

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, January 10, 2006 at 1881 Pierce Street in Conference Room 110 (Gaming Conference Room), Lakewood, Colorado. Chairman Gene Naugle called the meeting to order at 9:35 a.m.

Members Present

Gene Naugle, DVM, Chairman
David Lynn Hoffman, Vice-Chair
Marilyn Alkire, Member
C. Drew Grant, Member
Jack Pretti, Member

Staff Present

Dan Hartman, Director, Division of Racing Events
Earl Carlson, Commission Veterinarian
Greg Lamb, Division Auditor
Richard Mattson, Greyhound Racing Coordinator
Robert "Duke" Mann, Horse Racing Coordinator
Mark Brown, Division Enforcement Coordinator
Leland BeBee, Division Legal Assistant
Robert Dodd, Jr., Assistant Attorney General
Sherry Gunnell, Assistant to the Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Approval of Minutes of December 13, 2005

A motion was made by Commissioner Grant, seconded by Commissioner Pretti and unanimously carried to approve the minutes of December 13, 2005 as submitted.

Introduction of Mr. Brian Tobias, Representative of the Sunset Review Committee

Mr. Brian Tobias, Senior Policy Analyst with the Department of Regulatory Agencies' Office of Regulatory Reform, introduced himself and his colleague, Mr. Saul Larsen, and informed the Commission that they would be conducting the statutorily mandated Sunset evaluation of the functions and performance of the Division of Racing Events. Mr. Tobias distributed a document entitled "Sunset Statutory Evaluation Criteria" to the Commission and provided an overview of the Sunset review process and specific details relating to its purpose and goals. Mr. Tobias advised that the process is a routine operation that every regulatory program is statutorily mandated to undergo. He commented that the primary determination to be made by the review committee is

whether the regulation by the agency is necessary to protect the public health, safety and welfare and, secondarily, whether the conditions which led to the initial regulation have changed and whether other conditions have arisen which would warrant more, less or the same degree of regulation. Mr. Tobias observed that the process would entail the initial research phase (January-June 2006), the writing/report preparation phase (approximately June 1-October 15, 2006) and the submission and presentation of the final report to the General Assembly in January 2007. During the research phase, the review committee will conduct interviews and hold meetings to obtain input from a broad cross-section of sources. The written report will contain both statutory and administrative recommendations with the ultimate recommendation being whether to retain or “sunset” (abolish) the program. He explained that if it is determined that the agency should be abolished, a “wind-up” period would begin with a time frame to be designated for complete cessation of operations.

Mr. Tobias explained that, during the legislative phase, the Sunset review committee would be working closely with Legislative Legal Services’ staff to compose the preliminary Sunset bill. Hearings would then be conducted on the draft measure before it is introduced; questions and public responses could also be considered and amendments might or might not be entertained. Mr. Tobias noted that it is probable that the bill would be considered during the first three to four weeks of the 2007 legislative session.

The Commission thanked Mr. Tobias for his informative presentation and assured him of their willingness to be of assistance during the Sunset review process.

Consideration of Cloverleaf Greyhound Track’s 2006 Renewal Application – Richard Mattson

Mr. Richard Mattson, Greyhound Racing Coordinator, presented his report on Cloverleaf Greyhound Track’s 2006 renewal application with the dates of February 1, 2006 through May 31, 2006 for a total envelope of 120 calendar days. In the absence of Mr. John Manning, General Manager of Cloverleaf Greyhound Track, Mr. Scott Merkel, Director of Racing, and Ms. Shelley Lund, Mutuel Manager, appeared on behalf of the Racing Association.

Notice was taken by the Commission of the following matters:

- 1) That Cloverleaf Greyhound Track has requested permission to offer fifteen-race matinee performances on Sunday, Monday, Wednesday, Thursday, Friday and Saturday and fifteen-race evening performances on Friday and Saturday for a total of 120 races per week with no racing on Tuesday (except for a fifteen-race matinee on May 30th), and the following exceptions: three additional fifteen-race evening performances on Wednesday, February 22nd, Wednesday, March 29th and Wednesday, May 31st. No racing is scheduled on Easter Sunday, April 16th.

