

BEFORE THE  
TEXAS RACING COMMISSION  
AUSTIN, TEXAS

COMMISSION MEETING

APRIL 8, 2014

BE IT REMEMBERED that the above entitled matter came on for hearing on the 8th day of April, 2014, beginning at 10:38 A.M. at 105 West 15th Street, Room 120, Austin, Travis County, Texas, and the following proceedings were reported by SHERRI SANTMAN FISHER, Certified Shorthand Reporter for the State of Texas.

APPEARANCES

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Commissioners:      ROBERT SCHMIDT  
                             RONALD F. EDERER  
                             MIKE MARTIN  
                             GLORIA HICKS  
                             GARY P. ABER  
                             VICKI WEINBERG  
                             ANN O'CONNELL  
                             A. CYNTHIA LEON

1                   CHAIRMAN SCHMIDT: Good morning and  
2 welcome. It's 10:38. We have one Commissioner still  
3 en route which is the reason we've been a little bit  
4 tardy this morning.

5                   Mary Welch, will you please call the  
6 roll, please?

7                   MS. WELCH: Commissioner Ron Ederer?  
8 Commissioner Cynthia Leon?

9                   MS. LEON: Here.

10                  MS. WELCH: Commissioner Ann O'Connell?

11                  MS. O'CONNELL: Here.

12                  MS. WELCH: Commissioner Gloria Hicks?

13                  COMMISSIONER HICKS: Here.

14                  MS. WELCH: Commissioner Vicki Weinberg?

15                  COMMISSIONER WEINBERG: Here.

16                  MS. WELCH: Commissioner Michael Martin?

17                  COMMISSIONER MARTIN: Here.

18                  MS. WELCH: Commissioner John Steen?

19 Commissioner Gary Aber?

20                  COMMISSIONER ABER: Here.

21                  MS. WELCH: Chairman Robert Schmidt?

22                  CHAIRMAN SCHMIDT: Here.

23                  I believe we have a quorum.

24                  MS. WELCH: We do.

25                  CHAIRMAN SCHMIDT: Great.

1                   Public comment. We have one public  
2 comment from Sally Briggs.

3                   Ms. Briggs?

4                   MS. BRIGGS: Thank you. Good morning,  
5 Commissioners and staff. Sally Briggs from Gulf  
6 Greyhound Park.

7                   And I wanted to make you all aware that  
8 we were able to take our Keeneland -- the Keeneland  
9 signal this past weekend starting last Friday. You all  
10 are aware of the problems that had arisen, and many --  
11 for many, many thanks to the staff and to Tommy  
12 Azopardi who worked really hard on trying to get that  
13 signal in to the greyhound tracks. And as it was, that  
14 was our highest import horse signal Friday, Saturday,  
15 and Sunday. So we're very thankful that the signal did  
16 come in to us.

17                   Thank you.

18                   CHAIRMAN SCHMIDT: Great. That's good  
19 news.

20                   Devon, do we have any other cards?

21                   MS. BIJANSKY: No, sir.

22                   CHAIRMAN SCHMIDT: Okay. General  
23 business, the budget and finance update.

24                   Ms. Lane Goetsch?

25                   MS. GOETSCH: Good morning,

1 Commissioners. My name is Lane Goetsch, director of  
2 administration and finance for the Texas Racing  
3 Commission, and I'm here to give you the update on the  
4 budget and finance.

5 On pages three and four of your agenda  
6 packet, you will find the agency's fiscal year '14  
7 operating budget reflecting revenue collections and  
8 expenditures as of February 28th, 2014. As of that  
9 date, the agency had collected 5.2 million, or 53  
10 percent, of the expected revenues and expended 3.6  
11 million, or 39 percent, of the budgeted expenditures.  
12 At this time the Racing Commission is in good operating  
13 condition.

14 If you have any questions, I will be  
15 happy to answer them.

16 CHAIRMAN SCHMIDT: Thank you. We're  
17 halfway through the year.

18 Any questions of Ms. Goetsch?

19 Okay. Thank you very much for your  
20 report, ma'am.

21 A report on wagering statistics.

22 Ms. Smith?

23 MS. SMITH: Good morning, Commissioners.

24 On pages nine through 11 of your packet,  
25 you will see the wagering statistics for the periods of

1 January 1st through March 30th for both 2013 and 2014.  
2 The report reflects that in 2014 total wagering  
3 activities have increased at the horse racetracks by  
4 3.04 percent and has decreased at the greyhound  
5 racetracks by 4.78 percent.

