

Washington Horse Racing Commission  
Meeting Minutes  
September 9, 2011

The meeting convened at 9:30 A.M. at the Auburn City Council chambers, Auburn, Washington. Present were: Paul George, Chairman; Jeff Colliton, Commissioner; Dr. Bud Hallowell, Commissioner; Charles Clark, Assistant Attorney General; Robert J. Lopez, Executive Secretary; Patty Sorby, Confidential Secretary.

Item #1. Approval of the meeting minutes of August 12, 2011.

Commissioner Hallowell clarified a statement made by Mr. Ron Crockett. Commissioner Colliton moved to approve the minutes with the change. Commissioner Hallowell seconded the motion. Unanimously approved.

Item #2. Commissioner's report.

Chairman George commented on the breeders' sale and commended for a successful sale. He hopes this means that future field sizes for Emerald Downs will be occurring. Chairman George said this is the last Friday meeting for the year and that the next two meetings are on Thursdays, October 13 and November 10<sup>th</sup>. Chairman George talked about the fair at Omak and was interested about the Suicide race. He found it quite interesting. He was delighted the Mile was so successful. He mentioned that he was unable to view the race as he did not receive the broadcast on TVG in his area.

Commissioner Hallowell spoke about bringing "Flying Notes" to Emerald Downs who was on display before the Derby. He was thrilled the Derby was won by a Washington bred horse. He said he'd gone to the races in Waterville, he said it was great and was really fun to attend. He said he had attended the WA HBPA annual meeting. He commented on the breeder's sale, about how good it was. He said it was a good month for racing.

Commissioner Colliton had nothing to report.

Item #3. Industry reports.

a. Emerald Downs. Ron Crockett, President, Emerald Downs gave the Emerald Downs report. He said live on live is down 1.1 percent. Attendance continues to be up 10.6 percent. Satellite numbers have changed due to having fewer satellites, some were not producing and they have reduced the number of satellite sites. He said that more people were coming to the track but wagering on a daily average stayed about the same. He explained that more people are coming to the track and bringing the family and their own food and just enjoying the facility not necessarily wagering, enjoying the day. He gave the purse summary: saying it's in very good shape, and that they will use every dime slotted for purses.

Chairman George asked Mr. Crockett about the extra \$100 for finishers. Mr. Crockett said it's about \$100,000 paid out now and has been very well received.

Mr. Crockett talked about the power of exposure of Emerald Downs' races to other racing venues. He said they have broken a record in selling of the signal just by getting into everyone's racing form. He said exposure is a powerful tool.

Mr. Crockett said he felt this meet a very successful meet. He said they are \$450,000 worse than at this time last year, there's still the negative cash flow. But he said it is not as bad as could have been.

Mr. Crockett commended the cooperation from the horsemen, at the entry box they had done a wonderful job of filling races all year and thanked for their assistance.

Mr. Crockett had been contacted by Portland Meadows with a request to split the summer racing dates with Emerald Downs. He said Hastings has also approached him to request part of the summer dates. Mr. Crockett said that he can't afford to give up the summer dates.

Commissioner Colliton asked how many horses on the grounds at this time. Mr. Jack Hodge, Vice President, Emerald Downs said there were 800 or little less.

Anne Sweet, Editor, Washington Thoroughbred Magazine wanted to commend the Emerald Downs staff that they had been wonderful to the Breeders and gave them a thank you.

c. WTBOA.

Dana Halvorson reported on the sale, he said there were a lot of nice horses. It was the biggest crowd they'd had in years. He was pleased overall with the results. He said they are looking to build on this and grow into an event that will continue to go up. He felt there was more enthusiasm out there and hoped it would continue into next year too.

Chairman George mentioned a change in tax laws regarding sales of horses and he felt that may have assisted in sales.

Chairman George asked what the next big event was. Mr. Halvorson said the Washington Cup races and then the Gottstein Futurity on the September 25<sup>th</sup>.

Commissioner Hallowell asked Mr. Halvorson to explain about the sales incentive allowance.

Mr. Halvorson said they'd done a few things from the sale point of view; an anonymous donor had contributed money to go to an allowance race bonus incentive. He said they were going to take a few proceeds from the sale to promote sales next year.

Commissioner Hallowell said a consigner could have an option to place some money that would promote a sales stakes race.

Commissioner Colliton asked if anyone from Eastern Washington had participated. Mr. Halvorson said they had some, not a lot. Mr. Halvorson explained about how the "backyard

breeders” that we’ve lost because participation in Spokane and Yakima with no race track, really hurt them, they’ve had to sell out.

Mr. Crockett reading from a sales result paper said there were zero buyers from Eastern Washington with the exception of Tim McCanna.

Chairman George asked Mr. Crockett about the Quarter Horse racing. Mr. Crockett said they’ve run sixteen races during the year. They were hoping for more, would have liked to have had thirty or more races, but the futurity handled \$130,000 dollars.

b. WAHBPA.