- 2) Mr. Mattson requested that, once the meet is underway, the Commission affirm that the Division has been delegated authority to modify the number of races and/or performances if the active count of greyhounds declines sufficiently to warrant such action.

The Division will ensure that no greyhound is entered into a race unless it has had at least sixty (60) hours of rest between starts. Also, it will be required that there be a minimum of forty-five (45) minutes between the last race of a matinee program and the beginning of weigh-in for an evening performance.

- 3) That the signed agreement between the Colorado Greyhound Kennel Association and Cloverleaf Greyhound Track relating to the point system/purse structure to be in effect during the meet is submitted and made part of the renewal application. Mr. Manning observed that he has received the signed agreement and would provide it to the Division. Mr. Gary Bryan confirmed that the Colorado Greyhound Kennel Association had approved the point system and purse structure.
- 4) The list of racing officials submitted to the Division is comprised primarily of individuals who have previously held their designated positions or have prior experience in the position. In response to Mr. Mattson's query, Mr. Merkel advised that he anticipates that Mr. Brian Plyter would serve as both the Clerk of Scales and the Kennel Master. Mr. Mattson recommended that the Presiding Judge, Mr. Kevin Gartland, not be allowed to undertake the duties of the Clerk of Scales.
- 5) That Cloverleaf Greyhound Track submitted a copy of its most recent financial statement with its renewal application. Mr. Greg Lamb observed that Cloverleaf's financial status appears to be sound through the 2006 season, although its revenues have slightly declined in the past year.
- 6) That all required simulcast agreements are to be submitted no later than forty-eight (48) hours prior to the commencement of simulcast operations. The Division will monitor this and ensure compliance. The Commission affirmed its delegation of authority to the Division Director and/or his designee to approve 1) any future simulcast agreements received subsequent to review and approval of the renewal application; and 2) any special events.
- 7) That the Certificate of Insurance (general liability coverage), which is currently in effect, expires on March 1, 2006 and, therefore, must be renewed prior to that time. Cloverleaf's workers' compensation insurance policy expired on January 1, 2006. Updated binders are to be submitted to the Division as soon as Cloverleaf receives them.
- 8) That a list of stockholders dated September 17, 2005 was submitted with the renewal application and is essentially unchanged from the previous list.

- 9) That the service contracts from American Teletimer (for photo finish and official timing services), AmTote (for pari-mutuel services and equipment), Greyhound Equipment Company (for the lure system), Sportview Television (for video services) and Scientific Games Communications, formerly Autotote Communications Services, Inc., (for uplink service for the video signal of Cloverleaf's races) and Roberts Communications Network, Inc. (provider of Frame Relay communication services from Las Vegas, Nevada) are on file with the Division or were included with the application.
- 10) That the certified fire, health/sanitation inspection reports will be submitted to the Division no later than five (5) days after the commencement of the meet.
- 11) That Cloverleaf Greyhound Track management submitted the required wagering formats with the renewal application.
- 12) Notice was given that Cloverleaf is requesting that the following take-out rate be approved for its upcoming meet: For Win, Place and Show – 19.5%; for the Daily Double, Quiniela and Exacta wagers – 22.5%; and for all exotic wagers, including the Twin-Trifecta, Tri-Super, Pick-3, Pick-4, Quiniela Double, Super-5, Trifecta and Superfecta – 24.0%.
- 13) That a marketing plan was submitted to the Division and was provided to Commissioner Hoffman for his review and comments.
- 14) Mr. Mattson reviewed with the Commission the status on the conditions for relicensure imposed by the Commission at the conclusion of Cloverleaf Greyhound Track's 2005 live race meet:
 - A) That a racing official serve in only his or her assigned position. Mr. Mattson stated that, although he endorsed this recommendation, he would be willing to hold its implementation in abeyance for a short period of time in order to allow Mr. Plyter to demonstrate whether he is capable of serving as both the Clerk of Scales and the Kennel Master.
 - B) That Association management take necessary steps to remedy staffing problems in the paddock.