6 Do you have any questions?

7 CHAIRMAN SCHMIDT: I just, I guess, had  
8 one question. Percentage change from the greyhound  
9 racetracks live, was that reflective -- the 27 percent  
10 number just jumped out on me. Is that from a different  
11 number of days?

12 MS. SMITH: Yes, because they were closed  
13 for a whole week because of kennel cough.

14 CHAIRMAN SCHMIDT: Okay. Thank you.

15 Any other questions of Ms. Smith?

16 Thank you very much, ma'am.

17 Racetrack inspections.

18 Mr. Blodgett?

19 MR. BLODGETT: Good morning,  
20 Commissioners.

21 The racetrack inspection report is  
22 included in your agenda packet under the general  
23 business tab this morning and it covers the period of  
24 time of February 1st through March 31st, 2014. During  
25 this period of time a total of 10 racetrack inspections

1 are reported by staff.

2 As outlined within your packets, these  
3 inspections were conducted within the areas of  
4 veterinarian, safety and security, administration,  
5 wagering at Retama Park, Gulf Greyhound Park, Gulf  
6 Coast Racing, Saddle Brook Jockey Club, and Sam Houston  
7 Race Park. A breakdown of the inspections include  
8 three scheduled inspections, four no-notice  
9 inspections, and three follow-up inspections.

10 For the period of time reported, no  
11 inspection items remain unsatisfactory.

12 CHAIRMAN SCHMIDT: Thank you.

13 Any questions of Mr. Blodgett?

14 Enforcement report, sir?

15 MR. BLODGETT: Yes, sir. Again, good  
16 morning.

17 The enforcement report is also included  
18 in your agenda packet under the general business tab  
19 and covers the period of time of February 1st through  
20 March 31st. The active racetracks during this period  
21 of time were Sam Houston Race Park and Gulf Greyhound.

22 The only note made for the numbers  
23 provided within your report are those identifying six  
24 horse positives which were all bute positives. The  
25 greyhounds had no report of positives during this time

1 frame.

2 CHAIRMAN SCHMIDT: Any questions?

3 Thank you, sir. Thank you very much.

4 A report by the advisory committee will  
5 be moved to later in the agenda. Commissioner Ederer  
6 called me. He was en route. His plane was delayed,  
7 but he was anticipated to arrive at the airport at  
8 10:10, so we expect him momentarily.

9 Proceedings on racetracks. Item 1, an  
10 application period for race dates under Commission Rule  
11 303.41.

12 Mr. Fenner, can you lay out the item for  
13 us, please, sir?

14 MR. FENNER: Yes, sir.

15 Commissioners, every year the Commission  
16 allocates live race dates to the racetracks for the  
17 following year or whatever period of time that the  
18 Commission determines is appropriate. In the past few  
19 years what you've been doing is setting up a 20-month  
20 window which consists of the following calendar year,  
21 in this case 2015, and then the following eight months  
22 beyond that which completes our fiscal year. This  
23 allows both the racetracks and the Commission  
24 additional time to plan for budgeting and staffing.

25 So what we'd like to recommend is that we

1 follow that model for this application period. We'd  
2 like for the period during which people can apply for  
3 the race dates to be from May 1 through June 30th and  
4 then have them be applying for race dates during 2015  
5 and the first eight months of 2016.

6 You'll see that during 2015 some  
7 racetracks already have race dates that have been  
8 granted to them during the previous allocation period.  
9 They may want to come in and adjust those dates. We'll  
10 just have to see.

11 But that's the process and we would  
12 recommend that you go ahead and open an application  
13 period.

14 CHAIRMAN SCHMIDT: Thank you, sir.

15 Any questions of Mr. Fenner?

16 So what we're discussing really is  
17 whether we simply want to open the period up from the  
18 1st of May to the 30th of June so you can apply if you  
19 wish or adjust if you wish.

20 Any public comment, Devon?

21 MS. BIJANSKY: No, sir.

22 CHAIRMAN SCHMIDT: No public comment.

23 Any further discussion by any of the  
24 Commissioners or questions?

25 MS. LEON: Is there a downside to doing

1 this?

