



TEXAS RACING COMMISSION

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Texas Racing Commission
Tuesday, December 16, 2014
10:30 a.m.
John H. Reagan Building, Room JHR 120
105 W. 15th Street
Austin, Texas 78701

AGENDA

I. CALL TO ORDER Roll Call

II. EXECUTIVE SESSION

The following items may be discussed and considered in executive session or open meeting and have action taken in the open meeting:

- A. Under Government Code Sec. 551.071(1), the Commission may open an executive session to seek the advice of its attorney regarding pending or contemplated litigation, or regarding a settlement offer. The executive session may include, but is not limited to, legal advice regarding Case D-1-GN-14-003700, American Legion Department of Texas Temple Post 133, et al, vs. Texas Racing Commission and Chuck Trout.
- B. Under Government Code Sec. 551.071(2), the Commission may open an executive session to discuss all matters identified in this agenda where the commission seeks the advice of its attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. This may include, but is not limited to, legal advice regarding the Open Meetings Act, the Administrative Procedures Act, and the Texas Racing Act.
- C. Under Texas Racing Act, Tex. Rev. Civ. Stat. Ann. art. 179e, Sec. 6.03, the Commission may open an executive session to review security plans and management, concession, and totalisator contracts.

III. PUBLIC COMMENT

IV. GENERAL BUSINESS

Discussion and consideration of the following matters:

- A. Announcement of Celebration of Life Gathering for Samuel (Sammy) Jackson, Deputy Director For Finance And Wagering
- B. Reports by the Executive Director and Staff regarding Administrative Matters
 - 1) Budget and Finance Update
 - 2) Report on Wagering Statistics
 - 3) Report on Racetrack Inspections
 - 4) Enforcement Report

V. PROCEEDINGS ON RACETRACKS

Discussion, consideration and possible action on the following matters:

- A. Allocation of Purses as Provided under Commission Rule 321.505(a)
- B. Distribution of Funds in the Escrowed Purse Account among the Various Breeds of Horses under Commission Rule 321.509
- C. Review and Renewal of Laredo Downs' Inactive Racetrack License under Commission Rule 309.52
- D. Allocation of Live Race Dates for Greyhound Racetracks under Commission Rule 303.41 for the Period beginning October 1, 2016, and ending December 31, 2016
- E. Review of the License Designation of Gulf Coast Racing as required under Commission Rule 309.51(f)
- F. Allocation by the Texas Greyhound Association of Interstate Cross-Species Purse Money

VI. SCHEDULING OF NEXT COMMISSION MEETING

VII. ADJOURN

IV. GENERAL BUSINESS

B. Reports by the Executive Director and Staff regarding Administrative Matters

- 1) Budget and Finance Update
- 2) Report on Wagering Statistics
- 3) Report on Racetrack Inspections
- 4) Enforcement Report

Texas Racing Commission

FYE 08/31/2015
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-1

Strategy	Program Description	FY 2015 Annual Budget	FY 2015 Expended Thru 11/30/2014	FY 2015 Unexpended Bal 8/31/2015	With 25.0% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.1.1.	(0.50) FTE's = 4.50 <u>Regulate Racetrack Owners</u>				
Base Appr =	1001 Salaries and Wages	333,985.29	77,529.30	256,455.99	23.21%
\$ 400,839.00	1002 Other Personnel Cost	12,379.88	2,482.95	9,896.93	20.06%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 9,618.00	2003 Consumables	-	395.56	(395.56)	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 410,457.00	2005 Travel	9,250.00	1,644.27	7,605.73	17.78%
Budgeted =	2006 Rent Building	-	-	-	
\$ 359,315.17	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	3,700.00	341.87	3,358.13	9.24%
(51,141.83)	CB Computer Equipment	-	-	-	
-12.76%	Total Strategy A.1.1.	359,315.17	82,393.95	276,921.22	22.93%
<i>Appropriated</i> A.2.1.	0 FTE's = 0 <u>Texas Bred Incentive</u>				
	ATB Money Expended	3,475,000.00	751,466.90	2,723,533.10	21.62%
3,475,000.00	Total Strategy A.2.1.	3,475,000.00	751,466.90	2,723,533.10	21.62%
<i>Appropriated</i> A.3.1.	0.60 FTE's = 9.30 <u>Supervise Racing and Licensees</u>				
Base Appr =	1001 Salaries and Wages	580,678.70	149,330.72	431,347.98	25.72%
\$ 591,228.00	1002 Other Personnel Cost	41,645.40	6,752.86	34,892.54	16.22%
Sup Appr =	2001 Prof Fees and Services	2,500.00	-	2,500.00	0.00%
\$ 16,911.00	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 608,139.00	2005 Travel	50,420.00	6,904.53	43,515.47	13.69%
Budgeted =	2006 Rent Building	-	-	-	
\$ 679,144.10	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	3,900.00	640.00	3,260.00	16.41%
71,005.10	CB Computer Equipment	-	-	-	
12.01%	Total Strategy A.3.1.	679,144.10	163,628.11	515,515.99	24.09%
<i>Appropriated</i> A.3.2.	(0.50) FTE's = 3.70 <u>Monitor Occupational Licensee Act.</u>				
Base Appr =	1001 Salaries and Wages	205,472.18	47,755.21	157,716.97	23.24%
\$ 271,136.00	1002 Other Personnel Cost	16,080.96	3,588.55	12,492.41	22.32%
Sup Appr =	2001 Prof Fees and Services	1,000.00	75.98	924.02	7.60%
\$ 5,879.00	2003 Consumables	2,500.00	-	2,500.00	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 277,015.00	2005 Travel	35,019.00	3,312.63	31,706.37	9.46%
Budgeted =	2006 Rent Building	-	-	-	
\$ 263,572.14	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	3,500.00	370.68	3,129.32	10.59%
\$ (13,442.86)	CB Computer Equipment	-	-	-	
-4.96%	Total Strategy A.3.2.	263,572.14	55,103.05	208,469.09	20.91%
<i>Appropriated</i> A.4.1.	0.50 FTE's = 3.10 <u>Inspect and Provide Emerg. Care</u>				
Base Appr =	1001 Salaries and Wages	204,967.64	27,530.53	177,437.11	13.43%
\$ 292,515.00	1002 Other Personnel Cost	10,174.51	302.11	9,872.40	2.97%
Sup Appr =	2001 Prof Fees and Services	92,500.00	20,517.03	71,982.97	22.18%
\$ 5,465.00	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 297,980.00	2005 Travel	21,783.00	2,885.76	18,897.24	13.25%
Budgeted =	2006 Rent Building	-	-	-	
\$ 331,575.15	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	2,150.00	525.58	1,624.42	24.45%
\$ 33,595.15	CB Computer Equipment	-	-	-	
11.48%	Total Strategy A.4.1.	331,575.15	51,761.01	279,814.14	15.61%

Texas Racing Commission

FYE 08/31/2015
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-2

Strategy	Program Description	FY 2015 Annual Budget	FY 2015 Expended Thru 11/30/2014	FY 2015 Unexpended Bal 8/31/2015	With 25.0% of Year Lapsed % of Budget Expended
<i>Appropriated</i> A.4.2.	0.50 FTE's = 4.30 <u>Administer Drug Testing</u>				
Base Appr =	1001 Salaries and Wages	255,259.07	88,985.05	166,274.02	34.86%
\$ 248,903.00	1002 Other Personnel Cost	8,688.89	2,305.43	6,383.46	26.53%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 7,577.00	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 256,480.00	2005 Travel	12,184.00	7,045.33	5,138.67	57.82%
Budgeted =	2006 Rent Building	-	-	-	
\$ 280,831.95	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	4,700.00	931.00	3,769.00	19.81%
\$ 24,351.95	CB Computer Equipment	-	-	-	
9.78%	Total Strategy A.4.2.	280,831.95	99,266.81	181,565.14	35.35%
<i>Appropriated</i> B.1.1.	(0.60) FTE's = 7.10 <u>Occupational Licensing</u>				
Base Appr =	1001 Salaries and Wages	276,847.21	69,247.39	207,599.82	25.01%
\$ 537,680.00	1002 Other Personnel Cost	13,592.71	3,228.28	10,364.43	23.75%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 9,780.00	2003 Consumables	5,000.00	19.36	4,980.64	0.39%
Total Appr =	2004 Utilities	-	-	-	
\$ 547,460.00	2005 Travel	24,400.00	3,817.59	20,582.41	15.65%
Budgeted =	2006 Rent Building	-	-	-	
\$ 516,339.92	2007 Rent Machine	8,000.00	2,360.96	5,639.04	29.51%
Difference	2009 Other Operating Cost	188,500.00	16,895.64	171,604.36	8.96%
\$ (31,120.08)	CB Computer Equipment	-	-	-	
-5.79%	Total Strategy B.1.1.	516,339.92	95,569.22	420,770.70	18.51%
<i>Appropriated</i> B.1.2.	- FTE's = 0 <u>Texas OnLine</u>				
Base Appr =	1001 Salaries and Wages	-	-	-	
\$ 22,500.00	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 22,500.00	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
\$ 22,500.00	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	22,500.00	3,404.00	19,096.00	15.13%
\$ -	CB Computer Equipment	-	-	-	
0.00%	Total Strategy B.1.2.	22,500.00	3,404.00	19,096.00	15.13%
<i>Appropriated</i> C.1.1.	(0.20) FTE's = 4.80 <u>Monitor Wagering and Audit</u>				
Base Appr =	1001 Salaries and Wages	275,344.37	65,565.36	209,779.01	23.81%
\$ 321,110.00	1002 Other Personnel Cost	13,130.17	2,943.92	10,186.25	22.42%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 8,513.00	2003 Consumables	1,000.00	-	1,000.00	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 329,623.00	2005 Travel	21,100.00	4,550.17	16,549.83	21.56%
Budgeted =	2006 Rent Building	-	-	-	
\$ 326,774.53	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	16,200.00	1,220.00	14,980.00	7.53%
\$ (2,848.47)	CB Computer Equipment	-	-	-	
-0.89%	Total Strategy C.1.1.	326,774.53	74,279.45	252,495.08	22.73%

Texas Racing Commission

FYE 08/31/2015

OBS-3

Operating Budget Status
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2015 Annual Budget	FY 2015 Expended Thru 11/30/2014	FY 2015 Unexpended Bal 8/31/2015	With 25.0% of Year Lapsed % of Budget Expended
<i>Appropriated</i> C.1.2.	- FTE's = 3.00 <u>Wagering & Compliance Inspections</u>				
Base Appr =	1001 Salaries and Wages	143,971.65	26,928.20	117,043.45	18.70%
\$ 242,242.00	1002 Other Personnel Cost	5,339.57	1,353.60	3,985.97	25.35%
Sup Appr =	2001 Prof Fees and Services	50,000.00	-	50,000.00	0.00%
\$ 4,383.00	2003 Consumables	1,000.00	-	1,000.00	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 246,625.00	2005 Travel	16,000.00	1,534.30	14,465.70	9.59%
Budgeted =	2006 Rent Building	-	-	-	
\$ 217,211.23	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	900.00	-	900.00	0.00%
\$ (29,413.77)	CB Computer Equipment	-	-	-	
-12.14%	Total Strategy C.1.2.	217,211.23	29,816.10	187,395.13	13.73%
<i>Appropriated</i> D.1.1.	0.20 FTE's = 7.00 <u>Central Administration</u>				
Base Appr =	1001 Salaries and Wages	409,368.44	98,098.42	311,270.02	23.96%
\$ 730,012.00	1002 Other Personnel Cost	21,286.67	3,824.56	17,462.11	17.97%
Sup Appr =	2001 Prof Fees and Services	16,500.00	4,412.94	12,087.06	26.75%
\$ 11,900.00	2003 Consumables	12,500.00	2,246.05	10,253.95	17.97%
Total Appr =	2004 Utilities	58,000.00	8,614.01	49,385.99	14.85%
\$ 741,912.00	2005 Travel	23,500.00	749.98	22,750.02	3.19%
Budgeted =	2006 Rent Building	86,250.00	28,507.80	57,742.20	33.05%
\$ 735,830.10	2007 Rent Machine	1,500.00	341.84	1,158.16	22.79%
Difference	2009 Other Operating Cost	106,925.00	17,137.62	89,787.38	16.03%
\$ (6,081.90)	CB Computer Equipment	-	-	-	0.00%
-0.83%	Total Strategy D.1.1.	735,830.10	163,933.22	571,896.88	22.28%
<i>Appropriated</i> D.1.2.	- FTE's = 4.80 <u>Information Resources</u>				
Base Appr =	1001 Salaries and Wages	304,548.36	69,767.35	234,781.01	22.91%
\$ 507,335.00	1002 Other Personnel Cost	14,359.35	3,385.02	10,974.33	23.57%
Sup Appr =	2001 Prof Fees and Services	56,000.00	4,533.00	51,467.00	8.09%
\$ 9,277.00	2003 Consumables	15,000.00	236.00	14,764.00	1.57%
Total Appr =	2004 Utilities	1,200.00	253.24	946.76	21.10%
\$ 516,612.00	2005 Travel	4,500.00	559.47	3,940.53	12.43%
Budgeted =	2006 Rent Building	2,700.00	-	2,700.00	0.00%
\$ 521,708.71	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	123,401.00	18,697.35	104,703.65	15.15%
\$ 5,096.71	CB Computer Equipment	-	-	-	
1.00%	Total Strategy D.1.2.	521,708.71	97,431.43	424,277.28	18.68%
<i>Appropriated</i> D.1.3.	- FTE's = 51.60 <u>Other Support Services</u>				
Base Appr =	1001 Salaries and Wages	-	-	-	
\$ 7,640,500.00	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 89,303.00	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 7,729,803.00	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
\$ 7,729,803.00	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	-	-	-	
\$ 0.00	CB Computer Equipment	-	-	-	
0.00%	Total Strategy D.1.3.	-	-	-	
\$ 4,254,803	Regulatory Program Operating Budget	4,254,803.00	916,586.35	2,741,691.29	21.54%
\$ 3,475,000	TX Bred Program Operating Budget	3,475,000.00	751,466.90	2,723,533.10	21.62%
\$ 7,729,803	Total M.O.F. (TXRC Acct. 597 & GR)	7,729,803.00	1,668,053.25	5,465,224.39	21.58%
	Total All Programs Operating Budget				