Commissioner Hoffman complimented the Association on the quality of and creativity shown in its marketing/promotions plan. He recommended that the Association evaluate the effect of each undertaking or event during the upcoming meet and retain those that are successful and discard those that are not.

A motion was made by Commissioner Hoffman to approve the renewal application for Cloverleaf Greyhound Track's 2006 live race meet as presented. Commissioner Alkire amended the motion to reflect that approval of Cloverleaf Greyhound Track's 2006 renewal application is granted pending receipt of a current Pinnacol worker's compensation insurance policy prior to commencement of schooling or racing on the racetrack. The motion as amended was seconded by Commissioner Hoffman and unanimously carried. Therefore, Cloverleaf Greyhound Track's 2006 renewal application is hereby approved subject to satisfaction of the terms and conditions as set forth in the following Notice of Issuance of Meet License with Conditions:

BEFORE THE COLORADO RACING COMMISSION

STATE OF COLORADO

NOTICE OF ISSUANCE OF MEET LICENSE WITH CONDITIONS

IN THE MATTER OF THE ISSUANCE OF A MEET LICENSE FOR:
CLOVERLEAF GREYHOUND TRACK
POST OFFICE BOX 88
LOVELAND, COLORADO 80539

Pursuant to Colorado Revised Statute 12-60-505, the Colorado Racing Commission has reviewed and conducted a public meeting concerning the application for a race meet license.

The Colorado Racing Commission finds the application to be acceptable and orders said meet license to be issued to:

Cloverleaf Greyhound Track
Post Office Box 88
Loveland, Colorado 80539

with the following conditions:

1. That all race official positions be filled no later than forty-eight (48) hours prior to the commencement of the race meet and a list of said officials shall be filed with the Division of Racing Events.
2. That all employees required to be licensed make application for and receive a license before commencing employment.
3. That, unless authorized by the Division, all racing officials are to perform only the position for which they were hired.

4. That the maintenance routine be established and approved by the Division to ensure the consistency required for formful racing and to ensure the safety of the racing greyhounds. The Colorado Racing Commission has charged the Division of Racing Events with the duty to require Cloverleaf Greyhound Track to modify its track maintenance routine, if deemed necessary, at any time during the live race meet. Further, the Colorado Racing Commission delegates to the Division of Racing Events, without the necessity of conducting a special meeting, the authority to direct Cloverleaf Greyhound Track to redefine its permanently approved racing schedule by decreasing the number of races on any given program or deleting an entire performance if such maintenance routine and/or equipment fails to maintain the racetrack in a proper and consistent manner.

The staff of the Division of Racing Events will closely monitor the condition of the racetrack surface throughout the race meet.

5. That, during its 2006 live race meet which commences on February 1, 2006 and concludes on May 31, 2006 for a total envelope of 120 calendar days, Cloverleaf Greyhound Track's requested 2006 racing schedule is as follows: Fifteen-race matinee performances on Sunday, Monday, Wednesday, Thursday, Friday and Saturday and fifteen-race evening performances on Friday and Saturday for a total of 120 races per week with no racing on Tuesday (except fifteen-race matinee on May 30th), and the following exceptions: three fifteen-race evening performances on Wednesday, February 22nd, Wednesday, March 29th and Wednesday, May 31st and no racing on Easter Sunday, April 16, 2006, be approved subject to the following conditions:
 - a) That the Division of Racing Events' staff will closely monitor Cloverleaf Greyhound Track's racing operations to ensure that a sufficient number of greyhounds are available for any given racing performance.
 - b) That Cloverleaf management ensure that greyhounds will have a minimum of sixty (60) hours between starts.
 - c) That, in the event of ongoing shortages of active greyhounds, the Commission delegates to the Division of Racing Events, without the necessity of conducting a special meeting, the authority to direct Cloverleaf Greyhound Track to redefine its permanently approved racing schedule by either decreasing the number of races on any given program or deleting an entire performance.
 - d) That Cloverleaf Greyhound Track management agrees to and will ensure that there is a forty-five minute (45) period between matinee and evening performances throughout the entire race meet.