2 CHAIRMAN SCHMIDT: None really. We're  
3 just opening the period up for application, so we can  
4 certainly adjust or changes with which -- right.

5 I'll certainly entertain a motion.

6 COMMISSIONER HICKS: I'll make the  
7 motion.

8 CHAIRMAN SCHMIDT: A motion by  
9 Commissioner Hicks for approval.

10 Is there a second?

11 COMMISSIONER WEINBERG: Second.

12 CHAIRMAN SCHMIDT: All those in favor  
13 signify by saying aye.

14 COMMISSIONERS: Aye.

15 CHAIRMAN SCHMIDT: Anyone opposed?

16 Okay. That motion carries unanimously.

17 Progress reports of inactive racetrack  
18 license holders. First, Mr. William Moltz from Austin  
19 representing Laredo Downs.

20 Mr. Moltz?

21 MR. MOLTZ: Good morning, Chairman,  
22 Commissioners. I'm here on behalf of Laredo Downs.

23 With regard to our progress report, I can  
24 tell you that the principals in Laredo Downs are  
25 continuing to explore various options. They have

1 various options that they -- specific options that  
2 they're looking at. They've had some meetings with  
3 Commission personnel. It's a bit premature to say that  
4 there's a whole lot more than that.

5 They are moving forward with those plans  
6 in an appropriate fashion and are continuing to keep an  
7 eye on what's going on in the industry and in the  
8 economy and we're hopeful that specifics will be in the  
9 not too distant future.

10 If you have any questions, that's  
11 basically where we are.

12 CHAIRMAN SCHMIDT: Thank you, Mr. Moltz.

13 MR. MOLTZ: Thank you.

14 CHAIRMAN SCHMIDT: Laredo Race Park,  
15 Ms. Young.

16 Andrea Young?

17 MS. YOUNG: Good morning, Commissioners.

18 Andrea Young, Laredo Race Park.

19 If I had read the transcript from our  
20 December meeting, I would be giving you -- I'm going to  
21 be giving you a very similar report to the report I  
22 gave you then.

23 We continue to pursue options in the  
24 local market. We continue to pursue options mainly  
25 through policy or particularly legislative relief that

1 might make a racetrack in Laredo viable in the near  
2 term. Until we see that, we don't suspect that we'll  
3 be doing a whole lot other than continue to monitor the  
4 situation and continue to look for avenues where we can  
5 get the project to work.

6 CHAIRMAN SCHMIDT: Okay. Thank you,  
7 Andrea.

8 Any questions of Ms. Young?

9 Okay. Thank you, Andrea.

10 Mr. Carr representing Dallas City Limits  
11 and Longhorn Downs.

12 MR. CARR: Thank you, Mr. Chairman.  
13 Commissioners, my name is Snapper Carr. I'm here today  
14 as an attorney representing the Dallas City Limits  
15 partnership. I am not here on behalf directly of  
16 Longhorn Downs.

17 I did want to -- I don't think there can  
18 be a status report with regards to this track or entity  
19 without talking a little bit, as you all know, about  
20 the extensive litigation that has occurred over a  
21 course of a number of years as it relates to this  
22 matter.

23 What I wanted to bring to your attention  
24 today is a concern that my client has, and we stated  
25 this concern for you at your February 7th, 2012 meeting

1 where we believe premature action was taken by the  
2 Commission to transfer to KTAGS a license that,  
3 candidly, they did not have contractual rights for with  
4 regards to that particular license.

5 After several years of litigation that I  
6 think you all have been briefed on, at every turn the  
7 Courts have found for my client. And as we sit here  
8 today before this Commission, my client, Dallas City  
9 Limits, is the only one that has a contractual, and has  
10 paid for to the tunes of in excess of a million  
11 dollars, the right to own the entity that owns Longhorn  
12 Downs.

13 Now, in discussing earlier with the  
14 general counsel, that does not mean that you all have  
15 decided they are the licensee, nor do we contend that.  
16 What we have consistently asked for is that this be  
17 looked at in the terms of where it lies today, put all  
18 of the parties in the position as they existed on  
19 February 6th, 2012.

