily (Wednesday through Saturday)
4. Daily post time 5:25 PM

10. WAGERING (LAC 35:XIII.Ch 103-127)**a. Approval for 2018 thoroughbred meet wagering:**

1. WPS & Exacta on all races
2. Daily Double on all races
3. Trifecta on all races complying with the *Rules of Racing*
4. Rolling Pick 3 beginning with Race 1
5. Pick 4 on first 4 races and on last 4 races
6. Pick 5 on the last 5 races
7. Super Hi-Five on Races 5, 7, and last race on the card
8. Superfecta on all races complying with the *Rules of Racing*

Commissioner Guilbeau motions to approve Items #8, #9, and #10; Commissioner Davis seconds; motion carries.

**C. CHURCHILL DOWNS LOUISIANA HORSERACING COMPANY, LLC
d/b/a FAIR GROUNDS RACE COURSE & SLOTS**

1. **PROGRESS REPORT**, by Mr. Doug Shipley and Mr. Jason Boulet. Mr. Shipley informs that handle was up 10% year over year for Fair Grounds' 10-day 2017 Quarter Horse Meet. He says that they employed a locally-based company for social media marketing that has worked well so far. He states that Fair Grounds invested more capital into its buildings and barns this past summer. He says that Fair Grounds is working with the EPA and is hoping to resolve those challenges in 2018. He informs that the Meraux OTB has broken ground and should be open February 1, 2018. Chairman Wright says that Fair Grounds is doing very well and asks if that is thanks to Mr. Shipley's work so far. Mr. Shipley responds that he attributes the successes to Fair Grounds' team doing a couple of things a little differently.

Mr. Boulet informs that Fair Grounds' 10-day 2017 Quarter Horse Meet, which ended September 9, 2017, increased in handle due to the promotional excitement for the Exotic Racing and Weenie Dog racing event nights during the four-week meet. He says that they will allow thoroughbreds to move in on October 5, 2017. He states that he and Mr. Scott Jones, Racing Secretary at Fair Grounds, went on a productive trip to Louisville, Kentucky to recruit familiar and new trainers to race at Fair Grounds. He

informs that they already have applications from more than 12 new trainers and are expecting 3,000 applications for Fair Grounds' 1,830 stalls by the application deadline. He says that the renewed interest in Fair Grounds can be attributed to good food and great turf and dirt courses. He states that Fair Grounds has one of the top turf courses in the country due to the renovations from three years ago, which has helped increased its presence through trainers' word of mouth, and over 85% of its turf races last year stayed on the turf, despite several weather issues.

Mr. Boulet informs that Fair Grounds 81-day 2017-2018 Thoroughbred Meet starts on November 18, 2017 with the Louisiana Derby occurring a week early on March 24, 2018 in order to try standing out on its own instead of running as it traditionally has against the Florida Derby. He informs that Fair Grounds has to deal with some challenging regulatory issues from the EPA and that they have kept good communication with the LaHBPA to get the horsemen to comply regarding cleanliness on the backside.

Commissioner Davis asks how Fair Grounds will handle the overflow of stall applications. Mr. Boulet responds that they place and work with state-bred horses first and then look at the national horses, which have some highly reputable trainers attached. He says that he holds a committee meeting with the Racing Secretary and the Stall Superintendent to review horsemen participation from the prior year, including stall average per start. Commissioner Davis asks where the horsemen go if they aren't approved for requested stalls. Mr. Boulet responds that Copper Crowne and Evangeline Training Center house a lot of Fair Grounds overflow in the winter.

Commissioner Calvert asks if Fair Grounds gives any incentives for trainers who don't get stalls on its grounds to go to the training centers. Mr. Boulet responds that Fair Grounds does not currently have a shipping policy or compensation, which was discussed four years ago without any deal reached, but the discussion could be brought back to the table.

2. HORSE IDENTIFICATION

- a. **Update on Fair Grounds' written policy and procedure for pre-race and post-race horse identification per the LSRC's request at the April 24, 2017 Meeting.**

Mr. Boulet informs that the Identifier position is an important position that can lead to grave consequences if its function is not performed properly. He says that their Identifier is required to be the official representative for the Thoroughbred Racing Protective Bureau, who performs the morning tattoo work. He states that, learning from Delta Downs' schooling issue, Fair Grounds utilizes neon smocks that designate schooling and the Paddock Judge puts on the post position numbers so that the Identifier knows which horses need to be identified.

Mr. Chatters informs that Fair Grounds is in the shape that the LaHBPA believes that all racing facilities should be but the other Louisiana racetracks are not. He says that the LaHBPA had the same arguments over Fair Grounds four years ago but that Fair Grounds has improved and is flourishing due to the Commission and the Louisiana Legislature enforcing improvements.

Commissioner Cravins informs that the LaHBPA has been making general statements about what improvements the horsemen want at the racetracks, which have only led to

piecemeal fixes, and requests that the LaHBPA communicate specific needs to be addressed by the Commission. Mr. Chatters says that Fair Grounds had issues with food, barns, and the turf and dirt courses, which were all fixed by State intervention. He says that the same issues plague the other racetracks now and the LaHBPA needs the Commission to push for those fixes and more racing promotion. He says that the LaHBPA can provide an itemized list of these needs. Commissioner Cravins asks when can they provide that list. Mr. Chatters responds that they will submit the list to the Commission in a week. Commissioner McHalfey requests a list from every racetrack. Commissioner Cravins suggests that the LaHBPA sets priorities to address the issues head-on. Commissioner Cravins asks how long Fair Grounds took to make improvements after Commission intervention. Chairman Wright responds that the process went on for at least a year.