Texas Racing Commission

FYE 08/31/2015
Operating Budget Status
by LBB Expenditure Object/Codes

OBS-4

Strategy	Program Description	FY 2015 Annual Budget	FY 2015 Expended Thru 11/30/2014	FY 2015 Unexpended Bal 8/31/2015	With 25.0% of Year Lapsed % of Budget Expended
\$ -	FTE's = 51.60				
<i>Appropriated</i>	Direct Expense of Regulatory Programs				
	1001 Salaries and Wages	2,990,442.90	720,737.53	2,269,705.37	24.10%
	1002 Other Personnel Cost	156,678.10	30,167.28	126,510.82	19.25%
	2001 Prof Fees and Services	218,500.00	29,538.95	188,961.05	13.52%
	2003 Consumables	37,000.00	2,896.97	34,103.03	7.83%
	2004 Utilities	59,200.00	8,867.25	50,332.75	14.98%
	2005 Travel	218,156.00	33,004.03	185,151.97	15.13%
	2006 Rent Building	88,950.00	28,507.80	60,442.20	32.05%
	2007 Rent Machine	9,500.00	2,702.80	6,797.20	28.45%
	2009 Other Operating Cost	476,376.00	60,163.74	416,212.26	12.63%
	CB Computer Equipment	-	-	-	0.00%
\$ 4,254,803	Total Direct Expense of Regulatory Program	4,254,803.00	916,586.35	3,338,216.65	21.54%
\$ 3,475,000	FTE's = - Direct Expense of TX Bred Program	3,475,000.00	751,466.90	2,723,533.10	21.62%
\$ 7,729,803	FTE's = 51.60 Total Direct Expense of All Programs	7,729,803.00	1,668,053.25	6,061,749.75	21.58%
<i>Un-Appropriated</i>	Indirect Expense of All Programs				
	OASI Match	229,141.49	54,572.20	174,569.29	23.82%
	Group Insurance	321,472.61	73,155.61	248,317.00	22.76%
	State Retirement	224,283.22	47,085.52	177,197.70	20.99%
	Benefit Replacement	13,000.00	256.64	12,743.36	1.97%
	ERS Retiree Insurance	260,000.00	66,654.21	193,345.79	25.64%
	SWCAP GR Reimburse	30,000.00	-	30,000.00	0.00%
	Unemployment Cost	10,000.00	-	10,000.00	0.00%
	Other	-	-	-	0.00%
\$ 1,087,897	Total Indirect Expense of All Programs	1,087,897.32	241,724.18	846,173.14	22.22%
\$ 8,817,700	Total Direct and Indirect Expense of All Programs	8,817,700.32	1,909,777.43	6,907,922.89	21.66%

Source Of Funds	Agency Method Of Finance	FY 2015 Projected Revenue	FY 2015 Actual Revenue Thru 11/30/2014	N/A	With 25.0% of Year Lapsed % of Revenue Collected
	Regulatory Program MOF:				
Acct. 597	Cash Balance Carry Forward	\$ 900,000.00	\$ 900,000.00		n/a
Acct. 597	Live Race Day Fees	\$ -	\$ -		
Acct. 597	Simulcast Race Day Fees	\$ -	\$ -		
Acct. 597	Annual License Fees (Active & Inactive)	\$ 4,191,244.00	\$ 1,910,311.00		45.58%
Acct. 597	Outs	\$ -	\$ -		
Acct. 597	Occupational License Fees and Fines	\$ 747,458.00	\$ 180,178.70		24.11%
Acct. 597	Other Revenue	\$ 23,867.00	\$ 6,678.01		27.98%
Acct. 1	GR Funds	\$ -	\$ -		
	Sub-Total Regulatory Prgm. MOF	\$ 5,862,569.00	\$ 2,997,167.71		51.12%
	Texas Bred Program MOF:				
Acct. 597	Cash Balance Carry Forward	\$ -	\$ -		
Acct. 597	Breakage and 1% Exotic	\$ 3,475,000.00	\$ 751,466.90		21.62%
Acct. 597	Other	\$ -	\$ -		
	Sub-Total Texas Bred Prgm. MOF	\$ 3,475,000.00	\$ 751,466.90		21.62%
All Sources	Total MOF	\$ 9,337,569.00	\$ 3,748,634.61		40.15%
	MOF Estimated to Exceed or (Fall-Short of Covering) Direct & Indirect Expenses of Operating Budget	\$ 519,868.68	\$ 1,838,857.18		



**Fiscal Year 2015
Operational Budget**

Updated: December 10, 2014
Thru: November 30, 2014

Summary of Operating Revenue

By Revenue Type:	Uncollected				
	Budget	Collected	Suspended	Balance	%
Account 597 - Racing Commission - GRD	\$ 9,337,569	\$ 3,748,635	\$ -	\$ 5,588,934	60%
Account 1 - State of Texas - GR	\$ -	\$ -	\$ -	\$ -	
TOTAL - ALL REVENUES	\$ 9,337,569	\$ 3,748,635	\$ -	\$ 5,588,934	60%

Summary of Appropriated Operating Expenses

	Unexpended				
	Budget	Expended	Encumbered	Balance	%
1001 - Salaries and Wages:	\$ 2,990,443	\$ 720,738	\$ -	\$ 2,269,705	76%
1002 - Other Personnel Cost:	\$ 156,678	\$ 30,167	\$ -	\$ 126,511	81%
2001 - Professional Fees and Services:	\$ 218,500	\$ 29,539	\$ -	\$ 188,961	86%
2003 - Consumable Supplies:	\$ 37,000	\$ 2,897	\$ -	\$ 34,103	92%
2004 - Utilities:	\$ 59,200	\$ 8,867	\$ -	\$ 50,333	85%
2005 - Travel:	\$ 218,156	\$ 33,004	\$ -	\$ 185,152	85%
2006 - Rent Building:	\$ 88,950	\$ 28,508	\$ -	\$ 60,442	68%
2007 - Rent Machine and Other:	\$ 9,500	\$ 2,703	\$ -	\$ 6,797	72%
2009 - Other Operating Expense:	\$ 476,376	\$ 60,164	\$ -	\$ 416,212	87%
4000 - Grants	\$ 3,475,000	\$ 751,467	\$ -	\$ 2,723,533	78%
5000 - Capital Expenditures:	\$ -	\$ -	\$ -	\$ -	0.00%
TOTAL - ALL APPROPRIATED EXPENDITURES	\$ 7,729,803	\$ 1,668,053	\$ -	\$ 6,061,750	78%

Unappropriated Operating Expenses

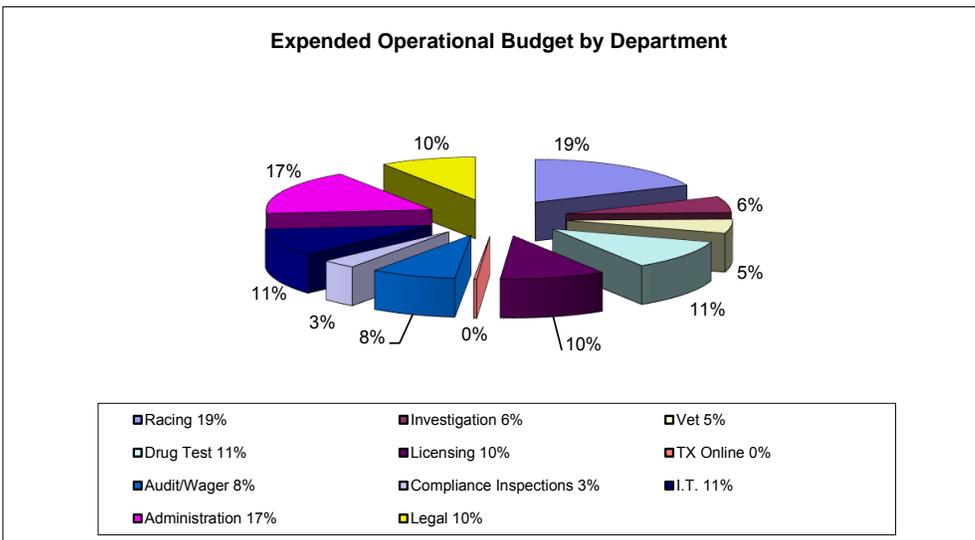
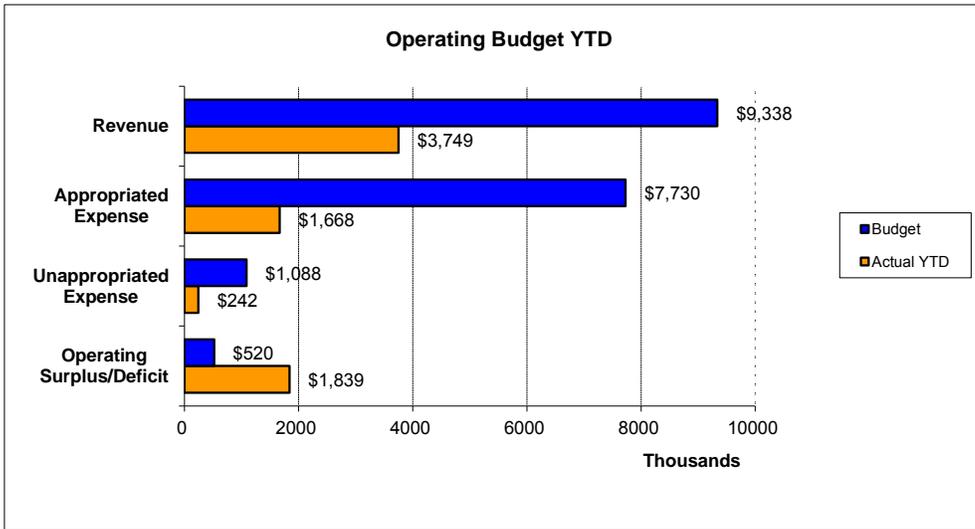
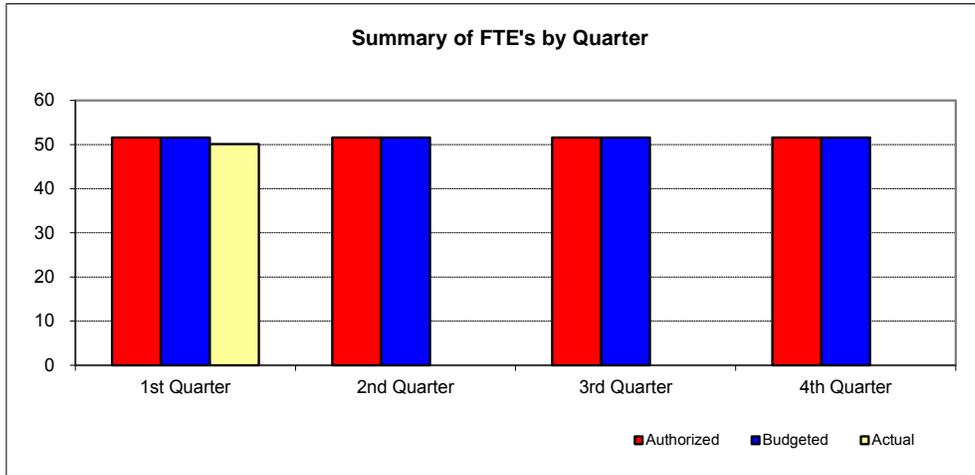
Type:	Unexpended				
	Budget	Expended	Encumbered	Balance	%
TOTAL - ALL UNAPPROPRIATED EXPENDITURES	\$ 1,087,897	\$ 241,724	\$ -	\$ 846,173	78%
TOTAL - ALL EXPENDITURES	\$ 8,817,700	\$ 1,909,777	\$ -	\$ 6,907,923	78%

OPERATING SURPLUS / (DEFICIT)

	\$ 519,869	\$ 1,838,857			
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Summary of FTE's

By Fiscal Quarter:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Authorized FTE's	51.60	51.60	51.60	51.60
Budgeted FTE's	51.60	51.60	51.60	51.60
Actual FTE's	50.10	0.00	0.00	0.00
Actual FTE's Over / (Under) Budget	(1.50)	n/a	n/a	n/a
Actual FTE's Over / (Under) Authorization	(1.50)	n/a	n/a	n/a

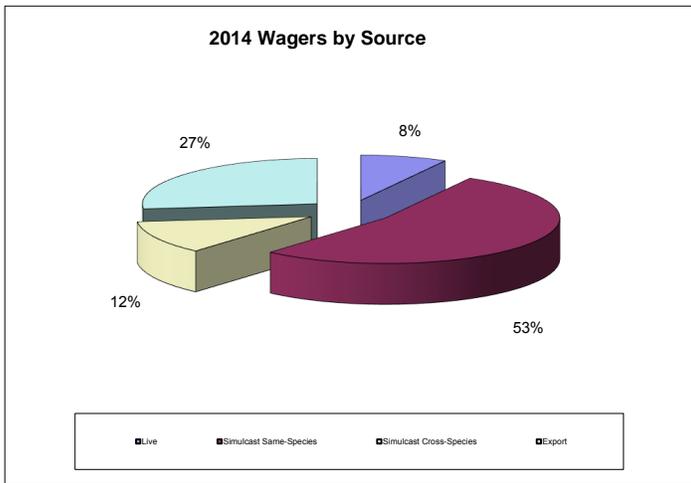
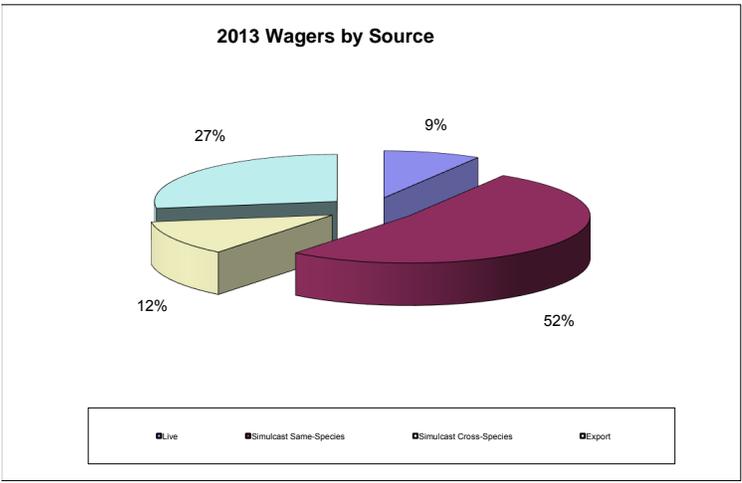