6. That all simulcast contracts shall be submitted no later than forty-eight (48) hours prior to the commencement of simulcasting.
7. That the racing secretary shall verify the vaccination records of all race participants before accepting any registration papers.
8. That a schedule shall be provided to the staff of the Division of Racing Events for regular schooling races and weigh-in times.
9. That the staff of the Division of Racing Events shall be notified twenty-four (24) hours in advance of any additional schooling races.
10. That Cloverleaf Greyhound Track management shall ensure that the paddock is adequately staffed for all functions that are performed therein.
11. That adequate advance notice be given to all racetrack departments and the Division of Racing Events regarding special events and special races.
12. That any unfinished facility improvements deemed necessary for the protection, health and safety of the public, the Division of Racing Events' employees and the race participants shall be completed before opening.
13. That certified fire, health/sanitation inspection reports shall be submitted to the Division no later than five (5) days after commencement of the race meet.
14. That an agreement be reached between Cloverleaf Greyhound Track and the organization representing a majority of the kennel operators with respect to the purse structure used at the 2006 Cloverleaf Greyhound Track meet and that this agreement be forwarded to the Division of Racing Events prior to the commencement of the live race meet.
15. That video cameras and video recording equipment be maintained to the satisfaction of the Division of Racing Events and that a sufficient number of tapes be kept available at all times.
16. That Cloverleaf Greyhound Track's take-out rate be as follows: For Win, Place and Show – 19.5%; for Daily Double, Quiniela and Exacta wagers – 22.5%; and for all other wagers – 24.0% (Twin-Trifecta, Tri-Super, Pick-3, Pick-4, Quiniela Double, Super-5, Trifecta and Superfecta). Any change to this take-out schedule must be approved by the Colorado Racing Commission.
17. That Cloverleaf Greyhound Track is allotted 83 greyhound simulcast days for use on live race days during calendar year 2006 in accordance with

changes to the Racing Statute during the 2003 legislative session. (The Commission noted that the enabling legislation mandates that only racetracks that are scheduled to offer live performances five days per week with a minimum of ten races per day would qualify for simulcast racing. Current envelopes would omit the weeks of January 29th through February 4th and May 28th through June 3rd. Given current schedules, there would not be five days of live racing conducted at those meets.)

18. That there be security personnel for the backlot to ensure that no unauthorized individuals gain admittance to restricted areas.
19. That smoking is prohibited in the Judges' stand or in any indoor areas known as "the roof".
20. That contracts for all service providers to Cloverleaf Greyhound Track be submitted to the Division of Racing Events prior to assuming their duties.

Failure to comply with the applicable conditions prior to or during the 2006 meet may result in a fine, suspension or revocation of the meet license for Cloverleaf Greyhound Track.

DATED this 11th of January, 2006.

BY ORDER OF THE COLORADO RACING COMMISSION

s/ _____

Daniel J. Hartman, Director
Division of Racing Events

Acknowledgment and Recognition of Mr. Greg Lamb, Division Auditor – Dan Hartman

Division Director Dan Hartman informed the Commission and attendees that Mr. Greg Lamb, Division Auditor for approximately fifteen years, is leaving the Division to pursue other ventures. Mr. Hartman expressed his appreciation to Mr. Lamb for his outstanding service and contributions to the agency throughout his tenure. The Commission thanked Mr. Lamb for his efforts and wished him success in his future endeavors.

