



**Delaware Thoroughbred Racing Commission
Minutes of Meeting Held On
September 14, 2016**

The Delaware Thoroughbred Racing Commission held a meeting on Wednesday, September 14, 2016, at 10:05 a.m., in the Horsemen's Office, at Delaware Park, 777 Delaware Park Blvd, Wilmington, DE 19804

The following Commission members were present:

W. Duncan Patterson, Jr., Chairman
Edward J. Stegemeier, Secretary/Commissioner
Henry J. Decker, Commissioner
Debra M. Killeen, Commissioner
Richard A. Levine, Esq., Commissioner

The following individuals also were present:

John F. Wayne, DTRC, Executive Director
Andrew G. Kerber, Esq., Deputy Attorney General, Commission Counsel
Oliver Cleary, Esq., Deputy Attorney General, Steward's Counsel
Ed Kee, DDA, Secretary of Agriculture
Kevin DeLucia, Sr. Vice President & CFO, Racing-Administration, Delaware Park
John Mooney, Delaware Park, Executive Director of Racing
Chris Sobocinski, Delaware Park, Racing Information Coordinator
Bessie Gruwell, DTHA Executive Director
Scott Peck, DTHA
Beverly Fowler, Delaware Park, Test Barn Supervisor
G. Jack Houghton, DTRC, Chief Steward
Fritz L. Burkhardt, DTRC, Associate Steward
James Lages, DTRC, Associate Steward
Reese Howard, DTRC, Safety Steward
Francis J. Swift, Jr., DTRC, Inspector
Michael Delaney, DTRC, Inspector
James Gowen, DTRC, Inspector
Susan Botts, V.M.D., Acting Chief Commission Veterinarian
Richard Brown, V.M.D. Associate Commission Veterinarian
Robert Colton, Delaware Jockeys Association, Representative
Jeff Ganc, Delaware Park, Security, Assistant Director
Nancy Myshko, Delaware Park, HR, Senior Vice President
Carol Cedeno, Jockey, Appellant
Ricardo Chiappe, Jockey, Witness
Irwin Steinberg, Jockey Agent for Ms. Cedeno
Jeff Lowich, TVG
Pedro Lizarzaburu, Exercise Rider, Interpreter
Arthur Stauffer, Owner Trainer
Michael Lerman, Trainer
Mario Gendrachi, Jockey Agent
Mark Mace, Jockey Agent

1. WELCOME & CALL TO ORDER

At approximately 10:05 a.m., Chairman Patterson called the meeting to order.

2. APPROVAL OF MINUTES

Upon a motion duly made (Stegemeier) and seconded (Killeen) minutes of August 17, 2016 were approved pending the reinsertion of a missing paragraph that was mistakenly deleted from the final draft.

3. REPORT FROM DTRC ACTING CHIEF COMMISSION VETERINARIAN

A. Health Report and Information

Dr. Botts reported that there were no fatalities due to racing. There were, however, two fatalities, one by the name of "AWESOME VACATION," trained by Tom Clark, due to a left dorsal displacement with colic. The other fatality was UNBLUNTED, trained by Jamie Ness, due to a 3rd carpal bone fracture in its right front. After evaluation with a surgeon, "UNBLUNTED" was deemed not a good surgical candidate for a screw replacement and was therefore humanely destroyed by their veterinarian's recommendation. Commissioner Stegemeier noted that the statistics presented by Dr. Botts were the best the Commission had seen in a while. Chairman Patterson agreed. Dr. Botts credited those statistics to the unity and hard work of everyone at the race track.

4. PUBLIC HEARING ON APPEAL

A. Ms. Carol Cedeno-Appeal of Stewards Ruling 63-2016 7 Days Suspension (Careless Riding) DTRC Rule Numbers: 3.3, 3.4, 3.4.1.17.1, 14.15, and 14.16

Ms. Carol Cedeno was called upon by Chairman Patterson. Ms. Cedeno was to be suspended for 7 days, from Monday 8/22/2016 to Sunday 8/28/2016, for careless riding resulting in the disqualification of her mount, "ARCH'S CUTIE" on Monday, 8/15/16 in the 1st race. Ms. Cedeno waived her right to counsel.