**Texas Pari-Mutuel Racetracks Wagering Statistics
Comparison Report on Total Wagers Placed
in Texas & on Texas Races**

For the Period: 01/01/13 - 11/30/13 to 01/01/14 - 11/30/14

Sources of Wagers	Year 2013 01/01 - 11/30				Year 2014 01/01 - 11/30				Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wagers		
Greyhound Racetracks										
Live	272	7,885,144	\$ 28,989	217	6,435,397	\$ 29,656	-18.39%	2.30%		
Simulcast Same-Species	857	24,481,947	\$ 28,567	860	25,739,857	\$ 29,930	5.14%	4.77%		
Simulcast Cross-Species	857	20,625,035	\$ 24,067	860	19,780,270	\$ 23,000	-4.10%	-4.43%		
Export	271	<u>12,095,725</u>	\$ 44,634	217	<u>9,827,414</u>	\$ 45,288	-18.75%	1.47%		
Total Wagers		65,087,851	N/A		61,782,938	N/A	-5.08%	N/A		
Horse Racetracks										
Live	179	27,125,374	\$ 151,538	186	27,165,082	\$ 146,049	0.15%	-3.62%		
Simulcast Same-Species	1,436	186,667,584	\$ 129,991	1,443	197,759,675	\$ 137,048	5.94%	5.43%		
Simulcast Cross-Species	1,386	28,125,208	\$ 20,292	1,442	29,487,487	\$ 20,449	4.84%	0.77%		
Export	171	<u>98,775,795</u>	\$ 577,636	178	<u>102,289,117</u>	\$ 574,658	3.56%	-0.52%		
Total Wagers		340,693,960	N/A		356,701,361	N/A	4.70%	N/A		
All Texas Racetracks										
Live	451	35,010,518	\$ 77,629	403	33,600,479	\$ 83,376	-4.03%	7.40%		
Simulcast Same-Species	2,293	211,149,531	\$ 92,084	2,303	223,499,532	\$ 97,047	5.85%	5.39%		
Simulcast Cross-Species	2,243	48,750,243	\$ 21,734	2,302	49,267,757	\$ 21,402	1.06%	-1.53%		
Export	442	<u>110,871,519</u>	\$ 250,841	395	<u>112,116,531</u>	\$ 283,839	1.12%	13.16%		
Total Wagers		405,781,812	N/A		418,484,299	N/A	3.13%	N/A		
Total Wagers Placed in Texas		294,910,292	N/A		306,367,768	N/A	3.89%	N/A		
Total Wagers Placed on Texas Races		145,882,038	N/A		145,717,009	N/A	-0.11%	N/A		





**Greyhound Racetrack Wagering Statistics
Comparison Report on Total Wagers Placed
in Texas & on Texas Races**

For the Period: 01/01/13 - 11/30/13 to 01/01/14 - 11/30/14

Sources of Wagers	Year 2013 01/01 - 11/30				Year 2014 01/01 - 11/30				Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager		
Gulf Coast Racing										
Live	0	0	\$ -	0	0	\$ -	N/A	N/A		
Simulcast Same-Species	239	7,147,771	\$ 29,907	242	7,520,367	\$ 31,076	5.21%	3.91%		
Simulcast Cross-Species	239	4,273,814	\$ 17,882	242	3,903,379	\$ 16,130	-8.67%	-9.80%		
Export	0	0	\$ -	0	0	\$ -	N/A	N/A		
Total Wagers		11,421,585	N/A		11,423,746	N/A	0.02%	N/A		

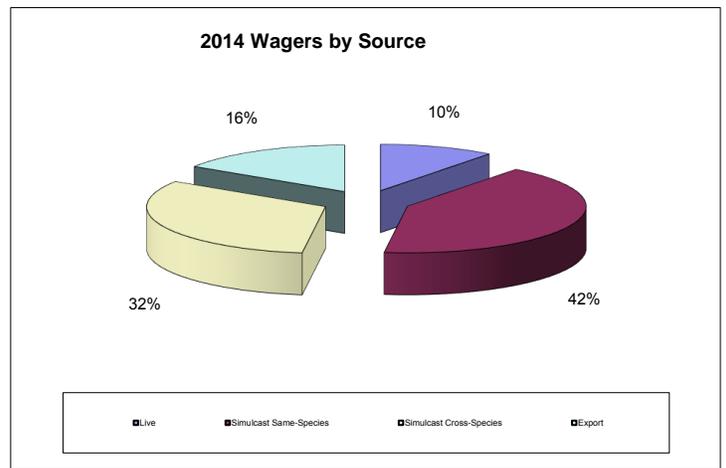
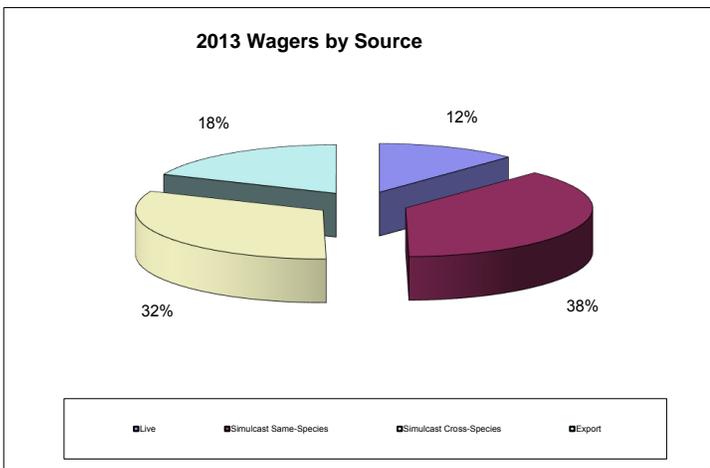
Sources of Wagers										
Gulf Greyhound Park										
Live	271	7,845,363	\$ 28,950	217	6,435,397	\$ 29,656	-17.97%	2.44%		
Simulcast Same-Species	333	10,798,140	\$ 32,427	332	11,262,586	\$ 33,923	4.30%	4.62%		
Simulcast Cross-Species	333	10,110,480	\$ 30,362	332	9,733,614	\$ 29,318	-3.73%	-3.44%		
Export	271	12,095,725	\$ 44,634	217	9,827,414	\$ 45,288	-18.75%	1.47%		
Total Wagers		40,849,707	N/A		37,259,010	N/A	-8.79%	N/A		

Sources of Wagers										
Valley Race Park										
Live	1	39,781	\$ 39,781	0	0	\$ -	N/A	N/A		
Simulcast Same-Species	285	6,536,036	\$ 22,933	286	6,956,904	\$ 24,325	6.44%	6.07%		
Simulcast Cross-Species	285	6,240,741	\$ 21,897	286	6,143,278	\$ 21,480	-1.56%	-1.91%		
Export	0	0	\$ -	0	0	\$ -	N/A	N/A		
Total Wagers		12,816,559	N/A		13,100,182	N/A	2.21%	N/A		

Sources of Wagers										
All Greyhound Racetracks										
Live	272	7,885,144	\$ 28,989	217	6,435,397	\$ 29,656	-18.39%	2.30%		
Simulcast Same-Species	857	24,481,947	\$ 28,567	860	25,739,857	\$ 29,930	5.14%	4.77%		
Simulcast Cross-Species	857	20,625,035	\$ 24,067	860	19,780,270	\$ 23,000	-4.10%	-4.43%		
Export	271	12,095,725	\$ 44,634	217	9,827,414	\$ 45,288	-18.75%	1.47%		
Total Wagers		65,087,851	N/A		61,782,938	N/A	-5.08%	N/A		

Total Wagers Placed in Texas		52,992,126	N/A		51,955,524	N/A	-1.96%	N/A		
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Total Wagers Placed on Texas Races		19,980,869	N/A		16,262,811	N/A	-18.61%	N/A		
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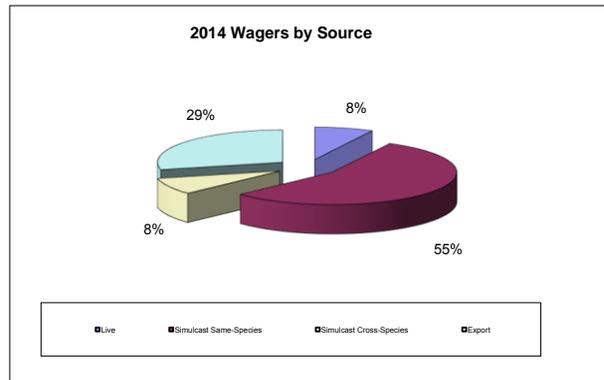
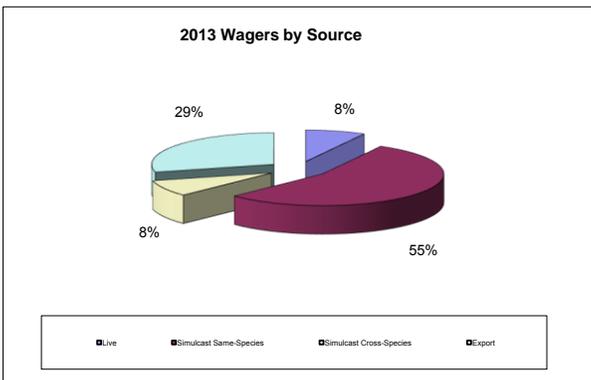


**Horse Racetrack Wagering Statistics
Comparison Report on Total Wagers Placed**

in Texas & on Texas Races

For the Period: 01/01/13 - 11/30/13 to 01/01/14 -11/30/14

Sources of Wagers	Year 2013 01/01 - 11/30				Year 2014 01/01 - 11/30				Percentage Change In	
	# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager	Total Wagers	Avg. Wager		
Gillespie County Fair										
Live	8	1,299,531	\$ 162,441	8	1,324,453	\$ 165,557	1.92%	1.92%		
Simulcast Same-Species	191	2,897,738	\$ 15,171	191	2,824,443	\$ 14,788	-2.53%	-2.53%		
Simulcast Cross-Species	191	345,620	\$ 1,810	191	448,856	\$ 2,350	29.87%	29.87%		
Export	0	0	\$ -	0	0	\$ -	N/A	N/A		
Total Wagers		4,542,889	N/A		4,597,752	N/A	1.21%	N/A		
Lone Star Park										
Live	76	15,930,857	\$ 209,617	76	16,100,971	\$ 211,855	1.07%	1.07%		
Simulcast Same-Species	334	87,691,694	\$ 262,550	334	93,790,979	\$ 280,811	6.96%	6.96%		
Simulcast Cross-Species	334	5,199,705	\$ 15,568	334	6,335,416	\$ 18,968	21.84%	21.84%		
Export	76	41,234,385	\$ 542,558	76	37,845,699	\$ 497,970	-8.22%	-8.22%		
Total Wagers		150,056,640	N/A		154,073,065	N/A	2.68%	N/A		
Retama Park										
Live	38	3,702,669	\$ 97,439	46	3,888,908	\$ 84,541	5.03%	-13.24%		
Simulcast Same-Species	334	35,784,393	\$ 107,139	334	35,389,157	\$ 105,956	-1.10%	-1.10%		
Simulcast Cross-Species	334	6,114,505	\$ 18,307	334	6,380,282	\$ 19,103	4.35%	4.35%		
Export	38	11,192,455	\$ 294,538	46	16,008,049	\$ 348,001	43.03%	18.15%		
Total Wagers		56,794,022	N/A		61,666,395	N/A	8.58%	N/A		
Saddle Brook Park										
Live	0	0	\$ -	0	0	\$ -				
Simulcast Same-Species	243	3,902,291	\$ 16,059	250	4,219,713	\$ 16,879	8.13%	5.11%		
Simulcast Cross-Species	193	155,215	\$ 804	249	541,559	\$ 2,175	248.91%	170.44%		
Export	0	0	\$ -	0	0	\$ -	N/A	N/A		
Total Wagers		4,057,506	N/A		4,761,272	N/A	100.00%	N/A		
Sam Houston Race Park										
Live	57	6,192,318	\$ 108,637	56	5,850,750	\$ 104,478	-5.52%	-3.83%		
Simulcast Same-Species	334	56,391,468	\$ 168,837	334	61,535,384	\$ 184,238	9.12%	9.12%		
Simulcast Cross-Species	334	16,310,163	\$ 48,833	334	15,781,373	\$ 47,250	-3.24%	-3.24%		
Export	57	46,348,955	\$ 813,140	56	48,435,369	\$ 864,917	4.50%	6.37%		
Total Wagers		125,242,903	N/A		131,602,876	N/A	5.08%	N/A		
All Horse Racetracks										
Live	179	27,125,374	\$ 151,538	186	27,165,082	\$ 146,049	0.15%	-3.62%		
Simulcast Same-Species	1,436	186,667,584	\$ 129,991	1,443	197,759,675	\$ 137,048	5.94%	5.43%		
Simulcast Cross-Species	1,386	28,125,208	\$ 20,292	1,442	29,487,487	\$ 20,449	4.84%	0.77%		
Export	171	98,775,795	\$ 577,636	178	102,289,117	\$ 574,658	3.56%	-0.52%		
Total Wagers		340,693,960	N/A		356,701,361	N/A	4.70%	N/A		
Total Wagers Placed in Texas		241,918,166	N/A		254,412,244	N/A	5.16%	N/A		
Total Wagers Placed on Texas Races		125,901,169	N/A		129,454,199	N/A	N/A	N/A		