Injury Tracking Data Report – Dr. Earl Carlson

Dr. Earl Carlson, Commission Veterinarian, presented a slide overview and oral report regarding the Injury Tracking Program study, 1993-2005. Dr. Carlson explained the origins of the research by explaining that an independent exploratory study was begun in order to focus on racetrack conditions and risk factors associated with injuries. He observed that the study encompassed five race meets and four racetracks over the course of twelve years. Dr. Carlson stated that the ultimate purpose of the research has been to enhance greyhound safety in Colorado by discussing the incidence and nature of

greyhound injuries in the state over the past twelve racing seasons and, also, by identifying factors that cause injuries in racing greyhounds. He commented that the study has evolved from merely tracking injuries to developing recommendations as a means of preventing them. He explained that by providing both qualitative and quantitative analyses, it is possible to offer an in-depth study into causes of injuries. Dr. Carlson noted that very few studies of greyhound injuries exist and only this study has employed statistics to predict and verify risk factors. Weekly injury reports developed in 1993 were a valuable aid for the efficient retrieval and analysis of racing injuries. Although the analysis is based on confirmed injuries, trainer-reported injuries have proved to be very valuable in recognizing patterns that may develop during a racing meet.

Dr. Carlson reported that one significant finding was that there is a correlation between injuries and the number of races per week. He advised that when multiple performances are conducted in a short period of time, the number of injuries increases, primarily because there is a decreased interval between starts. Further, if additional performances are held during a meet, the problem is compounded. Dr. Carlson asserted that one major improvement that has occurred during the course of the study period is the ability of those conducting research to monitor track conditions. By using soil analysis of racing surfaces and depth analysis schematics and graphs, it is possible to understand more fully than before how a racing surface reacts to routine maintenance and racing.

Dr. Carlson also provided insights and information regarding incidences of injuries by year; injury levels across race meets; injuries by type; injuries and average race times; injury rates and inclement weather; injuries, past performances and lag-time. He reported on the materials and methodology used in the collection and compilation of data, offered statistical summaries and data analyses and recommendations emanating from the research. Dr. Carlson offered the following recommendations: 1) that existing policies be utilized to require racetracks to extend hours between starts, reduce the number of races during a performance and/or the number of performances during a race week in order to reduce the number of injuries being observed at certain racecourses; 2) that additional performances not be allowed once the primary weekly schedule has been established; and 3) that trainers take an active role in monitoring the condition of the animals in their care by extending the time between starts and ensuring that the animals are given sufficient rest. In conclusion, Dr. Carlson reported the following: 1) that injury rates per 1,000 starts have remained within a narrow range for the twelve-year study period; 2) that training injuries are not as well-documented as veterinarian-confirmed injuries, although available data has been helpful; 3) that recurrent injury rates for the carpus and other injury types suggest that increased scrutiny of identified greyhounds could lower overall injury levels. He commented that the Division has instituted policies to prevent greyhounds from racing too frequently and that advancements in racing surface analysis will help track conditions and maintenance routines to be improved and, thus, enabling the overall incidence of injuries to be lowered. Dr. Carlson asserted that statistics are essential for interpreting problems and acknowledged that it is also crucial for professional knowledge and experience to be applied to observation. The Commission thanked Dr. Carlson for his interesting and informative presentation. The

Commission advised that it would entertain further discussion of and any questions regarding Dr. Carlson's report at its February meeting.

Scheduled Appeal/Referral Hearing – In the Matter of License Applicant FERNANDO ROJAS

The scheduled hearing was called to order by Commissioner Naugle at 11:20 a.m.

Neither Mr. Rojas nor his legal counsel, Mr. Patrick Bingham, was present. Assistant Attorney General Robert Dodd, Jr. appeared on behalf of the Division of Racing Events. Mr. Dodd explained that Mr. Rojas via his Attorney, Mr. Patrick Bingham, had requested and been granted a postponement of the hearing until this date. Further, Mr. Dodd informed the Commission that Mr. Rojas had been duly and properly notified of today's hearing.