Commissioner Shelton asks if Fair Grounds has a policy and procedure of how they run their turf maintenance. Mr. Boulet responds that Fair Grounds put money into fixing the turf as part of addressing the aforementioned problems three years ago. He says that they hired Pedro Zavala, Track Superintendent for Fair Grounds, around that time and he had experience working at Arlington Park, one of the best turf courses in the country. He states that, after examining the problems, Fair Grounds put in a whole new drainage system and learned from other tracks that adding sand on a daily basis improves the turf. He informs that Fair Grounds rebuilds the turf completely every year after hosting Jazz Fest, which destroys the grass. He says that Mr. Zavala tells him when to order supplies and implements a plan to scrape the surface of the turf and fertilize it right after Jazz Fest.

Commissioner Calvert asks what the daily maintenance program is for the turf. Mr. Boulet responds that, prior to the drainage overhaul, the turf would take a four or five day process to recover from a light rain but now a heavy rain of five inches only causes one missed race day. He says that the white sand they added dries out very quickly.

Commissioner Wagner says that she wants to see the four Louisiana racing associations work together to create a consistent quality between the Louisiana racetracks. Mr. Boulet informs that he has reached out to Boyd Gaming to give them contacts that could advise about Evangeline Downs' turf course. Mr. Shipley states that Churchill Downs spends over \$300,000 each year on maintenance for the dirt track and turf track.

Commissioner Calvert asks if Fair Grounds has any indemnification from Jazz Fest that provides funds for rebuilding what the festival destroys. Mr. Shipley responds that they have a five-year deal which the Jazz Fest organizers contribute \$125,000 over five years, or \$25,000 each year, to Fair Grounds, which the Fair Grounds matches. He says that the contributions are more to support Jazz Fest's infrastructure as a whole, including improving sewer lines, communication cables, and wireless cell service.

3. OTB UPDATE

- a. Meraux Fair Grounds OTB Casino (St. Bernard Parish), 4242 East Judge Perez Drive, Meraux, Louisiana 70075. Approved by the LSRC at the April 24, 2017 Meeting.

See Section "I. ASSOCIATION REQUESTS – C. CHURCHILL DOWNS LOUISIANA HORSERACING COMPANY, LLC – 1. PROGRESS REPORT" on pages 11 & 12 for this discussion.

2017 QUARTER HORSE MEET**4. RACES**

- a. **Ratification** of first condition book for 2017 quarter horse meet.
 b. **Ratification** of designated races for the 2017 quarter horse meet.

08/18/17	LQHBA Sales Futurity Trials
08/19/17	The Treme Stakes
08/19/17	The Audubon Stakes
08/19/17	The Gentilly Dash Stakes
08/26/17	The Esplanade Stakes
09/02/17	The Faubourg St. John Stakes
09/02/17	The De Saix Stakes
09/09/17	LQHBA Sale Futurity
09/09/17	LQHBA Sale Invitational Stakes
09/09/17	The Mid-City Stakes
09/09/17	The Lakeview Dash Stakes
09/09/17	The French Quarter Stakes

5. STEWARDS, OFFICIALS & MANAGEMENT

- a. **Ratification** of officials for the 2017 quarter horse meet:

Jason M. Boulet – Sr. Director of Racing
 Scott L. Jones – Racing Secretary/Claims Clerk
 Barbara Comberrel – Program Coordinator/Placing Judge
 Laura Aime – Placing Judge/Entry Clerk
 Stacy O'Neill – Placing Judge/ Entry Clerk
 Melissa Dueitt – Paddock Judge
 Audrey Mager – Identifier
 Jeff Williams – Association Steward
 *Julie Kagno – Association Steward
 Eric Lato – Outrider
 Darrin Cain – Outrider
 Craig Daligian – Clerk of Scales
 Garrett Broussard – Jockey Room Custodian
 Mario Torres – Stall Superintendent
 Julie Daugherty – Clocker
 Mike Diliberto – Clocker/Track Handicapper
 Glen Miller – Starter
 Pedro Zavala – Track Superintendent
 *new official

Commissioner Davis motions to approve Items #4 and #5; Commissioner Johnson seconds; motion carries.

2017-2018 THOROUGHBRED MEET**6. RACES**

- a. **Approval** of first condition book for 2017-2018 thoroughbred horse meet.
 b. **Approval** of designated races for the 2017-2018 thoroughbred meet:

11/18/17	Heitai Overnight Stakes
11/18/17	Happy Ticket Overnight Stakes
11/18/17	Mr. Sulu Overnight Stakes
11/18/17	Si Cima Overnight Stakes
11/23/17	Thanksgiving Handicap
12/02/17	Richard R. Scherer Memorial Overnight Stakes
12/09/17	Louisiana Champions Day QH Juvenile
12/09/17	Louisiana Champions Day QH Derby
12/09/17	Louisiana Champions Day QH Classic