Verbatim testimony was recorded by the Court Reporter.

At the conclusion of testimony and following the Commission's public deliberations, Commissioner Levine made a motion that the commissioners would uphold the Steward's decision. Commissioner Stegemeier seconded the motion. Commissioner Decker made a motion to amend. Commissioner Decker's motion specified that Ms. Cedeno's suspension should start 9/25/16 and end 10/1/16. Commissioner Killeen seconded that motion. Commissioner Decker said this allows Ms. Cedeno to lose only three racing days instead of four. Chairman Patterson noted that in other jurisdictions, Ms. Cedeno would probably only be given a 3 day penalty and that he agrees with Commissioner Decker's motion to amend.

The commissioners then voted four to one (Stegemeier) to approve the motion to amend and then approve on the amended motion. Chairman Patterson said the stewards' decision would be upheld, but the suspension would start 9/25/16 and end 10/1/16.

Ms. Cedeno was then excused.

Before moving on to the letter from Delaware Park regarding the cancellation of the 8/13/16 live racing card, Mr. John Wayne asked Mr. Kerber if the Decision and Order on the Michael Lerman appeal was prepared for the Commissioners to sign. Mr. Wayne said that Mr. Lerman was present at the meeting and wished to make a comment to the commission. Mr. Kerber said that the Decision and Order was not yet prepared for signature but would be available at the next meeting (October 13, 2016), but Mr. Lerman could make a comment if he liked. Mr. Lerman explained to the commissioners that on September 1st, there was a situation similar to his own that took place after his. A trainer scratched his horse due to track conditions at Delaware and was re-entered at Parx, and ran on September 5th. He said the stewards didn't do anything about this situation and that the rules need to be held up more consistently. Chairman

Patterson said that Mr. Lerman entered a horse at two tracks within a five day period, therefore his ruling was justified. Chairman Patterson said that the Commissioners would discuss Mr. Lerman's matter with the Stewards.

A. Letter from Delaware Park, Make-up Date 10-13-16 for canceled day (8-13-16) of live racing

Due to a recommendation from the state veterinarian, Delaware Park's live racing card was cancelled on 8/13/16. The motion to approve the make-up date of 10/13/16 was moved by Commissioner Decker and seconded by Commissioner Levine.

5. **OLD BUSINESS**

A. Betfair Update

At this time Mr. Wayne asked Mr. DeLucia and Ms. Gruwell if they had an opportunity to discuss Betfair exchange wagering. Ms. Gruwell said that due to the elections currently going on with the Horsemen's Association, she has no authority to make a decision with the board about Betfair. Chairman Patterson asked if she would accept if the commissions agreed to use Betfair pending the approval of her board. Ms. Gruwell said she saw no problem with that. Mr. DeLucia also said he approved it, because they would be in a trial period at first which would help to address any problems with the exchange wagering program.

Commissioner Killeen asked if Delaware would have to get legislature approval for Betfair, and Jeff Lowich, representative of Betfair, replied that Delaware only needs to get legislature approval if the bettors are betting in Delaware. He also stated that it would be taxed just like any other pari-mutuel betting in the State of Delaware.

Chairman Patterson suggested a motion stating that the commission approves the exchange based wagering subject to the approval of the Delaware Thoroughbred Horsemen's Association, Delaware Park, and Delaware Park's agreement that revenue from exchange based wagering will be reported and taxed the same way as existing simulcast revenues. Commissioner Stegemeier made the motion and Commissioner Decker seconded it.

Ms. Gruwell asked about the revenue in New Jersey from exchange wagering. Mr. Lowich explained that the revenue is slowly growing. He explained it is growing at a slow rate because bettors are still getting used to the new foreign kind of betting.