Sworn testimony was given by Mr. Robert "Duke" Mann, Horse Racing Coordinator, appearing as an adversary witness.

The following exhibits were entered into the record:

Exhibit 1 – Multiple documents, including the following:

- A cover letter from Mr. Patrick Bingham, Attorney at Law, dated January 4, 2006;
- An affidavit of Fernando Rojas regarding Case Number 04-693 dated January 4, 2006; and
- A document entitled "Withdrawal of Application – Statement of Understanding" in the matter of Fernando Rojas a/k/a Fernando Rojas Sota, signed and dated by Division Director Dan Hartman on August 2, 2005; and

Exhibit 2 – A letter signed by the American Consular Officer representing The Foreign Service of the United States of America dated March 31, 2003 advising Mr. Fernando Rojas Soto (or Sota) that "this office regrets to inform you that it is unable to issue a visa to you because you have been found ineligible to receive a visa under. . . [Section 212(a) (6)(C)(1)]. . .of the Immigration and Nationality Act."

During the course of the hearing, Mr. Mann testified that the Division had ascertained that Mr. Rojas was, in actuality, residing and working in the United States on an illegal basis due to the fact that he could not produce a work permit or any Immigration and Naturalization Service (INS) documentation to prove otherwise.

Division Director Dan Hartman clarified how the Division had addressed this matter upon learning of Mr. Rojas' illegal status. He explained that, in prior years, Mr. Rojas had been able to produce INS work authorization papers. Mr. Hartman asserted that, upon applying for licensure in 2004, Mr. Rojas produced a Colorado Driver's

License and was given ample time to provide the necessary INS documentation to the Division. Mr. Hartman explained the distinction between the “denial of a license” and the “withdrawal of a license” by stating that a license denial is reflected on the applicant’s permanent record which is made available to other racing jurisdictions via a national database and which may result in refusal of licensure by another jurisdiction whereas a withdrawal of license carries no such consequences and is not made part of an applicant’s permanent record. Additionally, Mr. Hartman reported that the Division had denied Mr. Rojas’ license application, but Mr. Rojas had appealed that action.

Following review and deliberation of the testimony and evidence presented, a motion was made by Commissioner Alkire, seconded by Commissioner Grant and unanimously carried to affirm the Division’s denial of the license application of Mr. Fernando Rojas, case number 04-0693.

The hearing concluded at 11:55 a.m.

The above proceeding was stenographically recorded by Ms. Sarah Stueve, Court Reporter. A tape recording of the proceeding is on file at the Division of Racing Events’ office located at 1881 Pierce Street, Suite 108, Lakewood, Colorado.

The following Order was disseminated:

BEFORE THE COLORADO RACING COMMISSION

STATE OF COLORADO

Case Number: L/R 04-0693

COMMISSION ORDER # 06-01

IN THE MATTER OF:

FERNANDO ROJAS, License-Applicant

This matter came on for hearing on January 10, 2006 before the Colorado Racing Commission (hereafter, the “Commission”), as an appeal from the Division of Racing Events (hereafter, the “Division”) under the provisions of C.R.C.R. # 6.550.

The appeal arose out of the Notice of Denial issued by the Director of the Division (hereafter, the “Director”) to the License-Applicant, FERNANDO ROJAS, on September 7, 2005.

The License-Applicant did not appear in person, but submitted an Affidavit through his attorney, Patrick E. Bingham, Esq. Assistant Attorney General Robert H. Dodd, Jr. appeared on behalf of the Division. Robert J. ("Duke") Mann, Jr., Investigator, was sworn and reviewed the case on behalf of the Division. Daniel J. Hartman, Director, also spoke on behalf of the Division.