20 At the time -- and I'm glad the  
21 vice-chairman is here. I was looking at the  
22 transcripts from that particular meeting. At that time  
23 the entities for Austin Jockey Club and KTAGS, the  
24 attorneys represented to you all that they would be in  
25 possession of stock; if you all made a certain

1 decision, the Houston Court would release this.

2 In fact, in making the motion, the  
3 vice-chairman at that meeting noted "It appears to me  
4 that the Court in Houston has made it clear who the  
5 owner of the stock is as far as that -- it may be  
6 appealed. That's true. But at the present time that  
7 is the status of the stock and I think it is ripe for  
8 the action by the Commission."

9 That statement -- it was a very fair  
10 statement to make, Mr. Vice-Chairman, based on the  
11 information that was provided at that time by the  
12 parties. We contended that was incorrect information  
13 at the time. And since those two years have occurred,  
14 we've been proven correct on that assertion. And in  
15 fact, the Courts, as we've noted, have continually  
16 sided with my client on this issue.

17 And in fact, the Dallas Court of  
18 Appeals -- and then, as we noted, I think, the last  
19 time I visited with you, this Commission and the  
20 parties appealed the Dallas Court of Appeals decision  
21 for review by the Supreme Court. That was thoroughly  
22 briefed. This particular issue about the role of the  
23 Commission was briefed by this Commission and the  
24 Attorney General's office. And the Supreme Court  
25 denied that.

1                   So we have a Dallas Court of Appeals  
2     opinion that I think succinctly gets the heart of this  
3     issue, the fact that this Commission, respectfully, has  
4     no authority to adjudicate a private contractual  
5     matter. They have the ability to transfer a license.  
6     And so to be able to transfer to someone that does not  
7     have an ownership right amounts to close to a taking,  
8     candidly.

9                   You can't determine, "Well, we get to  
10    decide the license." That is correct. But you don't  
11    get to adjudicate who actually owns that entity. And I  
12    think the Dallas Court of Appeals succinctly put it  
13    when they noted in rejecting a motion that "Although  
14    the Racing Commission approval is necessary for  
15    obtaining licensee status, it has no direct bearing on  
16    Dallas City Limits' contractual right to purchase the  
17    stock."

18                   The Court further stated that, quote,  
19    "Approval by KTAGS by the Commission means nothing so  
20    long as Dallas City Limits possesses a superior  
21    contractual right to that stock."

22                   I would note that the general counsel and  
23    the executive director in their briefing memo to you in  
24    that February hearing way back in 2012 put that very  
25    caveat, if you will, into the record, that this was

1 subject to the rights of Dallas City Limits as they  
2 were proven by the Court.

3 We're not asking to be put on the agenda  
4 for transfer of the licensee right now, but what we are  
5 asking for is that for this Commission at the date --  
6 and we'll submit this in writing. I had a discussion  
7 with general counsel -- to have an agenda item placed  
8 on a future meeting that can unwind that action that  
9 took place so that we then can proceed with sorting out  
10 the status of this.

11 In addition to the Dallas Court of  
12 Appeals, you all should be in possession -- I'm going  
13 to -- I brought extra copies for the Commission with  
14 regards to the Dallas District Court's judgment which  
15 found squarely that the termination of the stock  
16 purchase agreement by Austin Jockey Club was  
17 ineffective, therefore it's in effect. They awarded my  
18 clients a substantial amount of money in attorneys'  
19 fees because they won the case.

20 They then went on to say that they're  
21 granting all necessary writs --

22 MR. FENNER: Mr. Chairman, we are getting  
23 off the posted agenda here. This is a progress report  
24 on Longhorn Downs and Mr. Carr is getting into an  
25 extensive discussion of the litigation. I'm not sure

1 that this is something that's appropriate for this time  
2 and under that posting.

3 CHAIRMAN SCHMIDT: Okay.

4 MR. CARR: Fair enough. I will wrap up  
5 and simply say, as I said before, I don't think any  
6 progress report on this matter could be complete  
7 without a discussion of the status of the extensive  
8 litigation that's occurred.

9 We will submit this in writing. We  
10 appreciate your all's time with this. But at the end  
11 of the day, in conclusion, what we're asking this  
12 Commission is to no longer kind of allow this to  
13 proceed in, candidly, the fictitious realm that KTAGS  
14 has a right to this at this juncture because the Courts  
15 have disagreed with that.