Texas Racing Commission

Report on Racetrack Inspection Activities

December 16, 2014

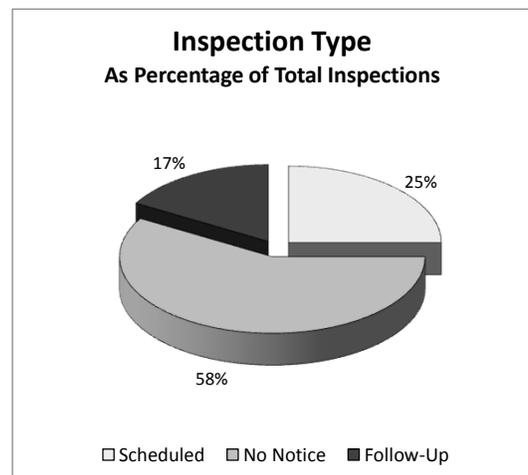
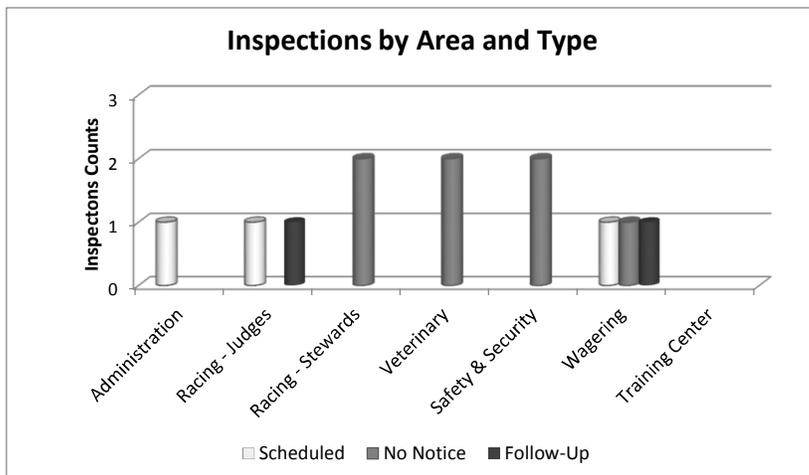
Summary of Inspections Performed For The Period of October 1, 2014 through November 30, 2014					
Track	Area of Inspection	Date of Inspection	Number of Unsatisfactory Items	Track Remediation	Remaining Unsatisfactory Items
Lone Star Park	Veterinary	10/23/2014	0		
	Security	11/1/2014	0		
	Racing	10/23/2014	0		
Retama Park	Veterinary	10/23/2014	0		
	Security	10/26/2014	0		
	Racing	10/24/2014	0		
Gulf Coast Racing	Wagering	11/20/2014	0		
	Administrative	11/20/2014	1		*1
Gulf Greyhound	Racing	11/6/2014	2		
	Racing	11/20/2014	2 (Follow Up From 11/6/14)	1	1
	Wagering	11/6/2014	4	4 (Resolved 12/5/2014)	0
Sam Houston Race Park	Wagering	11/7/2014	0		

* ATM provides cash from credit card. LSP & Retama Park both have similar unresolved issues as reported to Commission on 10/14/2014

Inspection Counts by Area and Type				
Area of Inspection	Scheduled	No Notice	Follow-Up	Totals
Administration	1			1
Racing - Judges	1		1	2
Racing - Stewards		2		2
Veterinary		2		2
Safety & Security		2		2
Wagering	1	1	1	3
Training Center				
TOTAL INSPECTIONS	3	7	2	12

Important Notes Regarding Inspections at Racetracks:

- 1) Scheduled inspections typically occur before the beginning of each race meet. No Notice inspections typically are planned to occur during the middle of a meet, but may occur at any time.
- 2) Follow-Up inspections are performed when a Scheduled or No Notice inspection identifies an unsatisfactory item. The Follow-Up inspection is performed after the association has had an opportunity to remedy any unsatisfactory item initially reported.



REGULATORY ACTIVITIES as of December 8, 2014

Commissioners, in an effort to improve staff communications, the format of the “Enforcement Report – Suggested Regulatory Statistics” has been modified to provide a better focus on regulatory activities at each meet or track. Staff welcomes your input as we refine the best way to provide a more meaningful context to our oversight operations.

Lone Star Park – concluded fall Quarter Horse meet on November 15th.

Class 1 and 2 Drug Positives	0
Class 3 and 4 Drug Positives	30 <i>Class 3 Clenbuterol - 11</i> <i>Class 4 Budesonide - 15</i>
Class 5 and Overages of Permitted Medications	<i>2 overages of the permitted medication, phenylbutazone</i>
Ruling Activity	47 rulings to date, 15 cases pending adjudication
Outstanding Inspection Items	Problem with ATM provider – in unique situations ATM dispenses cash from credit card

Security enhancements for the Grade 1 **Texas Classic Futurity**, an AQHA sanctioned race, run on closing week-end:

- AQHA and LSP helped organize and fund a 7 member Special Event Team.
- Special Event Team comprised of out of state racing investigators/state police and industry professionals assisted TxRC investigators & DPS.
- Over 2 day period the Team assisted with gate and barn searches and provided 5 hour pre-race surveillance of each horse in race.
- Efforts resulted in numerous seizures of contraband items, including 2 electrical shocking devices, 9 syringes, and 6 bottles of injectable medication.

Retama Park – finished fall Thoroughbred meet on November 29th.

Class 1 or 2 Drug Positives	0*
Class 3 and 4 Drug Positives	0*
Class 5 and Overages of Permitted Medications	<i>4* overages of the permitted medication, phenylbutazone</i>
Ruling Activity	26 rulings* to date, 2 cases pending adjudication
Outstanding Inspection Items	Problem with ATM provider – in unique situations ATM dispenses cash from credit card

*Number of positives and rulings may increase as some samples are pending as of 12/8/2014.

Gulf Greyhound Park – year round racing

Animal Drug Positives	0
Ruling Activity	21 rulings to date
Outstanding Inspection Items	Minor repairs needed to signage on tote board.

Sam Houston Race Park – Preparations are underway for their 36 day Thoroughbred meet that starts on January 16.

- V. PROCEEDINGS ON RACETRACKS
 - A. Allocation of Purses as Provided under Commission Rule 321.505(a)
 - B. Distribution of Funds in the Escrowed Purse Account among the Various Breeds of Horses under Commission Rule 321.509



TEXAS RACING COMMISSION
P. O. BOX 12080
AUSTIN, TEXAS 78711-2080
(512) 833-6699
FAX (512) 833-6907

December 3, 2014

Lee DeLong
General Manager
Gillespie County Fair and Festivals Assn.
P.O. Box 523
Fredericksburg, TX 78624

Steve Ross
Director of Racing Operations
Retama Park
P.O. Box 47535
San Antonio, TX 78265

Scott Wells
President
Lone Star Park
1000 Lone Star Parkway
Grand Prairie, TX 75050

Andrea Young
President
Sam Houston Race Park
7575 N. Sam Houston Park Way W.
Houston, TX 77064

Sent via email

Re: Allocation of Purses and Distribution of Escrowed Purse Account

Dear General Managers:

At its meeting on December 16, 2014, the Commission will allocate purses under Rule 321.505(a) and funds within the escrow purse account under Rule 321.509. Commission staff has received the proposed division of purses and funds from each Class 1 association and from Gillespie County Fair and Festivals Association. However, we have not yet received the other required documents.

Rule 321.505(a) requires that, when requesting approval of its proposed division of purses, each association shall present in writing studies, statistics, or other documentation supporting the association's application of the Rule 321.505(a)(4) criteria to its proposal. These criteria are:

- (A) local public interest in each breed as demonstrated by, but not limited to, the following factors:
 - (i) live handle by breed;
 - (ii) simulcast import handle by breed;
 - (iii) live attendance at the racetracks; and
 - (iv) sales and market survey information.
- (B) earnings generated by the association from each breed;
- (C) national public interest in each breed as determined by the live simulcast export handle of each Texas meet;
- (D) racetrack race date request and opportunities given to each breed; and
- (E) availability of and ability to attract competitive horses.

In lieu of the studies, statistics, or other documentation described above, an association may submit a signed agreement between the association and the organizations recognized by the Commission or in the Act as representatives of horse owners, trainers and/or breeders. For the Commission to approve the agreement, the agreement must:

- (A) delineate the percentages by which the association will divide the purse revenue generated from simulcasting among the various breeds of horses; and
- (B) be signed by the association and all of the organizations recognized by the Commission or in the Act as representatives of horse owners, trainers and/or breeders.

Rule 321.509 requires that, when requesting approval of its proposed division of escrowed purse account revenue, each association shall present in writing studies, statistics, or other documentation supporting the association's application of the Rule 321.509(c) criteria to its proposal. These criteria are:

- (A) local public interest in each breed as demonstrated by, but not limited to, the following factors:
 - (i) simulcast import handle by breed;
 - (ii) live handle by breed; and
 - (iii) live attendance.
- (B) earnings generated by the association from each breed;
- (C) racetrack race date request and opportunities given to each breed;
- (D) statewide need by breed; and
- (E) national public interest in each breed as determined by the live simulcast export handle of each Texas meet.

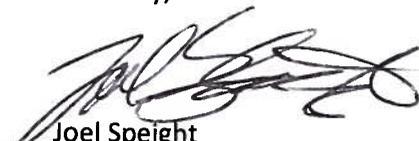
In lieu of the studies, statistics, or other documentation described above, an association may submit a signed agreement between the association the organizations recognized by the Commission or in the Act as representatives of horse owners, trainers and/or breeders. For the Commission to approve the agreement, the agreement must:

- (A) delineate the percentages by which the escrowed purse account revenue received by the association will be divided amongst the various breeds of horses; and
- (B) be signed by all organizations recognized by the Commission or in the Act as representatives of horse owners, trainers and/or breeders.

Please submit the above described documents no later than the close of business on Monday, December 8, 2014. If you would like to review the materials submitted last year, please see the Commission's meeting packet for October 8, 2013, at: <http://www.txrc.texas.gov/agency/meetings/meetings.php>.

If you have any questions, please call me at (512) 833-6699.

Sincerely,



Joel Speight
Deputy Executive Director

cc: Chuck Trout, Executive Director
Mark Fenner, General Counsel
Lila Smith, Director of Pari-Mutuel
Ed Wilson, Texas Arabian Breeders Association
Lex Smurthwaite, Texas Paint Horse Association
Marsha Rountree, Texas Horsemen's Partnership
Rob Werstler, Texas Quarter Horse Association
Mary Ruyle, Texas Thoroughbred Association
Sally Briggs, Gulf Greyhound Park



November 20, 2014

Mr. Ed Wilson, Texas Arabian Breeders' Association
Mr. Lex Smurthwaite, American Paint Horse Association
Mr. Rob Werstler, Texas Quarter Horse Association
Ms. Marsha Rountree, Texas Horsemen's Partnership
Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2015 Simulcast Purse Funds

Please find enclosed the 2015 Simulcast Purse Funds request for Gillespie County Fair & Festival Association. We are requesting the same percentage that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by fax (830-997-4923) or email to pam@gillespiefair.com at your earliest convenience.

Thank you for your time and please feel free to call if you have any questions.

Respectfully,

Lee DeLong
General Manager

Encl.: 2015 Simulcast Purse Funds

Texas Arabian Breeders' Association

American Paint Horse Association

Texas Quarter Horse Association

Texas Horseman's Partnership

Texas Thoroughbred Association

530 Fair Drive
State Highway 16 South
PO Box 526
Fredericksburg, TX 78624

Association Recommended Allocation of 2015 Simulcast Purse Funds

Association Name: Gillespie County Fair & Festivals Assn., Inc.

Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	0
Paint Horse	1.5
Quarter Horse	68.95
Thoroughbred	29.55

Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.

Negotiations Conducted	
<input type="checkbox"/> Texas Arabian Breeders' Association	<input type="checkbox"/> Texas Paint Horse Breeders Association
<input checked="" type="checkbox"/> Texas Thoroughbred Association	<input type="checkbox"/> Texas Quarter Horse Association
<input type="checkbox"/> Texas Horsemen's Partnership	

Prepared by: 

Date: 11-18-14

Mark Fenner

From: Marsha Rountree
Sent: Wednesday, December 10, 2014 1:03 PM
To: Lila Smith
Cc: Mark Fenner
Subject: Gillespie

December 10, 2014

Ms. Lila Smith
Texas Racing Commission

Lila-

Please accept this letter as the Texas Horsemen's Partnership's approval of the 2015 Allocation of Simulcast and Escrow Horse Purse requests submitted by Gillespie County Fair Association.

Thank you,
Marsha Rountree
Executive Director
Texas Horsemen's Partnership, LLP



November 20, 2014

Mr. Ed Wilson, Texas Arabian Breeders' Association
 Mr. Lex Smurthwaite, American Paint Horse Association
 Mr. Rob Werstler, Texas Quarter Horse Association
 Ms. Marsha Rountree, Texas Horsemen's Partnership
 Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2015 Simulcast Purse Funds

Please find enclosed the 2015 Simulcast Purse Funds request for Gillespie County Fair & Festival Association. We are requesting the same percentage that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by fax (830-997-4923) or email to pam@gillespiefair.com at your earliest convenience.

Thank you for your time and please feel free to call if you have any questions.

Respectfully,

Lee DeLong
 General Manager

Encl.: 2015 Simulcast Purse Funds

Texas Arabian Breeders' Association

American Paint Horse Association

Texas Quarter Horse Association

Texas Horseman's Partnership

Texas Thoroughbred Association

530 Fair Drive
 State Highway 16 South
 PO Box 526
 Fredericksburg, TX 78624

(830) 997-2359
 fax (830) 997-4923
info@gillespiefair.com
www.gillespiefair.com



November 20, 2014

Mr. Ed Wilson, Texas Arabian Breeders' Association
Mr. Lex Smurthwaite, American Paint Horse Association
Mr. Rob Werstler, Texas Quarter Horse Association
Ms. Marsha Rountree, Texas Horsemen's Partnership
Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2015 Simuleast Purse Funds

Please find enclosed the 2015 Simuleast Purse Funds request for Gillespie County Fair & Festival Association. We are requesting the same percentage that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by fax (830-997-4923) or email to pam@gillespiefair.com at your earliest convenience.

Thank you for your time and please feel free to call if you have any questions.

Respectfully,

Lee DeLong
General Manager

Encl.: 2015 Simuleast Purse Funds

Texas Arabian Breeders' Association

Texas Quarter Horse Association

American Paint Horse Association

Texas Horseman's Partnership

Texas Thoroughbred Association

530 Fair Drive
State Highway 16 South
PO Box 526
Fredericksburg, TX 78624

(830) 997-2359
fax (830) 997-4923
info@gillespiefair.com
www.gillespiefair.com



November 20, 2014

Mr. Ed Wilson, Texas Arabian Breeders' Association
Mr. Lex Smurthwaite, American Paint Horse Association
Mr. Rob Werstler, Texas Quarter Horse Association
Ms. Marsha Rountree, Texas Horsemen's Partnership
Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2015 Simulcast Purse Funds

Please find enclosed the 2015 Simulcast Purse Funds request for Gillespie County Fair & Festival Association. We are requesting the same percentage that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by fax (830-997-4923) or email to pam@gillespiefair.com at your earliest convenience.