The Commission had before it the following items in the official record of the Case: 1) the "Support Occupational License Application" of the License-Applicant, dated and signed by the License-Applicant on July 3, 2004; 2) the Division's Notice of Proposed Denial, issued on July 9, 2005; 3) the Withdrawal of Application --- Statement of Understanding, signed by the Director on August 2, 2005; 4) the Division's Notice of Denial, issued September 7, 2005; 5) the License-Applicant's Letter of Appeal to the Division, signed and dated September 16, 2005, received by the Division, September 21, 2005; 6) the Notice of Appeal Hearing issued by the Division on September 27, 2005; 7) the Letter from the License-Applicant's Attorney, on behalf of the License-Applicant, dated November 1, 2005, requesting a continuance of the scheduled appeal hearing before the Commission; and 8) the Director's Order #05-19 --- Continuance of Appeal Hearing & Notice, dated November 4, 2005.

The Division offered into evidence, and the Commission accepted, the following two exhibits:

Exhibit # 1, the January 4, 2006 Cover letter from the License-Applicant's Attorney, Patrick E. Bingham, together with its Enclosures (the signed, notarized Affidavit of Fernando Rojas dated January 4, 2006, and the "Withdrawal of Application --- Statement of Understanding" signed by Daniel J. Hartman on August 2, 2005); and,

Exhibit # 2, Optional Form 194 (Rev. 4-91) of the U.S. Department of State, the Foreign Service of the United States of America, dated March 31, 2003, addressed to the License-Applicant, and signed by an American Consular Officer.

Findings of Fact

1. On July 3, 2004, the License-Applicant applied for a Colorado Racing License as a Jockey.
2. The Division had issued the License-Applicant a Jockey License in earlier years.
3. At all times relevant to the License-Applicant's application, the License-Applicant was a citizen of Mexico but not also a citizen of the United States.
4. The Division, following its standard procedures, permitted the License-Applicant to have a temporary license to participate in racing during the 2004 Arapahoe Park Meet, conditioned on the License-Applicant's promptly supplying additional supporting documentation.

5. Among the documents the Division required the License-Applicant to provide were current, official United States papers authorizing the License-Applicant to work in the United States. The License-Applicant had, in previous years provided such then-current documentation.
6. At no time subsequent to the date of the Application did the License-Applicant provide current papers authorizing the License-Applicant to work in the United States.
7. In October, 2004, the Division "red-flagged" the License-Applicant's file because the License-Applicant had failed to provide the necessary additional information and documentation to complete the application process.
8. In June, 2005, the License-Applicant requested to have his racing license validated for the 2005 Arapahoe Park Meet and was told that the file had been red-flagged for his failure to supply the necessary documentation. The validation request reopened the Division's investigation of the Application.
9. Investigator Mann secured Exhibit #2 and other Documents from the Immigration and Naturalization Service (hereafter, "INS"), which indicated that the License-Applicant did not possess a current authorization to work in the United States and was present illegally in the United States.
10. Investigator Mann discussed, in person, with the License-Applicant the License-Applicant's immigration status and Mr. Rojas could not produce any documents authorizing him to work in the United States.
11. On July 9, 2005, Investigator Mann served the License-Applicant with the Notice of Proposed Denial, and the License-Applicant signed for receipt of the document.
12. On August 2, 2005, the Director signed the document entitled, "Withdrawal of Application --- Statement of Understanding," which reflected the agreed-upon terms between the Director and the License-Applicant's attorney, Mr. Bingham, for the License-Applicant to withdraw his Application from consideration by the Division. This document recognized that the License-Applicant was not authorized to work in the United States in the relevant period of time, and required Mr. Rojas to produce the necessary documentation concurrently with any Colorado license application Mr. Rojas might make in the future.
13. The "Withdrawal of Application --- Statement of Understanding" set a 30-day outside time limit from the date of the Director's signature for the License-Applicant to return to the Division the document, signed and dated by the License-Applicant. The consequence of failure of this condition was spelled out in ¶ 17 of the document: that the Division would "proceed to terminate the

license-application process in the normal course (including issuing a License Denial).”