12/09/17	Louisiana Champions Day Juvenile
12/09/17	Louisiana Champions Day Sprint
12/09/17	Louisiana Champions Day Ladies Sprint
12/09/17	Louisiana Champions Day Lassie
12/09/17	Louisiana Champions Day Classic
12/09/17	Louisiana Champions Day Starter Handicap
12/09/17	Louisiana Champions Day Turf
12/09/17	Louisiana Champions Day Ladies Turf
12/16/17	Tenacious Stakes
12/16/17	Sugar Bowl Overnight Stakes
12/16/17	Letellier Memorial Overnight Stakes
12/16/17	Bonapaw Stakes
12/16/17	Buddy Diliberto Memorial Stakes
12/16/17	Blushing KD Stakes
12/26/17	Tiffany Lass Overnight Stakes
12/30/17	Woodchopper Stakes
12/30/17	Pago Hop Stakes
12/31/17	Louisiana Futurity – Colt and Gelding Division
12/31/17	Louisiana Futurity – Filly Division
01/06/18	Pan Zareta Overnight Stakes
01/13/18	Lecomte Stakes
01/13/18	Silverbulletday Stakes
01/13/18	Louisiana Stakes
01/13/18	Duncan F. Kenner Stakes
01/13/18	Col. E.R. Bradley Handicap
01/13/18	Marie G. Krantz Memorial Stakes
02/13/18	Mardi Gras Stakes
02/17/18	Mineshaft Handicap
02/17/18	Risen Star Stakes
02/17/18	Rachel Alexandra Stakes
02/17/18	Fair Grounds Handicap
02/17/18	Colonel Power Overnight Stakes
02/17/18	Daisy Devine Stakes
03/03/18	Black Gold Overnight Stakes
03/03/18	Dixie Poker Ace Stakes
03/10/18	Allen "Black Cat" Lacombe Memorial Overnight Stakes
03/10/18	Nelson J. Menard Memorial Overnight Stakes
03/17/18	Red Camelia Stakes
03/24/18	New Orleans Handicap
03/24/18	Twinspires.com Fair Grounds Oaks
03/24/18	Twinspires.com Louisiana Derby
03/24/18	Crescent City Oaks
03/24/18	Crescent City Derby
03/24/18	Muniz Memorial Handicap
03/24/18	New Orleans Ladies Overnight Stakes
03/24/18	Costa Rising Stakes
03/31/18	Star Guitar Stakes

7. STEWARDS, OFFICIALS & MANAGEMENT

- a. Approval of Roy Wood to serve as state steward for 2017-2018 thoroughbred meet.

Commissioner Davis motions to approve Items #6 and #7; Commissioner McHalfey seconds; motion carries.

Commissioner Shelton motions to go into Executive Session for the purpose of discussing legal concerns/prospective litigation; Commissioners second; motion carries. The Commissioners go into Executive Session.

**D. HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC
d/b/a HARRAH'S LOUISIANA DOWNS**

- 1. PROGRESS REPORT, by Mr. Trent McIntosh.** Mr. McIntosh informs that Louisiana Downs' 84-day 2017 Thoroughbred Meet ends on September 27, 2017. He thanks the Commission for approving the Monday, Tuesday, Wednesday, and Saturday schedule change, which has resulted in handle being up 14%, with 28% handle improvement on Mondays and Tuesdays over Thursdays and Fridays. He says that Louisiana Downs has gained traction in holding community event days, including exotic animal races, weenie dog races, and family days with inflatable bounce houses for kids. He states that Louisiana Downs fully remodeled its paddock, spending \$140,000 to tear out its rubber flooring and restructure the whole floor. He informs that they added a horsemen viewing area, additional lighting around the barn area roads, and new electrical outlets in the barn area. He says that they hired Bossier PD to spend some time making rounds in the barn area to have a security presence there after dark, which successfully deterred issues that they had seen in previous years. He states that they removed about 200 games from the property, about 20% of the gaming space, on February 28, 2017 for a better atmosphere and Louisiana Downs' slot revenue went up 15% since March.

Commissioner McHalfey asks if the purses increased as a result of the handle increase. Mr. McIntosh responds that Louisiana Downs added two races, which is what he promised at a prior Commission Meeting if the handle went up, and the LaHBPA Board voted in agreement with adding races rather than putting the extra money in purses for overnight races.

Commissioner Finkelstein asks if Louisiana Downs has any intentions to make improvements on their turf course. Mr. McIntosh responds that Louisiana Downs cuts out patches of damaged turf as needed and replenishes them so it is in good shape during the fall. He says that they get the root system in place prior to aeration by springtime.

Commissioner Shelton asks if the casinos in the North Louisiana market are up or down. Mr. McIntosh responds that a couple of properties are slightly up but the market is pretty flat. Commissioner Shelton asks what can be attributed to Louisiana Downs' 14% increase in handle in the otherwise flat market. Mr. McIntosh responds that they shrunk the gaming space with a new wall, took out 200 underperforming games, and added 31 new games to make the area feel more vibrant and young. He says that they spent more than an additional \$1,500,000 in marketing from August to now.

Commissioner Shelton asks if Mr. McIntosh puts the budget together or does corporate send a budget number from which to work. Mr. McIntosh responds that most of their marketing takes place at the corporate level but Louisiana Downs staff can make the case for marketing expenses, which has worked many times. Commissioner Shelton asks if Louisiana Downs has any input for capital expenditure needs. Mr. McIntosh responds that if he can prove that an expenditure would make a substantial amount of money or if it is the right thing to do for their business, corporate would approve those funds.

Commissioner McHalfey asks if the \$1,500,000 spent for marketing included both Louisiana Downs and Horseshoe Casino. Mr. Mike Rich, General Manager of Louisiana Downs and Horseshoe Casino, clarifies that they spent an additional \$1,700,000 through August in marketing on just Louisiana Downs. He informs that Louisiana Downs is driving market leadership among the seven properties in Shreveport and Bossier. He says that four of the properties are declining year-over-year and two out of the three that are up are owned by Caesars Entertainment Operating Company (CEOC). He informs that the budgeting process is a combined effort with Corporate finance representatives and Louisiana Downs staff meeting to discuss what the property can make for its bottomline and to build a budget based on what has and has not worked in the past year from a marketing standpoint.