Thank you for your time and please feel free to call if you have any questions.

Respectfully,

Lee DeLong
General Manager

Encl.: 2015 Simulcast Purse Funds

Texas Arabian Breeders' Association

American Paint Horse Association

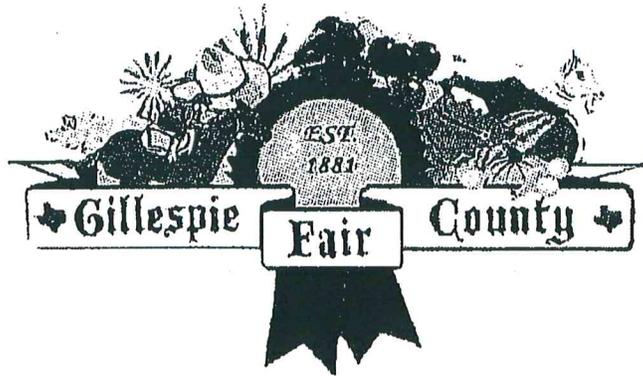
Texas Quarter Horse Association

Texas Horseman's Partnership

Texas Thoroughbred Association

530 Fair Drive
State Highway 16 South
PO Box 526
Fredericksburg, TX 78624

(830) 997-2359
fax (830) 997-4923
info@gillespiefair.com
www.gillespiefair.com



November 20, 2014

Mr. Ed Wilson, Texas Arabian Breeders' Association
 Mr. Lex Smurthwaite, American Paint Horse Association
 Mr. Rob Werstler, Texas Quarter Horse Association
 Ms. Marsha Rountree, Texas Horsemen's Partnership
 Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2015 Simulcast Purse Funds

Please find enclosed the 2015 Simulcast Purse Funds request for Gillespie County Fair & Festival Association. We are requesting the same percentage that we have used in the past and feel they are fair to all Breeds. Please sign as indicated and return by fax (830-997-4923) or email to pam@gillespiefair.com at your earliest convenience.

Thank you for your time and please feel free to call if you have any questions.

Respectfully,

Lee DeLong
 General Manager

Encl.: 2015 Simulcast Purse Funds

Texas Arabian Breeders' Association

Texas Quarter Horse Association

Texas Thoroughbred Association

American Paint Horse Association
 Texas Paint Horse Breeders' Association

Texas Horseman's Partnership

530 Fair Drive
 State Highway 16 South
 PO Box 526
 Fredericksburg, TX 78624

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 fax (830) 997-4923
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www.gillespiefair.com

Revised - 12-8-14
Association Request for

2015 Escrowed Purse Account Distribution

Association Name: Gillespie County Fair & Festivals Assn., Inc.

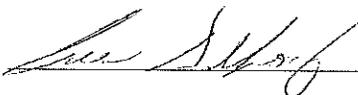
Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.

Type of Distribution Requested <small>(select one)</small>	Percentage Requested
<input checked="" type="checkbox"/> Monthly	1.6
<input type="checkbox"/> Annual	

Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.

Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	3.5
Paint Horse	3.5
Quarter Horse	72.075
Thoroughbred	20.925

Prepared by:  Date: 12-8-14



December 8, 2014

Mr. Ed Wilson, Texas Arabian Breeders' Association
Mr. Lex Smurthwaite, Texas Paint Horse Breeders Association
Mr. Rob Werstler, Texas Quarter Horse Association
Ms. Marsha Rountree, Texas Horsemen's Association
Ms. Mary Rule, Texas Thoroughbred Association

Re; Revised; Gillespie County Fair & Festival Association 2015 Escrowed Purse Account

Please find enclosed the REVISED 2015 Escrowed Purse Account Distribution request for Gillespie County Fair & Festival Association. After recent discussions, we feel that these percentages, remaining the same as they have been for the past few years, are fair to all breeds. The Simulcast Purse Fund Distribution request remains unchanged. Please sign as indicated and return via fax or email (pam@gillespiefair.com).

Please feel free to call if you have any questions.

Yours Truly,

Lee DeLong
General Manager

Enclosure: 2015 Escrowed Purse Account Distribution Request

Texas Arabian Breeders' Association

Texas Paint Horse Breeders Association

Texas Quarter Horse Association

Texas Horsemen's Partnership

Texas Thoroughbred Association

Gillespie County Fair & Festivals Association, Inc.
530 Fair Drive - State Highway 16 South - P.O. Box 526
Fredericksburg, Texas 78624

(830)997-2359
Fax(830)997-4923
Info@gillespiefair.com
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December 8, 2014

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Yours Truly,

Lee DeLong
General Manager

Enclosure: 2015 Escrowed Purse Account Distribution Request

Texas Arabian Breeders' Association

Texas Quarter Horse Association

Texas Paint Horse Breeders Association

Texas Horsemen's Partnership

Texas Thoroughbred Association

Gillespie County Fair & Festivals Association, Inc.
530 Fair Drive - State Highway 16 South - P.O. Box 526
Fredericksburg, Texas 78624

(830)997-2359
Fax(830)997-4923
Info@gillespiefair.com
www.gillespiefair.com

Mark Fenner

From: Marsha Rountree
Sent: Wednesday, December 10, 2014 1:03 PM
To: Lila Smith
Cc: Mark Fenner
Subject: Gillespie

December 10, 2014

Ms. Lila Smith
Texas Racing Commission

Lila-

Please accept this letter as the Texas Horsemen's Partnership's approval of the 2015 Allocation of Simulcast and Escrow Horse Purse requests submitted by Gillespie County Fair Association.

Thank you,
Marsha Rountree
Executive Director
Texas Horsemen's Partnership, LLP



November 20, 2014

Mr. Ed Wilson, Texas Arabian Breeders' Association
 Mr. Lex Smurthwaite, American Paint Horse Association
 Mr. Rob Werstler, Texas Quarter Horse Association
 Ms. Marsha Rountree, Texas Horsemen's Partnership
 Ms. Mary Ruyle, Texas Thoroughbred Association

Re: Gillespie County Fair & Festival Association 2015 Escrowed Purse Account Distribution

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Thank you for your time and please feel free to call if you have any questions.

Respectfully,

Lee DeLong
 General Manager

Encl.: 2015 Escrowed Purse Account Distribution

Texas Arabian Breeders' Association

Texas Quarter Horse Association

Texas Thoroughbred Association

American Paint Horse Association
 Texas Paint Horse Breeders' Association

Texas Horseman's Partnership



December 8, 2014

Mr. Ed Wilson, Texas Arabian Breeders' Association
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Yours Truly,

Lee DeLong
 General Manager

Enclosure: 2015 Escrowed Purse Account Distribution Request

Texas Arabian Breeders' Association

Texas Paint Horse Breeders Association

Texas Quarter Horse Association

Texas Horsemen's Partnership

Texas Thoroughbred Association

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LONE STAR PARK
at Grand Prairie[®]
A MAGNA ENTERTAINMENT VENUE
Our Mission:
Create Winning Experiences.

December 8, 2014

Joel Speight
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711

Dear Mr. Speight,

Please find attached the requested documentation pertaining to the allocation of purses and distribution of simulcast and escrowed purse funds to go along with our previously submitted association requests.

I would also note that at this time we support the current proposal by the various horsemen's organizations to extend the current breed splits for six months in order to allow for more time for the industry's representatives to meet and to discuss this important ongoing issue.

Please let us know if you need any further information.

Thanks for your consideration.

Sincerely,

Bart Lang
Director of Racing

HOST SITE OF THE
2004 BREEDERS' CUP
WORLD THOROUGHBRED CHAMPIONSHIPS

1000 Lone Star Parkway
Grand Prairie, Texas 75050
(972) 263-7223
lonestarpark.com

Allocation of Simulcast Purse Funds

Lone Star Park at Grand Prairie has reviewed its operational data and statistics from the Thoroughbred and Quarter Horse meets for 2014. Based on local and national interest, the 2014 race dates and availability and ability to attract competitive horses for both meets, Lone Star Park at Grand Prairie submits the following bred splits:

Breed	2015 Proposed	2014 Actual
• Thoroughbred	80.4625%	80.4625%
• Quarter Horse	18.2875%	18.2875%
• Arabian	1.00%	1.00%
• Paint	.25%	.25%

Factors for Consideration as Defined by Commission Rule 321.505 and 321.509

1. Earnings

Net commissions represent Lone Star Park at Grand Prairie's earnings from wagering after mandatory deductions and other track fees. The combined net commissions earned from live and export handle by breed are as follows:

• Thoroughbred	84.58%	\$2,495,824
• Quarter Horse	13.34%	\$434,819
• Arabian	.42%	\$12,410
• Paint	.27%	\$7,873

Net commissions from Thoroughbred handle are a significant source of revenue for Lone Star Park at Grand Prairie. The substantial premium in earnings is driven in part by higher per caps as well as overall higher attendance.

2. National Public Interest

National public interest can be demonstrated in the export handle. It should be noted, not all interstate jurisdictions that accept wagering on Texas Thoroughbreds are able to accept wagering on Texas Quarter Horses. The percentage of export handle for the 2014 Thoroughbred and Quarter Horse meets are as follows:

• Thoroughbred	82.42%	\$31,693,728
• Quarter Horse	16.82%	\$6,364,770
• Arabian	.52%	\$196,468
• Paint	.24%	\$90,281

Lone Star Park at Grand Prairie's daily export handle for the 2014 Thoroughbred meet averaged \$624,000 compared to \$256,000 for the Quarter Horse meet.

3. Local Interest

The following is the on track Live Racing Handle and Live Racing Attendance for 2014 Thoroughbred meet and Quarter Horse meet:

Live Handle

• Thoroughbred	85.05%	\$13,693,728
• Quarter Horse	14.29%	\$2,301,481
• Arabian	.37%	\$59,447
• Paint	.29%	\$46,313

Live Attendance

• Thoroughbred	80.70%	342,468
• Quarter Horse	19.30%	81,884

The average live handle on a comparative basis for Fridays and Saturdays during the 2014 Thoroughbred meet was \$274,000 per day compared to \$93,000 per day average for the 2014 Quarter Horse meet.

4. Race Date Request

Lone Star Park at Grand Prairie has been granted 50 Thoroughbred race days and 26 Quarter Horse race days for 2014. The dates translate to the following percentages:

- Thoroughbred 65%
- Quarter Horse 35%

5. Availability and Ability to Attract Competitive Horses

Following are the statistics for Lone Star Park at Grand Prairie's 2014 Thoroughbred season and Quarter Horse season:

- Thoroughbred 8.24 runners per race
- Quarter Horse 8.70 runners per race

Allocation of Escrowed Purse Account

Lone Star Park at Grand Prairie does not recommend changing the breed splits for the 2014 Escrowed Purse Account. The criteria listed in rule 321.509 are similar to those in rule 321.505. Despite the criteria in 321.509 clearly favoring a majority split to the Thoroughbred breed, the current allocation significantly favors the Quarter Horse breed. However the industry is working against an un-level playing field with our competitors in neighboring states. Lone Star Park at Grand Prairie acknowledges that a change in the splits would impact the Texas Quarter Horse breed significantly given the limited purse structure. Therefore, Lone Star Park at Grand Prairie recommends the splits remaining constant with 2014 as follows:

<u>Breed</u>	<u>2015 Proposed</u>	<u>2014 Actual</u>
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Association Recommended Allocation of 2015 Simulcast Purse Funds

Association Name: Lone Star Park at Grand Prairie

Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	1.00%
Paint Horse	.25%
Quarter Horse	18.2875%
Thoroughbred	80.4625%

Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.

Negotiations Conducted	
X Texas Arabian Breeders' Association	X Texas Paint Horse Breeders Association
X Texas Thoroughbred Association	X Texas Quarter Horse Association
X Texas Horsemen's Partnership	

Prepared by: Bart Lang Date: 12/2/14
Director of Racing

Association Request for 2015 Escrowed Purse Account Distribution

Association Name: Lone Star Park at Grand Prairie

Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.

Type of Distribution Requested <i>(select one)</i>	Percentage Requested
<input checked="" type="checkbox"/> Monthly	24.65%
<input type="checkbox"/> Annual	

Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.

Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	3.5%
Paint Horse	3.5%
Quarter Horse	72.075%
Thoroughbred	20.925%

Prepared by: _____

Bart Lang
Director of Racing

Date: _____

12/2/14

Jan Haynes, President
Texas Thoroughbred HBPA
December 4, 2014

Lila Smith, Director of Pari-mutuels
Texas Racing Commission

Re: 2015 Simulcast and Escrowed Purse Account Allocations by Breed

Dear Lila:

On November 13 a meeting was held by pari-mutuel industry representatives and stakeholders at the THP offices in Austin. Long term planning was the primary topic of that meeting. We discussed the advantages and need for a possible industry agreement to present to the Commission whereby the tracks and stakeholders would request that simulcast and escrowed purse accounts would remain status-quo for the first six months of 2015, allowing the TRC staff to have extra time to deal with a myriad of time consuming issues including, but not limited to legal issues involving ongoing litigation regarding wagering on historical races, plans for development of several unbuilt Class 2 tracks and the loss (temporary at that time, due to health issues) of a valuable resource person, the highly respected Sammy Jackson. In the interest of the entire industry, the agreement to defer the breed allocation issue for the first six months of 2015 was reached by all attendees other than myself. I explained to the group that while not disagreeing to the proposal, I had to consult with my TTHBPA board before I could make a commitment. My board has now agreed to that proposal and this letter is conformation of that decision. We agree to status-quo allocations of simulcast and escrowed purse account revenue for the first six months only, of 2015 in order to allow more time for analysis of current situations and negotiation between tracks and horsemen in an effort to solve the long-term annual problems associated with distribution of purse revenue to the various breeds.

Having stated the above, I am compelled to make the Commission aware of the situation I feel is the most current disparity to thoroughbred horsemen involved in this position, that being the allocation at Lone Star Park.