Commissioner Decker asked Mr. Lowich how Betfair knows that the bettors are really from the state they say they are from. Mr. Lowich answered that Betfair runs under a "KYC" or "Know your customer" policy, meaning they collect information such as the bettors' addresses, phone numbers, and other identifiable information to prove that the bettor is really from said state.

B. Proposed Rule Change (14.19.1 and 14.20) Multiple Disqualifications and Dead Heats

Mr. Kerber stated there is a new requirement to consider for the rule change (14.19.1 and 14.20) called the Regulatory Flexibility Analysis. Mr. Kerber then passed out the relevant handouts to this new requirement. Commissioner Levine said the rule change was approved, but he had a question regarding 14.20B, referencing the section saying "...each horse involved shall be deemed a winner..." "[The horse is] liable to penalty for the amount it shall receive." Mr. Wayne clarified that this section is in reference to conditions. Commissioner Levine said he was confused about the meaning behind the word "penalty" in the rule change because "penalty" usually infers that something was done wrong. Commissioner Decker suggested that instead of the words "liable to penalty", the rule could read, "subject to race conditions for the amount it shall receive." Chairman Patterson said that while he understands the confusion, he believes that most people reading the condition book would understand the wording. Mr. Mooney

suggested that he thinks the wording comes from the old jockey rules and is no longer relevant. Commissioner Decker moved that the term "liable to penalty" should be changed to "subject to race conditions". Commissioner Levine seconded the amendment. Mr. Wayne stated that he would like to check with Mr. Houghton before making any changes. Mr. Kerber agreed that the commission could refrain from the change until they speak with the stewards about it.

6. NEW BUSINESS

A. Report from DTRC Executive Director

Summary of Activities Report for August, 2016

	<u>August 2016</u>	<u>Year-To-Date</u>
Number of Persons Fingerprinted	9	85
Fingerprint Fees Collected	\$711	\$6,715
DTRC Licenses Issued	525	4,886
Fines & Appeal Fees Collected	\$2,950	\$10,865
License Fees Collected	\$23,390	\$137,820

Other Statistics During August

ARCI National Surveys answered	4
Contacts from Police Agencies	12
Contacts from Video Lottery Enforcement	1
Freedom of Information Act Request for Info	0
National Racing Compact Reviews	2
National Racing Compact Applications Rec'd	27
Contacts from Racing Industry Groups	16
Contacts from other Racing Commissions	18
Contacts from other Race Associations	17
Contacts from the General Public	6
Contacts from Horsemen	31
Media Contacts	6
Contacts from Racing Officials Accreditation Program (ROAP)	3

Mr. Wayne also explained to the commissioners that he was asked to participate and assist with the Integrity Team arrangements on behalf of the American Quarter Horse Association at Ruidoso Downs in New Mexico. He requested that all compensation for his work be donated to the Permanently Disabled Jockey's Fund and the Racetrack Chaplaincy of America.

Mr. Wayne also told the commissioners about the recent visit to A.I. DuPont Children's Hospital where some of the jockeys and riders visited and participated in activities with sick children.

7. REPORT FROM DELAWARE THOROUGHBRED HORSEMEN'S ASSOCIATION

A. Delaware Certified Thoroughbred Program Report

DTHA Executive Director Ms. Gruwell said that the third quarter of the racing meet has been slow for the Delaware Certified Thoroughbred Program. There were 16 applications for the Delaware Certified Thoroughbred Program (1 Weanlings, 15 Yearlings) through the month of August, bringing a total of 63 received to date. There is a balance of \$589,572.52 and \$467,757.50 paid out. There were 425 Starts, 408 Starters, 48 wins, 58 seconds, and 63 thirds. There was an interest payment of \$217.58 giving a balance of \$589,572.52.

Ms. Gruwell reported that Owner's Day went well and 4 Delaware Certified Stakes were run. 5 to 6 hundred people came to the event. Ms. Gruwell also announced Family Fun Day for September 24th, 2016 in conjunction with the Permanently Disabled Jockeys Fund.