16 With that, thank you. And I'm certainly  
17 open for any questions.

18 CHAIRMAN SCHMIDT: Thank you, Mr. Carr.

19 Any questions of Mr. Carr?

20 Thank you, sir.

21 MR. CARR: Thank you.

22 CHAIRMAN SCHMIDT: Just to make certain,  
23 we don't have anyone else signed to speak up on this  
24 progress report, do we?

25 I'd also like to welcome Commissioner

1 Ederer. He left at 4:30 this morning. We appreciate  
2 your loyalty to the Commission and your input, sir.

3 VICE-CHAIRMAN EDERER: It was a fast ride  
4 from the airport.

5 MR. BROWN: Good morning, Mr. Chairman  
6 and Commissioners. Bryan Brown representing KTAGS  
7 Downs Holding Company, LLC, the entity that is  
8 recognized by the Commission as the owner of the  
9 Longhorn Downs, Inc. stock.

10 Just a quick update on the litigation.  
11 Both cases, the Dallas and Houston case, have been  
12 appealed. There has not been briefs filed as of yet,  
13 so it's early on in the process, much work left to be  
14 done in those cases, and we'll keep you updated and  
15 counsel updated as progress is made in those cases.

16 I'd be happy to answer any questions you  
17 have.

18 CHAIRMAN SCHMIDT: Thank you, Mr. Brown.  
19 No questions.

20 MR. BROWN: Thank you.

21 CHAIRMAN SCHMIDT: I think it's fair to  
22 say that Longhorn Downs' progress with respect to track  
23 construction will be limited until title is resolved.

24 Mr. Phillips, welcome.

25 MR. PHILLIPS: Thank you. Good morning,

1 Commissioners. I'm Howard Phillips representing Manor  
2 Downs.

3 We continue to maintain the racetrack,  
4 the facilities, the surface, and engage in some  
5 conversations with potential acquirers. And we are  
6 hopeful with the continued growth of Austin and the  
7 focus that it's getting regionally and nationally that  
8 it will be an attractive acquisition for someone.

9 That's all I really am prepared to say at  
10 this time.

11 CHAIRMAN SCHMIDT: I'm just curious,  
12 sir. The track has been inactive now for three years?

13 MR. PHILLIPS: Yes, sir.

14 CHAIRMAN SCHMIDT: So were one to  
15 purchase this, would you have to completely redo the  
16 racing surface or does it maintain itself fairly well?

17 MR. PHILLIPS: No. We maintain that, at  
18 considerable expense. It's just part of the -- you  
19 know, in an asset that is that valuable that we've put  
20 that much money in -- I think the expansion to the oval  
21 with land acquisition was about five million dollars.  
22 You don't want to let that, you know, go to seed, as  
23 they say, and grass does love to grow in that surface  
24 if you don't maintain it.

25 CHAIRMAN SCHMIDT: Any other questions of

1 Mr. Phillips?

2 VICE-CHAIRMAN EDERER: Do you own all the  
3 surrounding land?

4 MR. PHILLIPS: Yes. Well, there's 150  
5 acres that's the licensed premise and there's an  
6 adjacent 75 acres that a related party has, a partner.

7 VICE-CHAIRMAN EDERER: Between you and  
8 the school?

9 MR. PHILLIPS: There's 25 acres between  
10 us and the school that we own. And that's why it's  
11 imperative that we keep up the licenses, not only our  
12 Racing Commission license but our liquor license and  
13 all the necessary licenses to keep the continuity  
14 there. We preexisted the school and anything on Hill  
15 Lane by 10 years, but I feel like we need to maintain  
16 our position, our status as preexisting, grandfathered,  
17 if you will, so you can understand the business model  
18 there.

19 CHAIRMAN SCHMIDT: Any other questions of  
20 Mr. Phillips?

21 Thank you, sir. Good to see you again.

22 MR. PHILLIPS: Thank you. Good to see  
23 you.

24 CHAIRMAN SCHMIDT: Next, proceedings on  
25 rulemaking. A proposal to amend Rule 309.355, Grading

1 System; a proposal to amend 311.2, Application  
2 Procedure; and to amend Rule 313.110, Coupled Entries.

3 Mr. Fenner, can you update us, please?

4 MR. FENNER: Yes, sir.

5 The first proposal to amend the grading  
6 system rule has been submitted by Gulf Greyhound Park  
7 and it is supported by the Texas Greyhound  
8 Association.