Commissioner Shelton asks if Louisiana Downs proposes a budget for repairs and maintenance and proposes a separate budget for capital expenditures. Mr. Rich responds that repairs and maintenance ebbs and flows every year for budgeting. Commissioner Shelton asks if they escrow money for repairs and maintenance or if it is requested as needed. Mr. Rich responds that they request repair and maintenance funds as needed. Commissioner Shelton asks how will Louisiana Downs' occupancy costs change due to liquidating the property. Mr. Rich responds that the CEOC properties will be part of the real estate investment trust (REIT) that has an aggregate lease payment that the company needs to pay on behalf of those properties over the course of the year. He states that he is not sure how that payment will look as a line item on his budget or financial statements yet because they are currently going through the 2018 budgeting process.

Commissioner Shelton asks if Mr. Rich has an imputed rent number in his books or no assigned value. Mr. Rich responds that they don't have an imputed rent number yet and the allocation process for all of the corporate expenses is filtered down on a per revenue basis across the company to pay for various expenditures. He says that he currently sees an allocation number that has nothing to do with rent of the REIT since it hasn't come into effect. Commissioner Shelton informs that he doesn't want to see rent costs adversely affect Louisiana Downs' business and marketing after its recent successes.

Commissioner Wagner asks what was the reaction from the horsemen on Super Derby going from the dirt to the turf course. Mr. McIntosh responds that the decision to reduce the Super Derby purse was made to try maintaining overnight purse levels. He says that he made the decision to move the race to the turf in an effort to attract regional turf horses with the \$200,000 purse, which is high for turf course stakes but not for dirt course stakes, but it didn't work. Commissioner Shelton congratulates Louisiana Downs for its recent overall success.

2. HORSE IDENTIFICATION

- a. **Update** on Louisiana Downs' written policy and procedure for pre-race and post-race horse identification per the LSRC's request at the April 24, 2017 Meeting.

None given at the time.

3. BANKRUPTCY PROCEEDING

- a. **Update** on Bankruptcy Proceeding from Caesars Entertainment Corporation.

Mr. Paul West, Outside Louisiana Regulatory Counsel for CEOC, informs that the third amended plan of reorganization was approved by the bankruptcy judge in January and

CEOC went through the process of obtaining all regulatory approvals in order to affect that reorganization and emerge from the bankruptcy. He says that the Louisiana Gaming Control Board approved it on Thursday and the Missouri Board should approve it in the next couple of days, which are the last two approvals necessary so that the transaction can be closed next Tuesday as scheduled.

Commissioner Shelton asks if Mr. West knows an imputed rent number for Louisiana Downs and whether that would positively or negatively affect the track and business. Mr. West responds that there are different allocations and Commissioner Shelton probably saw the EBITDA percentage allocation, which is a unitary rate and not what he is seeking.

2018 QUARTER HORSE MEET

4. LICENSE APPROVALS

a. Approval for 2018 quarter horse meet:

1. 10 year license to own and operate a race track, per R.S. 4:158.
2. 10 year license to own and operate OTB locations, per R.S. 4:211 et seq.
3. Serve as concessionaire.

Commissioner Calvert motions to approve the licenses for a period of one year; Commissioners Shelton and McHalfey second; motion carries.

5. RACING DATES (R.S. 4:158A), RACES AND POST TIMES

a. Approval for 2018 quarter horse meet:

1. Quarter horse racing on the flat
2. 46 quarter horse race dates (1/6/18 through 3/21/18):

January	6,7,8,9,13,14,15,16,20,21,22,23,27,28,29,30
February	3,4,5,6,10,11,12,13,17,18,19,20,24,25,26,27
March	3,4,5,6,10,11,12,13,14,17,18,19,20,21
3. Hold minimum of 7 live quarter horse races daily
4. Daily post time ~~12:30PM~~ 1:00 PM (AMENDED FROM INITIAL REQUEST)

6. WAGERING (LAC 35:XIII.Ch 103-127)

a. Approval for 2018 quarter horse meet wagering:

1. WPS & Exacta on all races
2. Rolling Daily Double beginning with Race 1
3. Rolling Pick 3 beginning with Race 1
4. Trifecta on all races complying with the *Rules of Racing*
5. Superfecta on all races complying with the *Rules of Racing*
6. Pick 4 on last 4 races

7. STEWARDS, OFFICIALS & MANAGEMENT

a. Approval of Noble Hay to serve as state steward for 2018 quarter horse meet.

Commissioner Calvert motions to approve Items #5, #6, and #7; Commissioner McHalfey seconds; motion carries.

2018 THOROUGHBRED MEET

8. LICENSE APPROVALS

a. Approval for 2018 thoroughbred meet:

1. 10 year license to own and operate a race track, per R.S. 4:158.
2. 10 year license to own and operate OTB locations, per R.S. 4:211 et seq.
3. Serve as concessionaire.

9. RACING DATES (R.S. 4:158A), RACES AND POST TIMES**a. Approval for 2018 thoroughbred meet:**

1. Thoroughbred racing on the flat
2. 84 thoroughbred race dates (5/5/18 through 9/26/18):

May	5,7,8,9,12,14,15,16,19,21,22,23,26,28,29,30
June	2,4,5,6,9,11,12,13,16,18,19,20,23,25,26,27,30
July	2,3,4,7,9,10,11,14,16,17,18,21,23,24,25,28,30,31
August	1,4,6,7,8,11,13,14,15,18,20,21,22,25,27,28,29
September	1,3,4,5,8,10,11,12,15,17,18,19,22,24,25,26
3. Hold minimum of 7 live thoroughbred races daily
4. Daily post time TBD

10. WAGERING (LAC 35:XIII.Ch 103-127)**a. Approval for 2018 thoroughbred meet wagering:**

1. WPS & Exacta on all races
2. Rolling Daily Double beginning with Race 1
3. Rolling Pick 3 beginning with Race 1
4. Trifecta on all races complying with the *Rules of Racing*
5. Superfecta on all races complying with the *Rules of Racing*
6. Pick 4 on last 4 races
7. Pick 5 on last 5 races
8. Pick 6 on last 6 races
9. Super Hi-Five on last race

Commissioner Calvert motions to defer Items #8, #9, and #10 for a period of no greater than 60 days; Commissioner Bernard seconds; motion carries.