Chairman Patterson expressed concern with the low enrollment. Ms. Gruwell said the enrollment usually picks up towards the end of the year and that they lost some of the bigger certifiers they had throughout the past years.

Commissioner Decker asked if the balance was put in a Delaware Bank and if it is collecting interest and Ms. Gruwell answered that it was, in Artisan's Bank and it does collect interest.

Mr. Wayne said that Owner's Day turned out to be a successful event but underachieved with purse money because of competition from other tracks with stakes races. He asked if the DTHA should move Owners Day to a weekday. Ms. Gruwell said that she does not believe they would be able to because the turnout would not be as great. She and Mr. Mooney did, however, suggest that Owner's Day could possibly be pushed back towards the end of September because it could give 2 year old horses more time to prepare, the weather would be better, and the turnout may be better because the date would be farther away from big event days at other racetracks.

Before the adjournment of the meeting, Commissioner Stegemeier brought up concerns that the commission has been having about concussions. He presented the statistic that the NFL is spending \$200,000,000 to learn about and prevent concussions. Commissioner Stegemeier said that whatever comes out of this research will also benefit the commission as well as the racetrack.

Commissioner Stegemeier also brought up drug testing. He asked if the commission should penalize the horse as well as the trainer for medication positives. He thinks this may lead to owners choosing trainers who adhere better to the rules. Chairman Patterson commented that if they did do that, it would also penalize the owner and the race track. Chairman Patterson also expressed that the Multiple Medication Violations system served as a good solution. Mr. Mooney stated that if the horse was penalized for medication positives, it would harm Delaware Park. Mr. Wayne said to the commission that if a horse does test positive for performance enhancing medications, the horse must go through drug testing and have a clean test before it is permitted to race again.

8. EXECUTIVE SESSION

None

9. ADJOURNMENT

Upon a motion duly made (Levine) and seconded (Decker) the meeting was adjourned at approximately 2 p.m.

DELAWARE  PARK®
RACETRACK ♦ CASINO ♦ GOLF

September 9, 2016

Mr. W. Duncan Patterson
Delaware Thoroughbred Racing Commission
777 Delaware Park Blvd.
Wilmington, DE 19804

RE: Make up of cancelled racing card

Dear Mr. Patterson:

I am writing on behalf of the Delaware Racing Association concerning the live racing card that was cancelled, based upon the recommendation of the state veterinarian, on August 13, 2016 due to extreme heat.

As required by the contract with the DTHA, Delaware Racing Association has added Thursday, October 13, 2016 to the live racing calendar to make up for the cancelled race day mentioned above.

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

Sincerely yours,



Kevin DeLucia
Senior Vice President &
Chief Financial Officer

cc: William M. Rickman
William Fasy
John Mooney
John Wayne
Doug Phillips, Horty & Horty
Bessie Gruwell
Mike Gorham

Bessie's DCTP Report Aug 2016
Yearly Stats and Amounts

2016 DCTP Applications	Weanlings	Yearlings	Total
Jan - Mar	1	20	21
Apr - Jun	2	24	26
July - Sept	1	15	16
Oct - Dec			0
Total Applications	4	59	63

2015 DCTP Applications	Weanlings	Yearlings	Totals
Jan - Mar	0	15	15
Apr - Jun	0	28	28
Jul - Sept	14	40	54
Oct - Dec	33	65	98
Total Applications	47	148	195

2014 DCTP Applications	Weanlings	Yearlings	Totals
Jan - Mar	0	27	27
Apr - Jun	4	39	43
Jul - Sept	19	49	68
Oct - Dec	30	58	88
Total Applications	53	173	226

2013 DCTP Applications	Weanlings	Yearlings	Totals
Jan - Mar	2	15	17
Apr - Jun	1	35	36
July - Sept	8	32	40
Oct - Dec	50	84	134
Total Applications	61	166	227