9 The current rule says that the  
10 association can't require a kennel to provide a  
11 greyhound of a specific grade or capable of running a  
12 specific distance. However, the proposal to change it  
13 would allow the association to contract with the  
14 association and require -- the association to contract  
15 with the kennel and require the kennel to provide at  
16 least 15 percent of its active greyhounds and make them  
17 available for longer distances, specifically a 660-yard  
18 distance.

19 The rationale offered by the two parties  
20 in support of this is it would allow them to card more  
21 interesting and attractive races for the bettors  
22 because of introducing more variety to the types of  
23 distances they can run.

24 This has been discussed at the rules  
25 committee which authorized us to bring this to -- bring

1       this to you for consideration.

2                   CHAIRMAN SCHMIDT:  Is Ms. Briggs here?

3                   MS. BRIGGS:  Yes.

4                   CHAIRMAN SCHMIDT:  I just had one  
5       question, Ms. Briggs.  I'm sorry.

6                   MS. BRIGGS:  That's okay.

7                   CHAIRMAN SCHMIDT:  I know it's been  
8       worked through the system, so it's supported.

9                   MS. BRIGGS:  Right.

10                  CHAIRMAN SCHMIDT:  I was just curious.  
11       Horses run at ideal distances.  You really can't make a  
12       six-furlong horse a mile and an eighth.

13                  MS. BRIGGS:  Right.

14                  CHAIRMAN SCHMIDT:  Do you train dogs this  
15       way or do you breed them that way?

16                  MS. BRIGGS:  Yes.  You can train them  
17       that way.

18                  CHAIRMAN SCHMIDT:  So you don't have to  
19       change your breeding pattern.

20                  MS. BRIGGS:  No.  Not at all.

21                  CHAIRMAN SCHMIDT:  Just train them to run  
22       a little longer.

23                  MS. BRIGGS:  Yes.

24                  CHAIRMAN SCHMIDT:  So the same dog can  
25       run a so-called sprint and run a little bit longer

1 distance.

2 MS. BRIGGS: Yes, sir.

3 CHAIRMAN SCHMIDT: Any other questions  
4 for Ms. Briggs?

5 MS. BRIGGS: Thank you.

6 MR. FENNER: Do you want to take them  
7 together or do you want me to --

8 CHAIRMAN SCHMIDT: Let's take them all  
9 together.

10 MR. FENNER: The next rule that's up for  
11 proposed amendment is a change to Rule 311.2,  
12 Application Procedure. And this is being done in  
13 response to Senate Bill 162 of the 83rd Legislature  
14 that requires that a State licensing agency, when we're  
15 talking about applicants for a license who have  
16 military service, that we adopt rules necessary to  
17 credit them for the service, training, or education  
18 they have through the military toward certain licensing  
19 requirements, the licensing requirements that are  
20 appropriate for the type of training or education that  
21 they have.

22 We've looked at this. We don't see a  
23 specific application to the licensing types that are  
24 engaged in racing. But nevertheless, the bill requires  
25 us to adopt rules and we need to have the flexibility

1 in the rules to address it. So the rule just basically  
2 acknowledges that we will provide credit, as  
3 appropriate, for military service or education.

4 This has, again, been discussed at the  
5 rules committee which authorized us to bring it to you  
6 for consideration.

7 CHAIRMAN SCHMIDT: Great.

8 Any questions of Mark about that  
9 proposal?

10 Okay. Lastly, Rule 313.110, Coupled.

11 MR. FENNER: This is a proposal regarding  
12 coupled entries that was submitted by the Texas Quarter  
13 Horse Association; and then after they discussed it  
14 with the Texas Thoroughbred Association, they submitted  
15 a modified proposal which is in your packet.

16 What this would allow to happen is it  
17 would allow the stewards to authorize the uncoupling of  
18 horses in stakes races with a purse of at least  
19 \$50,000. And this would allow -- presently horses that  
20 have shared or common ownership interests must be  
21 coupled; but if it's a stakes race of \$50,000 or more,  
22 this would allow them to be uncoupled and increasing  
23 the number of betting interests and allowing the race  
24 to be more attractive to potential bettors.