Mr. McIntosh asks how the deferment affects the 10-year license granted to Louisiana Downs by the Commission from last year. Ms. Loney responds that the Commission will act on the 2018 thoroughbred application within 60 days. Mr. West asks if the 10-year quarter horse license from last year is revoked as a result of the Commission's 1-year approval. Ms. Loney responds that there was no revocation of any license and any previous licenses granted are still in effect. Mr. McIntosh asks what the purpose of the deferred approval is. Ms. Loney responds that the Commission will meet again to consider the license. Commissioner Calvert says that the Commission needs some time to consider everything that is going on with Louisiana Downs based on discussions in the Executive Committee. Mr. McIntosh and Mr. West offer to provide anything that the Commission needs from Louisiana Downs and CEOC document-wise as well as the executed documents of the reorganization once that is completed.

II. BREEDER UPDATES**A. LOUISIANA THOROUGHbred BREEDERS ASSOCIATION (LTBA)**

1. **PROGRESS REPORT**, by *Mr. Roger Heitzmann, Secretary-Treasurer of the LTBA*. Mr. Heitzmann informs that progress is holding at the moment but not moving. He says that the Jockey Club's gave inaccurate statistics that were printed in Blood Horse magazine, including a figure of 800 Louisiana foal births last year when the LTBA has 1,217 foals accredited. He says that the State has been slow to pay the breeders' associations allocated video poker money and have requested the racetracks to front the money for them. He informs that the breeders' associations are having difficulty trying

to uphold the State rules and regulations because the State changes how the process around the allocated operates. He says that these issues will cause problems for the racetracks whose race meet runs through the fiscal year and depend on this money.

Commissioner Guilbeau states that the LQHBA's advertising, marketing, and customer service in conjunction with Delta Downs for the end of their quarter horse meet was perfect. He requests that the LTBA and LQHBA coordinate Delta Downs' big quarter horse stakes night and Evangeline Downs' big thoroughbred stakes night so that they are not on the same night and don't have to compete for racing fans. Mr. Heitzman responds that Legends Night at Evangeline Downs has always been involved with the Fourth of July Weekend but that will change. He says that the quarter horse fan base and thoroughbred fan base are different but both associations have tried to capitalize on the holiday to optimize the number of attendees.

Commissioner Guilbeau says that it would be beneficial to be able to watch both stakes programs on noncompeting nights to increase attendance and betting dollars.

B. LOUISIANA QUARTER HORSE BREEDERS ASSOCIATION (LQHBA)

- 1. PROGRESS REPORT**, by Mr. Tony Patterson, Executive Director of the LQHBA. Mr. Patterson agrees that the LTBA and LQHBA need to coordinate their summer stakes, which were also all Louisiana-bred race nights, to allow fans to watch both. He asks the Commissioners to look at the LQHBA summer update packets. He informs that the foal crop is at 927 currently and should end up around 1,100 again, which is good news. He says that number out-of-state owned mares that are boarded in-state the entire time that they are foals is up to about 600, almost flat with last year. He states that the number of Louisiana stallions has stayed almost flat the last few years but the quality has improved. He informs that their breeder and stallion awards have stayed around \$5,000,000 each year for the last two years. He states that LQHBA has been able to fund \$64,000 in scholarships so far this year and \$505,000 in scholarships total since 2001. He says that their scholarship night at Delta Downs, during which they drew two \$1,500 scholarships, hosted Commissioner Guilbeau, the Lieutenant Governor, the Commissioner of Agriculture and Forestry, and the LQHBA Board members. He states that they gave a shadow box for and made a \$5,000 donation to the Komen Acadiana Foundation. He informs that the LQHBA held its most successful yearling sale ever with \$6,800,000 in total receipts and \$182,000 paid for the sale topper, the second highest price ever paid for a freshman sire.

Mr. West asks the Commission to clarify if the race dates for the quarter horse meet have been approved. Ms. Loney responds that those race dates are approved. Mr. West asks, since the 10-year quarter horse license was not renewed, does that mean the license from last year doesn't continue for another ten years. Ms. Loney clarifies that only a 1-year license was granted today.

III. COMMITTEE REPORTS

A. MEDICATION COMMITTEE, by *Committee Chairperson Judy W. Wagner*

1. Ratification of reinstatement of Piroplasmosis Testing (LAC 35:I.1304B)

- a. Rescission of Directive 2014-01 of 2/17/14, which suspended requirements of Subsection B of LAC 35:I.1304.

Commissioner Wagner requests Mr. Gardiner to explain the piroplasmosis issue and reinstatement of testing. Mr. Gardiner explains that the Department of Agriculture and Forestry contacted Dr. Bernard Cooley, Equine Director of the LSRC, in conjunction with their communications with other jurisdictions about an increase in the number of horses that have entered Louisiana and subsequently tested positive for piroplasmosis when returning to their respective states.

Mr. Gardiner informs that the Commission temporarily suspended piroplasmosis testing due to lack of positives over a long period of time but urges the Commission to reinstate testing per Dr. Cooley's and the Medication Committee's recommendation in order to protect the Louisiana horse population. He says that the Commission needs to vote for ratification of reinstatement of piroplasmosis testing in order for lead-in time to give participants notice that they will need proof of negative piroplasmosis test to run their horses on Louisiana racetracks.