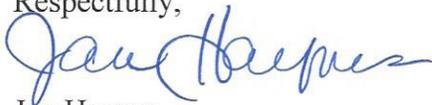
Everyone at the negotiating table in 2012 for the 2013 breed splits concerning LSP agreed that the first \$100,000 in purse revenue generated at Saddlebrook Park was to be moved to the TB purse account at LSP. In exchange for that, the TBs would give an increase of 1.5% in breed splits at LSP to the QHs. On page 62 of the 12-10-2012 TRC Meeting Packet, stated under the graph is that at LSP, these percentages are agreeable, only if the THP is willing to pledge the first \$100,000 of TB purse revenue generated from simulcasting at Saddlebrook Park be transferred to LSP to be used for TB purses. That statement was incorrect. Instead of the "first \$100,000 of TB purse revenue", it should have been "the first \$100,000 of purse revenue". That was our agreement. As it was, it took almost 10 months to get the \$100,000, while the QHs began earning their extra 1.5% from the very beginning. At the last December TRC meeting (for determining

splits for 2014), I testified that the wording was not what we had agreed upon, but my testimony was not favorably considered. Now, since there will apparently be no \$100,000 coming from Saddlebrook Park, I suppose we are giving up that purse revenue with nothing in return, other than the loss of two race days over the last two years, coupled with decreased overnight purses while QH purses increased in each of those two years at their LSP meet.

We proposed changes to the simulcast breed split rule last year, but the proposal had little industry or Commission support. We requested Mark Fenner to allow us to effectively table that proposal while we attempted to find a way to gain some common ground for a rule to change the way in which simulcast revenue is distributed by breed, and he has done that. The rule was not acted upon, but the Commissions made it known that this a problem that had gone on too long, and needed to be "fixed". We are readdressing that problem in the immediate future and plan to aggressively pursue a new, more palatable rule revision in the next six months in order to more equitably distribute simulcast purse revenue.

Thank you for your efforts to work with the industry. We must all work together.

Respectfully,



Jan Haynes
Texas Thoroughbred HBPA President

Cc:

Steve Wetz
General Manager
Gillespie County Fair

Andrea Young
Chief Operating Officer
Sam Houston Race Park

Scott Wells
President, General Manager
Lone Star Park

Steve Ross
Director of Racing Operations
Retama Park



December 10, 2014

Chuck Trout
Texas Racing Commission
Executive Director
P.O. Box 12080
Austin, Texas, 78711-2080

Dear Mr. Trout,

This letter is in response to a December 9 letter written by Texas Thoroughbred HBPA (TXTBHPA) president Jan Haynes.

First, let me begin by stating that the Texas Quarter Horse Association has never agreed in writing or in principle to simulcast breed splits for a six month period. All things considered, this is as bad of an idea as I have ever heard. 2015 race dates have already been awarded. If breed splits are changed in the middle of the year a racetrack would be forced to drop race dates or lower purses that have been advertised in condition books. How would racetrack management that conducts racing in late summer or fall create marketing and advertising plans? What about tracks that are racing in June and July? Negotiating breed splits once each year is tough enough without having to do it twice.

The November 13 meeting referenced in Ms. Hayne's letter had representatives from Retama Park, Manor Downs, Sam Houston Race Park, Saddle Brook Park, Texas Thoroughbred Association, Texas Quarter Horse Association, Texas Arabian Breeders Association and the HBPA. Everyone in attendance, with the exception of Ms. Haynes, agreed to keep breed splits for 2015 status quo. To my knowledge we never discussed a six month agreement for breed splits.

The 2012 negotiations Ms. Haynes references took place in the Texas Racing Commission board room. Ms. Haynes proposed transferring the first \$100,000 of simulcast revenue generated at Saddle Brook Park to the Lone Star Park thoroughbred purse account and dividing the remaining simulcast purse revenue 50/50 between Quarter Horse and thoroughbred purse accounts. Neither the TQHA nor the TXHBPA agreed to this proposal. We felt an even 50/50 split was best considering it would be the first time simulcast wagering would take place in Amarillo. We adjourned that meeting without an agreement. When the packet for the next TRC meeting became available, there was a proposal that stated the simulcast purse revenue generated at Saddle Brook Park be divided 50/50 between Quarter Horse and thoroughbred purse accounts with the first \$100,000 of revenue from the thoroughbred share going to the Lone Star Park thoroughbred purse account. I had not seen the proposal or heard of its existence until I read it in the packet. When I arrived at the TRC meeting I asked a TRC employee to explain how he interpreted the proposal. It was exactly how I interpreted it and at that time I told him the TQHA is in agreement and would sign the proposal and testify as such.

In the third paragraph of Ms. Hayne's letter she states "On page 62 of the 12-10-2012 TRC Meeting Packet, stated under the graph is that at LSP, these percentages are agreeable, only if the THP (Texas Horseman's Partnership) is willing to pledge the first \$100,000 of TB (thoroughbred) purse revenue to be used for TB purses." She goes on to say "This statement is incorrect. Instead of the first \$100,000 of TB purse revenue, it should have been the first \$100,000 of purse revenue. That was our agreement." Two questions: 1) If what she states was our agreement and the language in the packet was incorrect, why did she testify in favor? 2) Has she ever provided a copy of the agreement from the 2012 meeting?

It appears to me Ms. Haynes either did not read or misinterpreted the proposal in the TRC packet before she testified in favor.

At a time when the entire Texas horse racing and breeding industry is in decline, it is my hope we can work together to make it better for everyone involved.

I plan to attend the December 16, 2015 Texas Racing Commission meeting and will be available to answer any questions you may have. However, if you would like to discuss this further you can contact me anytime.

Sincerely,



Rob Werstler

Director of Racing

December 11, 2014

Mr. Chuck Trout
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711

Dear Mr. Trout,

I feel that it is necessary to address the letter which was submitted to the Texas Racing Commission by Jan Haynes on December 4th, referring to 2015 Simulcast and Escrowed Purse Account Allocations by Breed.

The letter is factually incorrect and misrepresents the discussions and results of both of the meetings that Jan describes in her letter. I attended both of these meetings and can testify that the assertions made concerning both of the meetings are incorrect and misleading.

I would like to preface my corrections with the fact that all of the dissent, lack of productive negotiation and stonewalling are a result of one single issue. Jan Haynes is still focused on an agreement that did not take place in 2012 concerning \$100K at Saddle Brook Park. In her letter, Jan says,, *"Everyone at the negotiating table in 2012 for the 2013 breed splits concerning LSP agreed that the first \$100K in purse revenue generated at Saddlebrook Park was to be moved to the TB purse account at LSP."* This is the basis for the ongoing disagreement on breed splits.

Everyone at the table was NOT in agreement. I was not in agreement and TQHA was not in agreement. There was no letter of agreement signed by all parties, therefore there was no agreement. When all of the tracks in Texas submitted a joint letter of recommendation to the Commission for breed splits on December 10, 2012, I testified in support of their recommendation. This recommendation required the transfer of the first \$100K in thoroughbred purse money earned at Saddle Brook Park to be transferred to the thoroughbred purse account at LSP. The tracks, including LSP all signed the request, and this issue is still the driving force for Jan's agenda, two years later.

At the closing of Saddle Brook Park's facility later this month, the TB purse account at LSP will have received the money outlined in the track's letter of recommendation.

Regarding the meeting of November 13 of this year that Jan describes in her letter, I can assure you that no agreement was reached on deferring breed split allocations for six months. There were fourteen people at that meeting, none of whom agreed to a six month status quo of breed splits or any mention of deferring breed splits for six months. The track representatives and the TTA, TQHA and THBPA all agreed to leave breed splits as they currently are for 2015. Jan is the only person in attendance that did not agree and instead said that she would have to talk to her board. I have testified on record on many occasions, that until there are additional purse funding sources, the THBPA agrees to status quo. As the CEO of one of our Texas tracks so often states, "As long as nothing has changed, we won't request any changes to breed splits."

Jan states in her letter, *“Now, since there will apparently be no \$100K coming from Saddlebrook Park, I suppose we are giving up that purse revenue with nothing in return, other than the loss of two days over the last two years, coupled with decreased overnight purses...”* In fact, according to real numbers, with the current breed split at LSP, the TB purse account is expected to earn more by year’s end that it earned in 2013. If all conditions remain the same, including inbound simulcast handle, even without the Saddle Brook supplement, the TB purse account can be expected to earn over \$100K more than they did in 2012 when they had a higher percentage of simulcasting revenue.

The thoroughbred purse account at LSP has a long history of large overpayments. The track has, for the past several years, attempted to decrease the amount of the overpayment. The decrease in overnight purses or the elimination of a day of racing that Jan refers to, is most likely the result of the track’s decision to reduce the amount of the overpayment or as a result of the handle on the live and /or export signal for the TB meet at LSP.

Again, for the record, I would like to state that until there are additional sources of purse money, we support and request that breed splits remain the same.

The industry needs for all of its stakeholders to negotiate in a mature and responsible manner on all sorts of issues. At a time when our very existence is at stake, there is simply no room for grandstanding, greed or the distribution of misinformation. Longstanding grievances should be set aside and the goal of each one of us should be how to move forward. The pie is smaller. Instead of demanding the whole pie, can’t we each acknowledge that it takes all of us, as an industry, working together instead of against each other, to help make a bigger pie?

I will be glad to answer any questions that you might have in order to clarify the information contained in this letter.

Sincerely,



Tommy Hays, DVM
President, Texas HBPA

Cc: Members of the Texas Racing Commission



December 9, 2014

Mr. Joel Speight
Deputy Director
8505 Cross Park Drive
Austin, TX 78754

Dear Mr. Speight:

Please find attached Sam Houston Race Park's analysis of Rules 321.505 and 321.509 regarding allocation of purses and the escrowed purse account distribution. Our request for 2015 comes after an internal review and discussions with representative for both horse breeds. Sam Houston Race Park is sympathetic to the relentless pressure placed on Texas horse tracks and horsemen of both breeds by the un-level playing field Texas racing faces everyday. Neighboring states, all of which offer additional forms of gaming at in-state racetracks, have higher purses and stronger breeder incentives. The position we find ourselves in is a difficult one and represents the dire straits the industry currently faces due to the declining availability of purse dollars. Despite what the criteria may suggest, SHRP believes these are unique times and that any significant changes to the allocations would be detrimental to the 2015 calendar. Dates have already been awarded and plans are already underway. Both breeds have repeatedly asked for more. However, at this time, we believe no change is justified given the pressure facing the industry.

Sam Houston Race Park appreciates the opportunity to present its recommendation to the Commission. Please feel free to contact me should you have any questions or concerns.

Sincerely,

Andrea B. Young
President

Enclosures

Allocation of Purses

Sam Houston Race Park has reviewed its operational data and statistics from the Thoroughbred (TB) and Quarter Horse (QH) from the last full calendar year - 2013. Based on local and national interest, the 2015 race dates and the availability and ability to attract competitive horses, SHRP advocates the following splits:

Breed	2015 Proposed	2014 Actual
TB	76.44%	76.44%
QH	21.56%	21.56%
Arabian	1.40%	1.40%
Paint	0.60%	0.60%

Factors for Consideration as Defined By Commission Rule 321.505 And 321.509

1. Earnings

Net commissions represent SHRP's earnings from wagering after mandatory deductions and other track fees. The combined net commissions earned from live, export and simulcast handle by breed year-to-date are listed below:

- Thoroughbred 86.8%
- Quarter Horse 11.6%
- Arabian 1.4%
- Paint 0.2%

Net commissions from Thoroughbred handle are a significant source of revenue for SHRP. The significant premium in earnings is driven in part by higher per caps and overall attendance statistics. In addition, the ability to run one additional day per week during the Thoroughbred meet (more supply) drives a significant difference in operating income between the two meets for SHRP.

For the first three months of 2013 when running primarily Thoroughbreds, SHRP earned more than \$638,000 in positive EBITDA. However, during April and May when running Quarter Horses, SHRP suffered approximately \$140,000 in EBITDA losses despite premium simulcast dates like the Kentucky Derby and Preakness.

2. National Public Interest

National public interest can be clearly demonstrated by export handle. Please note, not all interstate jurisdictions that accept wagering on Texas Thoroughbreds are able to accept wagering on Texas Quarter Horses. The percentage of export handle for 2013 attracted by each breed is listed below.

- Thoroughbred 83.7%
- Quarter Horse 13.6%
- Arabian 2.5%
- Paint 0.2%

SHRP's daily export handle for the Thoroughbred meet averaged \$1.21 million compared to \$283,000 for the Quarter Horse meet.

3. Local Interest

One way to gauge local interest at SHRP is through simulcast handle as SHRP operates as simulcast-only for about half of the calendar year. Below is simulcast handle for the four breeds in 2013:

- Thoroughbred 88.4%
- Quarter Horse 10.1%
- Arabian 1.4%
- Paint 0.2%

Another way to gauge interest is through live handle and live attendance. Below is live handle and attendance data for 2013 as percentages:

Live Handle

- Thoroughbred 64.0%
- Quarter Horse 33.3%
- Arabian 2.1%
- Paint 0.7%

Live Attendance

- Thoroughbred 56.4%
- Quarter Horse 43.6%

Over the past three years, SHRP's daily average live handle for Thoroughbreds has grown each and every year bucking all national trends. However, despite an 11% increase in daily purses during the 2013 Quarter Horse meet, daily live handle fell 2% year-over-year. Unfortunately, the results of the QH meet are consistent with national trends.

The average live handle on an “apples to apples basis” for Fridays and Saturdays during the 2013 Thoroughbred meet was approximately \$173,000 per day compared to only \$114,000 for the Quarter Horse meet, a difference of about 51%.

Both meets enjoy similar marketing budgets. However, the Quarter Horse meet enjoys the unique advantages created by post-race concerts, and premium simulcast days like the Kentucky Derby and Preakness.

4. Race Date Request

SHRP has been granted 32 Thoroughbred race days and 24 Quarter Horse race days for 2015. These dates translate into the following percentages:

- Thoroughbred 57%
- Quarter Horse 43%

5. Availability and Ability to Attract Competitive Horses

A four-day race week allows SHRP to maximize its assets and turn a profit while three-day race weeks struggle. Below please find statistics from SHRP’s 2013 racing season:

- Thoroughbred, 8.7 runners per race, 4 days per week
- Quarter Horse, 8.1 runners per race, 3 days per week

Escrowed Purse Account

Sam Houston Race Park, at this time, does not recommend changing the splits for the Escrowed Purse Account. The criteria listed in rule 321.509 are similar to those in rule 321.505. Despite the criteria in rule 321.509 clearly favoring a majority split to the Thoroughbred breed, the current allocation overwhelmingly favors the Quarter Horse breed. However, the industry is working against an un-level playing field with our competitors in neighboring states. SHRP acknowledges that a change in the splits would impact the Texas Quarter Horse breed significantly given the limited purse structure. Thus, SHRP recommends the following splits:

Breed	2015 Proposed	2014 Actual
TB	20.925%	20.925%
QH	72.075%	72.075%
Arabian	3.50%	3.50%
Paint	3.50%	3.50%



Lila Smith
Director of Pari-mutuel
Texas Racing Commission
PO Box 12080
Austin, TX 78711-2080

Dear Ms. Smith:

Included herein please find Sam Houston Race Park's request for the following for approval by Texas Racing Commission:

- 1.) Allocation to the various breeds of 2015 simulcast funds; and
- 2.) Allocation to the various breeds of 2015 escrowed purse account.