Total Applications to date 3817
Total 2 Yr olds for 2016 - 201

Bessie's DCTP Report Aug 2016
Yearly Stats and Amounts

2015	Certifier Amount	Owner Amount	Total for Month
May	\$ 40,420.00	\$ 40,420.00	\$ 80,840.00
June	\$ 106,880.00	\$ 106,880.00	\$ 213,760.00
July	\$ 76,345.00	\$ 76,345.00	\$ 152,690.00
August	\$ 92,220.00	\$ 92,220.00	\$ 184,440.00
Sept	\$ 131,407.50	\$ 78,157.50	\$ 209,565.00
Oct	\$ 49,727.50	\$ 49,727.50	\$ 99,455.00
Dec (DQ ruling)	\$ 2,500.00	\$ 2,500.00	\$ 5,000.00
	\$ 499,500.00	\$ 446,250.00	\$ 945,750.00

2016	Certifier Amount	Owner Amount	Total for Month
May	\$ 30,335.00	\$ 30,335.00	\$ 60,670.00
June	\$ 63,418.75	\$ 63,418.75	\$ 126,837.50
July	\$ 63,130.00	\$ 63,130.00	\$ 126,260.00
August	\$ 76,995.00	\$ 76,995.00	\$ 153,990.00
Sept			
Oct			
		Total	\$ 467,757.50

Delaware Certified Special Acct -Monthly Balance - 2016

	Transactions	Balance
December 2015 - Balance		\$ 105,474.67
January interest	\$ 22.31	\$ 105,496.98
February - DCTP A	\$ 1,000,000.00	\$ 1,105,496.98
February - DCTP A	\$ (50,000.00)	\$ 1,055,496.98
February interest	\$ 180.09	\$ 1,055,677.07
March Interest	\$ 267.88	\$ 1,055,944.95
April Interest	\$ 267.94	\$ 1,056,212.89
May interest	\$ 259.37	\$ 1,056,472.26
May Bonus	\$ (60,670.00)	\$ 995,802.26
June Bonus	\$ (126,837.50)	\$ 868,964.76
June Interest	\$ 259.43	\$ 869,224.19
July Bonus	\$ (126,130.00)	\$ 743,094.19
July Interest	\$ 252.75	\$ 743,346.94
August Bonus	\$ (153,990.00)	\$ 589,356.94
August Interest	\$ 217.58	\$ 589,574.52

Total Applications to date 3817
Total 2 Yr olds for 2016 - 201

Bessie's DCTP Report August 2016

Yearly Stats and Amounts

Year	# of Starters	# of Starts	1st	2nd	3rd	25% Cert	25% Owner	Totals
Aug								
2016	168	425	48	58	63	\$ 233,878.75	\$ 233,878.75	\$ 467,757.50
2015	240	709	97	106	115	\$ 446,250.00	\$ 499,500.00	\$ 945,750.00
2014	271	779	105	105	112	\$ 478,120.75	\$ 531,371.57	\$ 1,009,492.32
2013	270	713	97	99	102	\$ 416,504.00	\$ 470,722.00	\$ 887,226.00
2012	318	943	138	140	146	\$ 437,340.00	\$ 409,503.00	\$ 846,843.00
2011	414	1331	166	189	181	\$ 715,099.86	\$ 773,251.86	\$ 1,488,351.72
2010	364	1150	142	180	146	\$ 705,631.25	\$ 778,203.75	\$ 1,483,835.00
2009	287	922	105	120	121	\$ 511,810.00	\$ 584,382.50	\$ 1,096,192.50
2008	210	690	94	82	109	\$ 367,963.60	\$ 433,265.20	\$ 801,228.80
2007	271	608	90	87	102	\$ 331,809.00	\$ 355,609.00	\$ 687,418.00
2006	139	476	68	61	72	\$ 201,286.80	\$ 214,936.80	\$ 416,223.60
2005	99	366	52	49	53	\$ 179,690.00	\$ 193,340.00	\$ 373,030.00
2004	56	134	20	19	19	\$ 44,947.00	\$ 44,947.00	\$ 89,894.00
2003	9	17	7	3	2	\$ 13,505.00	\$ 13,505.00	\$ 27,010.00
								\$ 10,620,252.44