Commissioner Calvert motions to ratify the Rescission of Directive 2014-01; Commissioner Wagner seconds; motion carries.

Commissioner Wagner asks Dr. Levent Dirikolu, Director of the LSU Equine Medication Surveillance Laboratory, if the lab is still on track with the accreditation process and when is the anticipated the completion date. Dr. Dirikolu responds that the lab had its first assessment visit two weeks ago and will have another site visit in four months. He says that the accreditors didn't clarify the certification timeline but they will come and check the lab annually even if it gets certified.

B. RULES COMMITTEE, by *Committee Chairman R. Hamilton "Hammy" Davis*

Commissioner Davis informs that the Association's Duties and Obligations Rules have been reviewed by the all of the racetracks and LaHBPA and the Rules Committee merged in some of their requested changes. He says that the Rules Committee recommends pulling out §5702 "Penalty for Failure to Comply" to be readdressed at a later meeting after researching other jurisdictions' penalty rules and reviewing it further.

See Section "IV. RULES – A. NOTICE OF INTENT – 1. Associations' Duties and Obligations" on page 22 for the following Rules. Commissioner Johnson motions to approve §5704, §5706, §5707, §5709, §5710, §5713, §5714, §5723, §5724, and §5764 for Notice of Intent; Commissioner Davis seconds; motion carries.

C. LEGAL COMMITTEE, by *Committee Chairman Benjamin J. Guilbeau, Jr.*

Commissioner Guilbeau informs that the Legal Committee has been focused on discussions with and gathering information from legal and operations representatives of Louisiana Downs related to the bankruptcy plan. He says that the Commission had concerns related to approval requirements for any type of bankruptcy agreements and the effect bankruptcy would have on Louisiana Downs' front and back of house functions. He states that some of those concerns have been addressed and some of the legalities have been researched by the Legal Committee. He says that the Legal Committee will report further as necessary.

D. SECURITY COMMITTEE, by *Committee Chairman Kenneth "Kenu" Romero*

Commissioner Romero compliments the State Troopers who patrol the racetracks and training centers and feels that their presence has deterred a lot of illegal activities.

E. RACETRACK/HBPA LIAISON COMMITTEE, by *Committee Chairman Donald "Don" Cravins*

No Report.

F. FINANCE COMMITTEE, by *Committee Chairman Louis Reine*

Commissioner Reine not present. No Report.

IV. RULES

A. NOTICE OF INTENT for adoption of below Rules resulting from Louisiana Legislative Auditor recommendations as stated in past Commission Meetings:

1. Associations' Duties and Obligations

LAC 35: III Chapter 57 – Associations' Duties and Obligations

§5702. *Penalty for Failure to Comply [amend]*

§5704. *Public Address System [new]*

§5706. *Barns on Backside of Racetrack [new]*

§5707. *Fire Prevention Security [amend]*

§5709. *Housing of Stable Employees [amend]*

§5710. *Tack Room [new]*

§5713. *Ambulance [amend]*

§5714. *Equine Ambulance [new]*

§5723. *Lighting [amend]*

§5724. *Rails [new]*

§5764. *Surface of Race Course [new]*

See Section "III. COMMITTEE REPORTS – B. RULES COMMITTEE " on page 21 for discussion of these Rules. Commissioner Johnson motions to approve §5704, §5706, §5707, §5709, §5710, §5713, §5714, §5723, §5724, and §5764 for Notice of Intent; Commissioner Davis seconds; motion carries.

B. DISCUSSION/NOTICES OF INTENT

1. Claiming Rule and Engagements

LAC 35: XI Chapter 99 – Claiming Rule

§9905. *Timing of Entering Next Claiming Race [amend]*

- *Letter from LaHBPA dated July 21, 2017*

Mr. Gardiner informs that this Rule became a subject of conversation at the April 24, 2017 Commission Meeting. He explains that the Rule currently bars sale or movement of a horse for 30 days and requires a 25% raise from the claiming price for 30 days, which is the Rule's original historical form. He says that the Commission returned the Rule to this form less than two years ago but the LaHBPA has recently requested to consider amending the 30-day provision to 21 days before entering back at a lower price, which mimics Arkansas' Claiming Rule.

Mr. Ed Fenasci, Executive Director of the LaHBPA, informs that the LaHBPA Board would like to keep the provision as it is for the first 21 days but change days 22 through 30 to allow the horse to run for the same price rather than a lower price. Mr. Ron Faucheux,

Board Member of the LaHBPA, explains that condition books are produced every three weeks, so it would make sense to match that 21-day format for the Rule to allow people to claim horses and run them back in the following condition book rather than skipping a complete book.

Commissioner Davis clarifies that horsemen can run claimed horses at a higher rate than they bought them for during the 30-day jail period but says that skipping a book at the horse's original purchase price as Mr. Faucheux suggests is probably a good idea. Mr. Faucheux says that there have been so many owners that were run out of horse racing due to this Rule because they can't afford to wait through two condition books and running their claimed horses at a higher level is typically not feasible. Mr. Fenasci informs that the racetracks, particularly Fair Grounds, may not have a race that is 25% more than claiming prices, at least not on a regular enough basis, so that the horsemen have had to wait more than 40 days before they get a race.