Please feel free to contact me should you have any questions.

Sincerely,



Andrea B. Young

Association Recommended Allocation of 2015 Simulcast Purse Funds

Association Name: Sam Houston Race Park

Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	1.40 %
Paint Horse	0.60 %
Quarter Horse	21.56 %
Thoroughbred	76.44 %

Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.

Negotiations Conducted	
<input checked="" type="checkbox"/> Texas Arabian Breeders' Association	<input checked="" type="checkbox"/> Texas Paint Horse Breeders Association
<input checked="" type="checkbox"/> Texas Thoroughbred Association	<input checked="" type="checkbox"/> Texas Quarter Horse Association
<input checked="" type="checkbox"/> Texas Horsemen's Partnership	

Prepared by: Al B. King

Date: 12/2/14

Association Request for 2015 Escrowed Purse Account Distribution

Association Name: Sam Houston Race Park

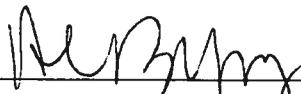
Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.

Type of Distribution Requested <i>(select one)</i>	Percentage Requested
<input checked="" type="checkbox"/> Monthly	41.3%
<input type="checkbox"/> Annual	

Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.

Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	3.50%
Paint Horse	3.50%
Quarter Horse	72.075%
Thoroughbred	20.925%

Prepared by: 

Date: 12/2/14



December 2, 2014

Chuck Trout
Executive Director
Texas Racing commission
PO Box 12080
Austin, TX 78711

Dear Mr. Trout,

The Texas Thoroughbred Association is in agreement with the Association Recommended Allocation of 2015 Simulcast Purse Funds and the 2015 Escrowed Horse Purse Account Distribution for Sam Houston Race Park.

Please let me know if you need any further information.

Sincerely,

Mary Ruyle
Executive Director

cc: Lila Smith, TRC
Andrea Young, SHRP



December 2, 2014

Chuck Trout
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

Dear Mr. Trout

The Texas Quarter Horse Association is in receipt of proposed breed splits for the 2015 racing season at Sam Houston Race Park and fully supports these splits as proposed.

I Plan to attend the December 16, 2014 meeting of the Texas Racing Commission and will be available to answer any questions.

Sincerely,


Rob Werstler
Director of Racing



RETAMA PARK

December 7, 2013

Mr. Mark Fenner
General Counsel
Texas Racing Commission
8505 Cross Park Drive, Suite 100
Austin, TX 78754

Dear Mark,

Please find attached Retama Park's analysis of Rules 321.505 and 321.509 regarding allocation of purses and the escrowed purse account distribution.

Retama Park has requested a 76/24 breed split (after payment of 2% to minor breeds) for Thoroughbreds and Quarter Horses for simulcast purse funds and 77.5% (QH) and 22.5% (TB) for escrowed purse account funds (after payment of 7% to minor breeds).

As we have done in recent years, we would like to have one set of splits in place for the period of time leading up to and including most of the Quarter Horse meet and a second set of splits for the balance of the year.

While for simplicity's sake we requested the split as 76/24 for simulcast purse funds, the breakdown for the year would be as follows:

- 67% Thoroughbred and 33% Quarter Horse for the period 1/1/15 through 7/31/15
- 91% Thoroughbred and 9% Quarter Horse for the period 8/1/15 through 12/31/15
- The above percentages are after payment of 2% to minor breeds
- Distribution of funds from the Escrowed Purse Account would be constant all year

The analysis includes a weighting of the various 321.505 and 321.509 factors which results in a calculated 68/32 overall breed split. The breed splits requested above work out to an approximately 71/29 overall share of the combined simulcast and escrowed purse accounts funds which is close to the levels calculated.

Please let me know if you have any questions.

Steven M. Ross
Retama Park
Director of Racing Operations

Retama Park
Analysis of Section 321.205 and 321.509 Breed Split Criteria
December 7, 2014

				Relative Percentages		Assigned	Implied Breed Split	
		<u>QH 2014</u>	<u>TB 2014 *</u>	<u>QH 2014</u>	<u>TB 2014</u>	Importance	<u>QH</u>	<u>TB</u>
Average Live Handle	\$	108,788	\$ 69,033	61%	39%	5%	3%	2%
Average Export Handle	\$	258,297	\$ 409,059	39%	61%	5%	2%	3%
Average Live Attendance		2,525	1,651	60%	40%	5%	3%	2%
Average Daily Total Racing Earnings	\$	18,547	\$ 17,246	52%	48%	12.5%	6%	6%
Average Daily Non-Racing Earnings	\$	38,040	\$ 23,615	62%	38%	12.5%	8%	5%
Simulcast Import Handle {10/1/13 - 9/30/14}	\$	3,493,686	\$ 33,985,190	9%	91%	50.0%	5%	45%
Race Dates		20	26	43%	57%	5%	2%	3%
Availability of Horses: Starters per Race		8.89	8.61	51%	49%	5%	3%	2%
* Thoroughbred Meet - First 20 Days						100%	32%	68%

		<u>Total</u>	<u>QH%</u>	<u>TB%</u>	<u>QH Accrual</u>	<u>TB Accrual</u>
Simulcast Accruals (1) {10/1/13 - 9/30/2014}	\$	2,656,779	24.00%	76.00%	\$ 637,627	\$ 2,019,152
Escrowed Purse Account (2) {10/1/13 - 9/30/2014}	\$	266,095	77.50%	22.50%	\$ 206,224	\$ 59,871
					\$ 843,851	\$ 2,079,023

Overall Projected Breed Split

(1) After Payment of 2% to minor breeds	QH	\$ 843,851	29%
(2) After Payment of 7% to minor breeds	TB	\$ 2,079,023	71%
	Total	\$ 2,922,874	

Association Recommended Allocation of 2015 Simulcast Purse Funds *

Association Name: Retama Park

Rule §321.505 (a) (1) stipulates that an association shall recommend the percentages by which it will divide the purse revenue generated from simulcasting among the various breeds of horses. The recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	1.50%
Paint Horse	0.50%
Quarter Horse	23.52%
Thoroughbred	75.48%

Rule §321.505 (a) (2) stipulates that at least 30 days before recommending the percentages, the association shall begin negotiations with the organizations recognized by the Commission or in the ACT as representatives of horse owners, trainers, and/or breeders. Indicate in the box below, what recognized organizations the association negotiated with prior to filing the recommended allocation percentages above.

Negotiations Conducted	
<input checked="" type="checkbox"/> Texas Arabian Breeders' Association	<input checked="" type="checkbox"/> Texas Paint Horse Breeders Association
<input checked="" type="checkbox"/> Texas Thoroughbred Association	<input checked="" type="checkbox"/> Texas Quarter Horse Association
<input checked="" type="checkbox"/> Texas Horsemen's Partnership	

Prepared by: Steven M. Ross

Date: 12/8/2014

Association Request for 2015 Escrowed Purse Account Distribution *

Association Name: Retama Park

Rule §321.509 (a) stipulates at least once a year, the Commission shall distribute all funds accrued in the escrowed purse account created by the Act, §6.091(e). An association shall request to the Commission for a distribution from the escrowed purse account.

Type of Distribution Requested <small>(select one)</small>	Percentage Requested
<input checked="" type="checkbox"/> Monthly	32.45%
<input type="checkbox"/> Annual	

Rule §321.509 (a) stipulates that an association when requesting for distribution from the escrowed purse account shall also recommend the percentages by which it will divide the escrowed purse account revenue among the various breeds of horses.

Rule §321.509 (c) stipulates that the recommended percentages are subject to the approval of the Commission.

Recognized Breeds of Horses	Recommended Allocation Percentages
Arabian	3.5%
Paint Horse	3.5%
Quarter Horse	72.075%
Thoroughbred	20.925%

Prepared by: Steven M. Ross Date: 12/8/2014

* Request is for the entire calendar ^{57 of 73} year.



December 2, 2014

Chuck Trout
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

Dear Mr. Trout

The Texas Quarter Horse Association is in receipt of proposed breed splits for the 2015 racing season at Retama Park and fully supports these splits as proposed.

I Plan to attend the December 16, 2014 meeting of the Texas Racing Commission and will be available to answer any questions.

Sincerely,

Rob Werstler
Director of Racing

V. PROCEEDINGS ON RACETRACKS
C. Review and Renewal of Laredo Downs'
Inactive Racetrack License under
Commission Rule 309.52



TEXAS RACING COMMISSION
P. O. Box 12080
Austin, TX 78711-2080
(512) 833-6699
Fax (512) 833-6907

To: Texas Racing Commissioners
From: Chuck Trout, Executive Director
Date: December 9, 2014
Subject: Review and Renewal of Laredo Downs' Inactive Racetrack License

At its meeting on December 16, 2014, the Commission will review the inactive racetrack license of Laredo Downs. The Commission began its review of this license at its meeting on August 29, 2014, and after learning that Laredo Downs no longer has an ownership or leasehold interest in its designated location, tabled the review so that Laredo Downs's management could clarify its position regarding the land. Under Commission Rule 309.52(f), failure to maintain an ownership or leasehold interest in the designated location is one factor the Commission may consider as evidence that renewal of the license is not in the best interest of the racing industry or the public.

In the meeting packet is the application form completed by Laredo Downs for the August meeting. If Laredo Downs provides any additional materials, they will also be distributed.

At the conclusion of its review, the Commission may:

- (1) designate the license as Active-Operating;
- (2) designate the license as Active-Other;
- (3) renew the license as Inactive; or
- (4) refer the inactive racetrack license to the State Office of Administrative

Hearings for an evidentiary hearing and Proposal for Decision as to whether the Commission should refuse to renew the license.

Renewal Criteria

Under Commission Rule 309.52, the Commission shall consider the following criteria in determining whether to renew an inactive racetrack license:

- (1) the inactive racetrack license holder's:
 - (A) financial stability;
 - (B) ability to conduct live racing;

- (C) ability to construct and maintain a racetrack facility;
 - (D) other good faith efforts to conduct live racing; and
- (2) other necessary factors considered in the issuance of the original license.

Good Faith Efforts

The Commission has also established examples of the types of actions that demonstrate good faith efforts towards conducting live racing, although live racing is not imminent. Actions the Commission may consider include, but are not limited to:

- (1) securing sufficient financial commitments to fund construction of the racetrack facility;
- (2) securing the real property of the designated location for which the racetrack license was granted, either by purchase or through a long-term lease of 20 years or more;
- (3) entering into contracts for the construction of the simulcasting and racetrack facilities;
- (4) securing Commission approval of the racing facility's construction plans;
- (5) securing permits and utilities necessary for the construction of the racing facilities; and
- (6) beginning and sustaining construction of the simulcasting or live racing facilities.

Nonrenewal

The Commission may refuse to renew an inactive racetrack license if, after notice and a hearing, the Commission determines that:

- (1) renewal of the license is not in the best interests of the racing industry or the public; or
- (2) the license holder has failed to make a good faith effort to conduct live racing.

Factors Supporting Nonrenewal

The Commission has established the following factors as evidence that renewal of a license is not in the best interests of the racing industry or the public:

- (1) the presence of any ground for denial, revocation, or suspension of a license under §6.06 or §6.0603 of the Act;
- (2) forfeiture of any bond by an inactive racetrack license holder that was required by the Commission;
- (3) failure by an inactive racetrack license holder to comply with any condition or order placed on the license by the Commission;
- (4) failure to maintain the ownership or leasehold interest in the real property constituting the designated location; or
- (5) any factor identified in §6.04(a) of the Act.

While the Commission has established the factors that it will consider in deciding whether to renew a license, the presence of any particular factor or factors does not require the Commission to either renew or refuse to renew an inactive racetrack license.

If you have any questions regarding this process, please let me or Mark Fenner know. In addition, representatives of Laredo Downs will be present at the Commission meeting to answer your questions about the license.

MOLTZ MORTON GLENN
LLP

Janessa M. Glenn
(512) 439-2174
jglenn@MMandG.com

Travis Oaks Building
5113 Southwest Parkway, Suite 120
Austin, TX 78735
(512) 439-2170
Facsimile (512) 439-2165

June 30, 2014

Chuck Trout, Executive Director
Texas Racing Commission
8505 Cross Park Dr., Suite #110
Austin, Texas 78754

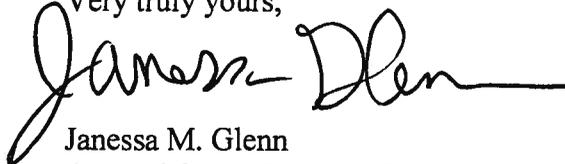
RE: Application for Renewal for LRP Group, Ltd.

Dear Mr. Trout:

Please find attached an Application for Renewal of LRP Group, Ltd.'s license. Also attached, please find a check for \$5000 for the review fee.

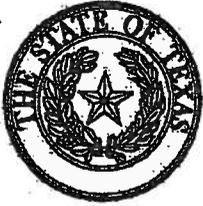
Please let me know if I can be of further assistance.

Very truly yours,



Janessa M. Glenn
Counsel for LRP Group, Ltd.

JMG/ktg
Attachments



Texas Racing Commission
 8505 Cross Park Drive Ste 110
 Austin, TX 78754-4594
 Phone (512) 833-6699 Fax (512) 833-6907
www.txrc.state.tx.us

APPLICATION FOR RENEWAL

Texas Racing Act § 6.0602 and Commission Rule 309.52 requires the Commission to annually review each inactive license until the Commission either designates the license as active or refuses to renew the license. When completing the form, provide the contact information for the person designated by the association as the primary contact person for the Commission during the review and renewal process. The association's chief executive officer must review and swear to the truth and validity of the information provided in the application and its supplemental documents. Submit the completed form, any supplemental documents, and the initial review of \$5,000 to the Commission at the address above on or before July 1, 2014.