25 This has been supported not only by the

1 Thoroughbred association, the Quarter Horse  
2 association. We heard from the racing associations.  
3 Of course, we've discussed it with the stewards and  
4 they're fine with it. So we've taken it to the rules  
5 committee which authorized us to bring it to you for  
6 consideration.

7 CHAIRMAN SCHMIDT: Any questions of Mark  
8 or Mr. Fenner?

9 Okay. Commissioner O'Connell, do you  
10 have anything else to add?

11 MS. O'CONNELL: Nothing about these  
12 proposals.

13 CHAIRMAN SCHMIDT: Thank you.

14 And just for informational purposes, to  
15 emphasize what Mr. Fenner stated, Mary Ruyle from the  
16 Texas Thoroughbred, Jan Haynes from TTHBPA, and Rob  
17 Werstler from the Quarter Horse group all are available  
18 to testify in favor if needed.

19 Any further discussion?

20 I just want to emphasize again what we're  
21 proposing is to simply publish these proposed  
22 amendments in the Texas Register for public comment.  
23 We're not adopting them yet. We're just going through  
24 the first step.

25 Okay. If that's the case, I'll certainly

1 entertain a motion to approve all of these items and to  
2 publish them in the Texas Register.

3 MS. O'CONNELL: So moved.

4 CHAIRMAN SCHMIDT: Moved by Commissioner  
5 O'Connell.

6 VICE-CHAIRMAN EDERER: Second.

7 CHAIRMAN SCHMIDT: Seconded by Vice-Chair  
8 Ederer.

9 Any further discussion?

10 All those in favor signify by saying  
11 aye.

12 COMMISSIONERS: Aye.

13 CHAIRMAN SCHMIDT: Anyone opposed?

14 All three are approved unanimously.

15 The next item, I wanted to give you a  
16 second, Vice-Chair, to catch your breath. We would  
17 like a brief report, if possible, about the advisory  
18 committee on pari-mutuel wagering. Do you have  
19 anything to bring us up to date?

20 VICE-CHAIRMAN EDERER: Yes, I do. Of  
21 course, this is merely an interim report.

22 CHAIRMAN SCHMIDT: Yes, sir.

23 VICE-CHAIRMAN EDERER: The final report  
24 will be submitted in June, at the next meeting.

25 Everything is on schedule. We have

1 received a positive ruling out of the Kentucky Supreme  
2 Court. We have had two meetings with the lawyers and  
3 things are progressing quite positively. We expect to  
4 have at least two more meetings before we'll be  
5 prepared to give a final report. And that will be  
6 prepared and ready to go for the next meeting.

7 We continue to work. Everyone is working  
8 very hard to go forward with the investigation into  
9 pari-mutuel wagering.

10 CHAIRMAN SCHMIDT: We appreciate your  
11 efforts and all of the committee members. I know it's  
12 a busy task and we appreciate your efforts on behalf of  
13 the Commission.

14 VICE-CHAIRMAN EDERER: Thank you. And  
15 Dr. Martin and Commissioner Steen.

16 CHAIRMAN SCHMIDT: Yes, sir.

17 There will be no executive session  
18 today.

19 The next meeting will be scheduled for  
20 the 10th of June. It will be a little warmer then.

21 If there's no further old business or new  
22 business, the meeting is now adjourned at 11:06. Thank  
23 you.

24 (Proceedings concluded at 11:06 a.m.)  
25

1 STATE OF TEXAS )

2 COUNTY OF TRAVIS )

3

4 I, SHERRI SANTMAN FISHER, a Certified Shorthand  
5 Reporter in and for the State of Texas, do hereby  
6 certify that the above-captioned matter came on for  
7 hearing before the TEXAS RACING COMMISSION as  
8 hereinbefore set out.

9 I FURTHER CERTIFY that the proceedings of said  
10 hearing were reported by me, accurately reduced to  
11 typewriting under my supervision and control and, after  
12 being so reduced, were filed with the TEXAS RACING  
13 COMMISSION.

14 GIVEN UNDER MY OFFICIAL HAND OF OFFICE at Austin,  
15 Texas, this 14th day of April, 2014.

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SHERRI SANTMAN FISHER, Texas CSR 2336

Expiration Date: 12-31-15

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