Commissioner McHalfey says that creating a \$7,500 classification for the horses claimed at \$5,000 would be a solution. Mr. Faucheux responds that it is hard for Racing Secretaries to coordinate an increase in purses to fit this Rule and the effects hurt all of the horses running in the claiming race, not just the claimed horses. Commissioner McHalfey informs that the Commission changes this Rule back previously due to horsemen who would rotate \$5,000 horses and run them every week. Mr. Faucheux says that those are the same people with the means who are claiming presently but the middle class trainers and owners are being hurt by this Rule.

Commissioner Romero asks if the LaHBPA can talk with the Racing Secretaries to state the horsemen's problems to write races for the raised amount. Mr. Scott Jones, Racing Secretary at Fair Grounds, informs that he agrees with Mr. Faucheux and Fair Grounds writes its races, especially cheaper races, every 21 to 23 days as opposed to the allowance and maiden special weights races every 24 to 25 days. He says that the big trainers don't run their horses that much but the middle-class local horsemen struggle with their \$5,000 horses competing against big trainers' horses for \$7,500.

Commissioner Wagner asks if this requires more cooperation between the horsemen and Racing Secretaries rather than a Rule amendment and if their plan of running horses every week or two is healthy for the animals. Mr. Faucheux responds that the LaHBPA wants the 21 days to remain as a jail period to protect the horses but a sound horse should be fine after 21 days.

Commissioner Shelton asks for clarity about the reasoning of the proposed amendment versus the previous times that the Rule has been changed. Commissioner Guilbeau informs that the horsemen have requested the changes to the Rule in the past and the Commission has been responsive to them. Commissioner Shelton asks what would be the down side of changing the jail time to 21 days. Chairman Wright and Commissioner McHalfey responds that they don't think there is a down side to the proposed amendment.

Commissioner Guilbeau motions to approve for Notice of Intent; Mr. Larry Munster, Assistant Executive Director of the LSRC, informs that there is no written draft of the Rule on which to vote because it was only up for discussion; motion does not carry. Mr. Faucheux states that not having this Rule would hurt summer racing at Fair Grounds because it would give local horsemen the opportunity to claim better horses to keep there over summer.

Ms. Loney advises that the Commission's internal procedure has been to get the Rules Committee to look at a draft of amended Rules and then make a recommendation on the Notice of Intent. She says that the Commission could approve a Notice of Intent on the Rule but there is no written draft for the audience to review. She informs that the Rule would not be able to go into effect for another six to eight months and it is not a matter that is eligible to be an emergency rule.

Commissioner McHalfey asks if the process is the same since it is an amendment of an existing rule rather than a new rule. Mr. Gardiner responds that the minimum six-month rule making process, as defined by the Administrative Procedure Act, requires the Rule to be published as a Notice of Intent in the Louisiana Register, undergo a comment period for the public, and be published again as a formal adoption in the Louisiana Register.

Commissioner Shelton asks is the jail time change from 30 days to 20 or 21 days. Mr. Fauchaux responds that the amendment calls for the horse to be able to run at the same level as purchased on the 21st day after being claimed. Mr. Gardiner says that the Commission does not have the language to vote on that reflects Mr. Fauchaux's proposed change. Chairman Wright requests that the Rule amendment be prepared for the next Commission Meeting. Commissioner McHalfey asks if the change will allow a claimed horse to be entered to be able to run on the 21st day after being claimed. Mr. Fauchaux clarifies that you can enter a claimed horse before the 21st day post-claim but can only run that horse on or after the 21st day.

Commissioner Calvert motions to get the LSRC Administrative Staff to draft a Rule amendment consistent with the Arkansas Rule; Commissioner Shelton seconds; motion carries.

2. Claiming Rule and Engagements

LAC 35: XI Chapter 99 – Claiming Rule

§9909. *Resale; Movement* [amend]

- *E-mail from Fair Grounds dated February 24, 2017*

Commissioner Davis explains that the Fair Grounds staff suggested this was Rule amendment which would remove the restriction on claimed horses by allowing them to enter and run at any racetrack after the close of entries for the last racing day at the meet during which it was claimed. He asks if everyone is in agreement with the amendment. Mr. Fenasci and Mr. Jones approves of amendment.

Commissioner Guilbeau motions to approve for Notice of Intent; Commissioner McHalfey seconds; motion carries.

3. Jockey Fee Schedule

LAC 46: XLI Chapter 7 – Jockeys and Apprentice Jockeys

§725. *Jockey Fee Schedule* [amend]

- *Letter from Jockeys Guild dated August 16, 2017*
- *Letter from LaHBPA dated September 19, 2017*

Mr. Gardiner informs that the LaHBPA Board voted for and approved an increase in the losing jock-mount fee by five dollars. He explains that Commission has to vote to amend the Jockey Fee Schedule Rule to reflect the agreement that the Jockeys' Guild and LaHBPA have. He says that there is an anomaly in two sections in which the Commission would have to increase the jock-mount fee by ten dollars, as opposed to five in other situations.

Mr. John Beech, Regional Manager of the Jockeys' Guild, introduces Ms. Mindy Coleman, in-house counsel for the Jockeys' Guild. Ms. Coleman informs that the Jockeys' Guild submitted a letter to the Commission to address the pay scale to increase unplaced finishers' pay by five dollars, to which the LaHBPA has agreed, and to increase payment for the second and third place finishers to assure that the third place finishers would receive at least five dollars more than the unplaced finishers. She says that they also wanted to address discrepancies between the actual Jockey Fee Schedule Rule, which is being followed by the associations, and the erroneous Jockey Fee Schedule published in some condition books. She requests that the Commission ensure that the correct Jockey Fee Schedule is published in condition books when they are submitted for approval. She mentions that the purse breaks in the Jockey Fee Schedule have gaps that should also be addressed.