ASSOCIATION NAME Laredo Downs / LRP Group, Ltd.			
ADDRESS OF DESIGNATED RACETRACK LOCATION Hwy. 59	CITY Laredo	STATE TX	ZIP CODE 78043
CONTACT PERSON'S FIRST NAME Gregory		CONTACT PERSON'S LAST NAME LaMantia	
CONTACT PERSON'S BUSINESS STREET ADDRESS 3900 N. McColl Road	CITY McAllen	STATE TX	ZIP CODE 78501
CONTACT PERSON'S BUSINESS PHONE # (959) 687-7751	CONTACT PERSON'S FAX # (956) 994-9734	CONTACT PERSON'S E-MAIL ADDRESS	

RENEWAL CRITERIA

Texas Racing Act § 6.0602(b) identifies the following factors as criteria the Commission shall consider in determining whether to renew an inactive license. Please provide documentation to support the association's statements for each factor.

Describe the association's:

Financial stability

LRP filed its annual ownership report with the Texas Racing Commission ("TRC") on June 16, 2014 as required by relevant TRC regulations and notices. Within that filing, LRP provided the Commission with updated financial information for the entity and documentation showing each partner's interest in LRP. As was noted in prior filings, the TRC is very familiar with the partners in LRP and their continued financial commitment to the racetrack. In addition, LRP submitted extensive financial information relating to these partners, including tax returns and other financial documentation, during the initial application process. To the best of LRP's knowledge, that information has not substantively changed. LRP clearly has the financial stability necessary to undertake the activities associated with its license. Additional information will be submitted if necessary and upon request.

Ability to conduct live racing.

As has been pointed out to the TRC previously, LRP is primarily comprised of individuals with backgrounds and expertise in horse racing. Examples include Mr. Joe Straus, Jr., Mr. Holt Hickman and other Hickman family members (Silver Creek Racing), Dr. Charles Graham, and Mr. Tyler Graham. In addition, LRP's management is very knowledgeable with respect to operating an entertainment oriented business. This was illustrated during the licensing proceeding with respect to various LaMantia family members due to their extensive involvement in such activities. Furthermore, LRP has retained the Green Group, Inc. to manage the racetrack. Information previously submitted to the Commission shows the experience and expertise of the Green Group, Inc. with respect to managing such facilities. LRP has clearly maintained its ability to conduct live racing.

The TRC is well aware of LRP's desire to relocate its license to Tarrant County, Texas. LRP currently holds an Option Contract to purchase property in Tarrant County, but has been exploring other potential sites as well. LRP intends to submit an application to the TRC seeking approval of its relocation plan. In the interim, LRP intends to work with the TRC staff, horsemen's representatives, and others in the industry with respect to the timing and other details of a live racing proposal.

The TRC is well aware of the current economic climate and the financial struggles of the industry. Given the state of the industry, it will be necessary to build purses prior to beginning live racing at any new racetrack. Accordingly, the principals of LRP and Valle De Los Tesoros ("VDLT") intend to work together with a plan that would move both locations to live racing. Under the contemplated proposal, VDLT would begin construction/operations of a temporary simulcast facility at its approved site in Hidalgo County to build up purse funds contemporaneous with TRC approval of LRP's license relocation request to Tarrant County. This would be followed by construction of a live racing venue for VDLT. The timing of construction of live racing facilities would be dependent on many factors. Under any scheduling scenario, the two entities would support each other in order for both to realize live racing in the near future.

Currently, there are four "inactive" and two "active other" horse racetracks in Texas. Clearly, not all six of those tracks will be able to begin live racing simultaneously. The Texas horseman's groups are in the best position to work with the principles of each track and weigh various industry factors to create a viable schedule for these tracks (including LRP) to begin live racing. LRP will be working closely with industry leaders to move toward live racing as quickly as possible and sensible.

Ability to construct and maintain a racetrack facility.

LRP has the financial ability to construct and maintain a racetrack facility. LRP's partners, in conjunction with the management team it has assembled, including the Green Group, Inc., have the requisite expertise and financial strength to construct and maintain a racetrack facility. The partners recognize, however, that constructing a racetrack facility in Laredo in this financial climate would be irresponsible with respect to both the partnership and the Texas racing industry. That is why LRP intends to file an application to relocate the racetrack to the much larger Tarrant County market, and is further focused on teaming with VDLT to propose a solution that would allow both tracks to responsibly begin live racing.

Other good faith efforts to conduct live racing.

Commission Rule 309.52(d)(3) provides that the Commission will consider actions that demonstrate good faith efforts towards conducting live racing, although live racing is not imminent. Actions the Commission may consider include, but are not limited to, the items listed in section A through F below. The association should also list any other examples of good faith efforts towards conducting live racing that the association would like considered. Provide documentation to support each good faith effort.

A. Securing sufficient financial commitments to fund construction of the racetrack facility.

With the TRC's indication that it is willing to allow LRP to relocate its license to Tarrant County, LRP would be immediately willing and able to commit the funds necessary to secure a site.

LRP has invested over \$5 million to date in this racetrack, including funding a contested licensing proceeding, preparing an application for transfer location, exploring live racing at a temporary location, and the day-to-day administration costs of maintaining a license. Additionally, LRP was instrumental in working with the TRC staff to increase the license fees on its own license in order to fund the Commission's budget. The partners are committed to this license and are willing to fund the building of the facility once relocated to Tarrant County, Texas.

B. Securing the real property of the designated racetrack location for which the racetrack license was granted, either by purchase or through a long-term lease of 20 years or more.

LRP is exploring various options with respect to the best possible location for a racetrack in Tarrant County, Texas. With the TRC's indication that it is willing to allow LRP to relocate its license to Tarrant County, LRP would quickly secure a site.

As the Commission is aware, LRP currently holds an option to purchase property located in Tarrant County, Texas. A copy of the Option Contract has previously been provided to the TRC. This property is owned by the Hickman Family Limited Partnership. Mr. Holt Hickman also has an ownership interest in LRP. The property is the same property that was designated in LRP's previously filed application for transfer to a new location that was later withdrawn. LRP continues to consider this property as a potential site for the racetrack, but is exploring other options as well.

C. Entering into contracts for the construction of simulcasting and racetrack facilities.

Although LRP has not yet entered into any contracts for construction, LRP is dedicated to moving forward toward live racing. As noted above, LRP intends to file an application for relocation of the track to Tarrant County and to pursue live racing at that new location. Obviously, construction contracts can not be entered into prior to approval of the relocation request. LRP will enter into construction contracts at the appropriate time following the granting of that relocation request.

D. Securing Commission approval of the racing facility's construction plans?

It would premature to seek Commission approval of construction plans at this time. Following the granting of LRP's relocation request, LRP will develop and seek construction plan approval from the Commission. LRP is committed to moving forward with construction following relocation.

E. Securing permits and utilities necessary for the construction of the racing facility.

LRP has not yet secured permits and utilities. As noted above, LRP intends to file an application for relocation of the track to Tarrant County and to pursue live racing at that new location, including securing necessary permits and utilities.

F. Beginning and sustaining construction of the simulcasting or live racing facility.

While LRP has not begun construction, this does not mean LRP is not dedicated to moving forward toward live racing. As noted above, LRP intends to file an application for relocation of the track to Tarrant County and to pursue live racing at that new location. LRP will begin construction at the appropriate time following the granting of that relocation request.

Describe any additional actions or information the association wishes to present in support of its application for renewal. Attach additional documents as needed.

G. Any other examples of good faith efforts that the association would like considered.

Since the Commission issued the license, LRP's principals and representatives have been heavily involved in the racing industry, including attending Commission public meetings, work-sessions, and rulemaking committee sessions. The principals of are very interested and involved in any and all activities that could improve the condition of the Texas racing industry. LRP is well-known by the horseman and the owners of the other tracks as a key and responsible player in the industry. LRP has, on more than one occasion, presented innovative ideas to the Commission and staff in support of the growth of the industry as a whole. LRP's continued support of and interest in the industry supports a finding that it is making good-faith efforts.

Further, LRP incurred significant costs in its efforts to move forward to a live racing facility, including filing a comprehensive application to relocate Laredo Downs from Laredo, Texas to Tarrant County, Texas.. While LRP eventually withdrew its application for relocation after extensive discussions with the TRC staff, LRP continues to expend funds and effort to file a new application for relocation.

* By filing this Application, LRP Group, Ltd. does not waive any claim that the renewal requirement and/or process is unconstitutional or otherwise contrary to law.

As required by Commission Rule 309.52(c)(3), I swear that the information in this application and its supplemental documents is true and valid.

PRINT NAME <i>Greg Lumbantia</i>	
SIGNATURE <i>X</i>	DATE <i>6/26/14</i>
TITLE (CHIEF EXECUTIVE OFFICER OR EQUIVALENT)	

SWORN TO AND SUBSCRIBED before me on the 26 day of June, 2014.

My commission expires:
11/15/2014

Diana E. Garza

Notary Public, State of Texas



V. PROCEEDINGS ON RACETRACKS

- D. Allocation of Live Race Dates for Greyhound Racetracks under Commission Rule 303.41 for the period Beginning October 1, 2016, and ending December 31, 2016
- E. Review of the License Designation of Gulf Coast Racing as required under Commission Rule 309.51(f)

(These items have been postponed until the February 2015 meeting.)

V. PROCEEDINGS ON RACETRACKS
F. Allocation by the Texas Greyhound
Association of Interstate Cross-Species
Purse Money



TEXAS RACING COMMISSION
P. O. Box 12080
Austin, TX 78711-2080
(512) 833-6699
Fax (512) 833-6907

Date: December 9, 2014

To: Texas Racing Commissioners

From: Joel Speight, Deputy Executive Director

Copy: Chuck Trout, Executive Director

Re: Allocation by the Texas Greyhound Association of Interstate Cross-Species Purse Money

At the next Commission meeting, the Texas Greyhound Association's (TGA's) proposed allocation of interstate cross-species purse money will be on the agenda for the Commission's consideration and approval. Interstate cross-species purse moneys are generated from simulcast wagering at Texas horse racetracks on out-of-state greyhound races. Staff estimates that this wagering will produce \$1.3 million in purse funds during 2015.

Commission Rule 303.102(d) provides that the TGA shall prepare a proposed allocation for consideration by the Commission. In preparing the proposal, TGA shall consider the following:

- The average price-per-point paid for purses at each greyhound racetrack during the preceding year;
- The purse payout at each greyhound racetrack during the preceding year; and
- The impact cross-species simulcasting has made on greyhound purse revenues at each greyhound racetrack during the preceding year.

The TGA's proposal would allocate 100% of all greyhound cross-species purse money to Gulf Greyhound Park during 2015. This allocation supports the 2015 greyhound race date calendar approved by the Commission at its August 29, 2014, meeting and has the support of all three greyhound racetracks.

Should you have any questions, please feel free to contact me.

Attachments: Request Letter from TGA
Letters of Support from Gulf Greyhound Park, Gulf Coast Racing,
and Valley Race Park



texas greyhound association

December 5, 2014

Lila Smith
Texas Racing Commission
PO Box 12080
Austin, TX 78711

Dear Ms. Smith,

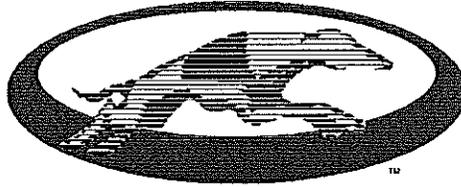
The Texas Greyhound Association respectfully requests to be placed on the agenda for the December 2014 meeting for consideration and approval of the 2015 TGA Cross-Species allocation under TxRC Rule Section 303.102 (d) (2).

Valley Race Park has been granted one day of racing in 2015, as Gulf Greyhound Park will be the only greyhound track running live races on a year-round basis in 2015. It is in the best interests of the greyhound owners to support the purses at this track as much as possible.

Effective January 1, 2015, the TGA requests that the Interstate cross-species simulcast purses received under Texas Racing Act Sec. 6.091 (d) (2), after allowable TGA administrative expenses, be allocated to Gulf Greyhound Park purses through December 31, 2015.

Thank you,

Nick James
Executive Director



■ GULF GREYHOUND PARK ■

Sally B. Briggs
General Manager

December 5, 2014

Mr. Joel Speight
Deputy Executive Director
Texas Racing Commission
P. O. Box 12080
Austin, TX 78711

Dear Mr. Speight:

After discussing the interstate cross-species allocation for 2015 with Nick James of the Texas Greyhound Association, Gulf Greyhound Park is very pleased to support these monies being sent to us for distribution to our kennels running live racing at our track. We are in complete agreement with the proposal presented by the Texas Greyhound Association. We appreciate the continued support of the Texas Greyhound Association, Valley Race Park and Gulf Coast Racing.

Yours truly,

Sally B. Briggs
General Manager

C: Andrea Young
Steve Lamb
Nick James



5302 Leopard Street
Corpus Christi, Texas 78408

★
361.289.9333
www.gulfcoastracetrack.com

December 5, 2014

Mr. Joel Speight
Deputy Executive Director
Texas Racing Commission
P. O. Box 12080
Austin, TX 78711

Dear Mr. Speight:

As requested by the Texas Greyhound Association, Gulf Coast Racing is pleased to support the interstate cross-species monies generated at Gulf Coast Racing in 2015 to be sent to Gulf Greyhound Park and added to the purse account for live racing, as per Section 303.102 of the Texas Rules of Racing.

If you have questions or need additional information, please let me know.

Yours truly,

Steve Lamb
General Manager

C: Nick James
Andrea Young

From: Young, Andrea

Sent: Sunday, December 07, 2014 8:12 PM

To: loismowery ; Lila Smith

Cc: Sally Briggs (GGP); Nick James (1); Billy Galbreath; David Peck ; Ed Gardner; James Parker ; James Parker (2); Joe Frey; John Burnett; 'John Dalton'; Paul Watt ; Berube, Dwight; Korn, Maury

Subject: Re: 2014 Cross-Species Allocations

Dear Ms. Smith:

Valley Race Park fully supports the TGA's request related to 2015 Cross Species allocation and requests that it be approved by the Commission at its next meeting.

Please feel free to contact me should you have any questions.

Sincerely,

Andrea B. Young
President, Valley Race Park