Karla Laird gave the report for the HBPA, reporting on their annual meeting on September 1<sup>st</sup> with approximately 85 people attending. She said it was a good meeting, there were a few unfamiliar faces in the crowd and said she would like to have seen more familiar faces. She said the last weekend of the meet is the trainer appreciation ceremony and a blanket will be given out.

Mr. Ron Maus, President, WA HBPA also spoke. He apologized for missing the last meeting due to being out of town. He thanked the Chair and Commission staff for joining them at the National convention. He was delighted to see Commissioner Hallowell in attendance at the annual meeting. Mr. Maus said that he had written a letter to Thoroughbred Times regarding the issue of Salix. He firmly believes that science should lead that issue. He said he was a believer in science.

He had received correspondence regarding an issue with Robbie Baze that he had mistreated some horses. He said these allegations were investigated and groundless. That Mr. Baze has settled with the claimant and was exonerated.

Mr. Maus said with the meet end in sight, he had some ideas that he wanted to discuss with Mr. Crockett for next year that he felt might be beneficial to the horsemen and the track regarding the takeout. He said he was getting the feeling that horsemen were feeling more hopeful for the future of racing.

Mr. Maus said he’d heard about the passing of Ross McLeod, director of Hastings Park. He was unsure of the implications regarding that. Hastings is fifty percent of the selling for Emerald Downs.

Item #4. Hearings before the Commission:

a. Bill Tollett WHRC 2011-006.

Chairman George called the hearing at 10:45 A.M. Mr. Bill Tollett was present and not represented by counsel. Charlie Clark, Assistant Attorney General represented the Commission. Doug Moore, Deputy Secretary represented staff. Mr. Moore requested Exhibits 1-10 be admitted. No witnesses would be called and would let evidence contained in the exhibits speak for the record. Testimony was taken. Mr. Moore requested the Commission to uphold the

decision of the board of stewards. Retired to executive session. Reconvened at 11:25 A.M. Decision of the Commission was to uphold the board of stewards' decision and said the fine imposed is now due. Hearing closed 11:29 A.M.

b. Robert Lee Gutierrez.

Chairman George called the hearing at 11:32 A.M. Mr. Gutierrez was not present. Exhibits 1-6 were admitted. Mr. Doug Moore, Deputy Secretary gave a short opening and explained exhibits 1-6. Mr. Moore said staff recommends upholding the decision of the board stewards and permanently revoking the license and permanently making Mr. Gutierrez ineligible to hold a license. Mr. Moore gave a short closing. Retired to executive session. The Commission unanimously reaffirmed the decision of the board of stewards. Mr. Gutierrez's license permanently revoked and made permanently ineligible for licensing, Mr. Gutierrez is banned from all race tracks, satellite locations and ineligible to have an account with advance deposit wagering firms licensed by the Commission. Hearing closed at 11:55 A.M.

Item #5. Joint Petition for Modification of Existing Order:

a. Larry G. Lewis No. 88-1

Chairman George opened the hearing at 11:57 A.M. Mr. Lopez presented the petition to the Commission. Mr. Lewis was present and gave testimony. Mr. Lopez presented the request by Mr. Lewis to remove the entire revocation in the WHRC Order 88-1 and enable him have access to the public areas of the race track and visitation to restricted areas only when accompanied by a licensee in good standing. Mr. Lewis gave testimony. Retired to executive session. Hearing reconvened 12:20 P.M. It was the decision of the Commission to modify WHRC final order 88-1. Allowing Mr. Lewis access to public areas of race tracks under the jurisdiction of the WHRC and access to restricted areas of race tracks only under the supervision of a licensee in good standing. Hearing closed. 12:20 P.M.

Item #6. Executive Secretary's report:

Mr. Lopez said he'd been contacted by Cory Hewitt at Walla Walla Fair & Frontier Days who had asked how much money was in the Class C purse account. Mr. Lopez said he expects all four Class C race meets to come before the Commission to ask for race dates. Mr. Lopez said this could be done by basing purse money on the amount in the account and dividing it among the four meets. The problem is whether they were willing to race for smaller purses. Mr. Lopez said he hadn't heard from Sun Downs and it depends on how many dates they request.

Mr. Lopez suggested he write a letter and tell them how much is in the account and how much he anticipates will be in the account at the end of the season and have them tell us what they hope to do. Chairman George said to do that.

a. Wagering recaps.

Mr. Lopez presented the August 2011 wagering by month, year to date and race year. He explained the advance deposit wagering breakdown.

b. Monthly financial report.

Mr. Lopez explained the revenue, charges and fund balance.

Item #7. Any other business that may be properly brought before the Commission.

Commissioner Hallowell said he'd seen something about a Continuing Education seminar being held on September 18<sup>th</sup> and the WHRC was sponsoring a day at the races. Mr. Lopez and Mr. Moore explained it was a joint education seminar being held with the Oregon Racing Commission to continuing education credit to maintain stewards' accreditation and that Emerald Downs was sponsoring a race on Sunday for the attendees.

Meeting adjourned at 12:38 P.M.

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Robert J. Lopez, Executive Secretary