Commissioner Calvert motions to approve a Notice of Intent for the amendments that will correct the purse break gaps, add five dollars for unplaced finishers starting at the \$3,500 to \$4,999 purse range through all the way up the scale, and add five dollars for third place finishers in the \$5,000 to \$9,999 and \$10,000 to \$14,999 purse ranges; Commissioner Shelton seconds; motion carries.

Mr. Beech says that the last pay change increase from several years ago was implemented in a few weeks and asks how long will it take for this change to be implemented. Mr. Gardiner responds that it will take six months for the amended Rule to take effect but the Rule currently states that Jockeys can ride by special agreement so the pay changes can be implemented under the Jockeys' Guild and LaHBPA agreement. Mr. Chatters says that the jockey pay changes can start at the beginning of the Evangeline Downs 2017 46-day Quarter Horse Meet and all meets that start after that at the other racetracks. Mr. Beech thanks Delta Downs, the Commission, and the horsemen for helping to get the safety rail at Delta Downs.

C. FORMAL ADOPTION:

1. Receiving Barn

LAC 35: III Chapter 57 – Associations' Duties and Obligations
§5708. Receiving Barn [new]

Commissioner Calvert motions to formally adopt the Receiving Barn Rule; Commissioners Guilbeau and Shelton second; motion carries.

V. LICENSE APPROVALS

A. REQUESTS FOR LICENSE APPROVAL (LA. REV. STAT. 4:150(B))

1. Derrick W. Williams, Security Officer. Convicted felon.

Not present at meeting. No action taken.

2. George Senegal, Groom/Hotwalker. Convicted felon.

Commissioner Johnson motions to approve Mr. Senegal for Licensure as Groom/Hotwalker; Commissioner Guilbeau seconds; motion carries.

VI. ADJUDICATIONS

A. APPEALS (LA. REV. STAT. 4:154)

1. **Luis A. Negron, Jockey.**

Ruling#ED22210 of 5/5/17 – *Careless Riding.*

Appeal withdrawn. Not present for hearing. Commissioners motion to suspend Mr. Negron for 7 calendar days from October 18, 2017 through October 24, 2017. If Mr. Negron participates in a designated race day not subject to suspension; he shall be required to make up the suspension day on the first following race day after the designated day of racing. Commissioners second; motion carries.

2. **Damian I. Martinez, Jockey.**

Ruling#DD22218 of 5/10/17 – *Careless Riding.*

Appeal withdrawn. Not present for hearing. Commissioner Wagner motions to suspend Mr. Martinez for 7 calendar days from October 4, 2017 through October 10, 2017. If Mr. Martinez participates in a designated race day not subject to suspension; he shall be required to make up the suspension day on the first following race day after the designated day of racing. Commissioner Johnson seconds; motion carries.

3. **Timothy D. Thornton, Jockey.**

Ruling#ED22196 of 4/26/17 – *Careless Riding.*

Appeal withdrawn. Not present for hearing. Commissioner Davis motions to suspend Mr. Thornton for 7 calendar days from October 18, 2017 through October 24, 2017. If Mr. Thornton participates in a designated race day not subject to suspension; he shall be required to make up the suspension day on the first following race day after the designated day of racing. Commissioner Wagner seconds; motion carries.

4. **Roberto Morales, Jockey.**

Ruling#ED22360 of 8/16/17 – *Careless Riding.*

Appeal withdrawn. Not present for hearing. Commissioner Johnson motions to suspend Mr. Morales for 7 calendar days from October 18, 2017 through October 24, 2017. If Mr. Morales participates in a designated race day not subject to suspension; he shall be required to make up the suspension day on the first following race day after the designated day of racing. Commissioner Davis seconds; motion carries.

5. **Santiago Mendez, Jockey.**

Ruling#FG22372 of 8/23/17 – *Careless Riding.*

Case continued to next Commission Meeting.

B. VIOLATION OF LAC 35:I.1797 (Equine Positive)

1. **Michael D. Taylor, Trainer.** (*Adjudication Referred/Appeal*)

Ruling#ED22342 of 7/26/17 – *Mepivacaine (ARCI Category II)*

Commissioner Wagner motions to uphold the Stewards' ruling, suspend Mr. Taylor for 6 months (credit for time served beginning July 26, 2017) effective July 26, 2017 through January 25, 2018, fine him \$2,000 total, redistribute the purse, and deny him access to all racetracks, off-track wagering facilities and recognized training tracks under the jurisdiction of the Louisiana State Racing Commission; Commissioner Guilbeau seconds; motion carries.

C. VIOLATION OF LA. REV. STAT. 4:175(E) (Unnatural Stimulation of Horses)

- 1. Lanny D. Keith, Trainer. *(Adjudication Referred/Appeal)*
Ruling#DD22241 of 5/26/17 – Possession of Electrical Device

Attorney –
Daniel G. Guidry, Esq.

Mr. Guilbeau motions to uphold the Stewards’ ruling, amend the penalty from 6-month suspension to 1-year probation period effective September 26, 2017 through September 25, 2018 during which time Mr. Lanny D. Keith shall not be found in possession of any electrical device on any racetrack or recognized training track under the jurisdiction of the Louisiana State Racing Commission, fine him \$1,000 total, and Mr. Keith waives any right to Appeal; Commissioner Shelton seconds; motion carries.

Commissioner Wagner motions to approve a salary adjustment for the LSRC Executive Director as discussed in the Executive Session; Commissioner Calvert seconds; motion carries.

VII. ADJOURNMENT

Commissioner Guilbeau motions to adjourn; Commissioner Calvert seconds; Chairman Wright adjourns the meeting.



Charles A. Gardiner III
Executive Director