14. The License-Applicant stated the following in his Affidavit (part of Exhibit #1), with reference to the “Withdrawal of Application --- Statement of Understanding” document: “I reviewed the document and agreed to its terms without amendment by affixing my signature. I was fully aware that I needed to return the document signed by me to the Division no later than close of business, September 2, 2005.”
15. The License-Applicant did not return the “Withdrawal of Application --- Statement of Understanding” by the required deadline. The Licensee-Applicant further stated in his Affidavit, with reference to the “Withdrawal of Application -- - Statement of Understanding” document: “I did not return the document to the Division by the September 2, 2005 due date. The failure to return the document on time is entirely my fault.”
16. Subsequent to September 2, 2005, the Division concluded its investigation of the underlying facts in the License-Applicant’s application and, on the basis of information available to the Division, issued to the License-Applicant a Notice of Denial on September 7, 2005. The denial was predicated on 5 separate statutory violations, as follows:
 - a. C.R.S. § 12-60-507 (1)(a) --- Violation of a racing statute or rule
 - b. C.R.S. § 12-60-507 (1)(d) --- Fraud, willful misrepresentation, or deceit in racing
 - c. C.R.S. § 12-60-507 (1)(k) --- Discontinuance or ineligibility for the activity for which the license was issued
 - d. C.R.S. § 12-60-507.5 (1)(a) --- Failure to prove qualification
 - e. C.R.S. § 12-60-507.5 (1)(b) --- Failure to provide information required by statute or requested by the commission, failure to reveal any material fact or the supplying of information, which is untrue as to a material fact pertaining to qualification.
17. The License-Applicant further stated in his Affidavit: “I do request the opportunity to withdraw my application for a jockey’s license at this time because of my ineligibility for same.”

Conclusions of Law

Having considered the facts and arguments presented and having been fully advised in the premises, the Commission hereby unanimously concludes:

1. The Commission has jurisdiction over this appeal under the provisions of C.R.S. § 12-60-507(3), based upon the Division's denial of the License-Applicant's License.
2. The scope of the appeal is limited to examining the basis of the Division's decision to deny the License-Applicant's license and to addressing any procedural irregularities.
3. The License-Applicant's request in his Affidavit to be given the "opportunity to withdraw my application for a jockey's license at this time" is outside the scope of this appeal.
4. Exhibit # 1 is the only source of fact or argument that the License-Applicant has offered in this appeal, as the following statement found directly above the License-Applicant's Affidavit states: "This affidavit of Fernando Rojas is submitted to the Division of Racing Events as his response in this matter."
5. The License-Applicant did not argue any irregularities of process or violations of law on the part of the Division.
6. The Division complied with applicable United States Statutes and Colorado Statutes, Rules, policies, and procedures, including the required efforts to provide advance notice to the Licensee of all proceedings, throughout the course of the License-Applicant's application process.
7. At all times relevant to the License-Applicant's application, the License-Applicant, as a foreign national, needed the appropriate United States Visa to permit him to work in the United States in any capacity.
8. At all times relevant to the License-Applicant's application, the License-Applicant neither possessed nor was eligible to receive a Visa to work in the United States by virtue of § 212(a)(6)(C)(1) of the Immigration and Nationality Act.
9. The License the License-Applicant sought was a license to permit him to work as a Jockey in Colorado.
10. Because the License-Applicant did not possess the necessary United States Visa to permit him to work in any capacity, including working as Colorado-licensed Jockey, the License-Applicant was ineligible to obtain or use a Colorado Racing

license under the provisions of C.R.S. § 12-60-507 (1)(k), “ineligibility for the activity for which the license was issued.”

11. The License-Applicant did not argue that the Division erred in any of its conclusions that the License-Applicant had violated the statutory predicates enumerated in the Division’s Notice of Denial.
12. The License-Applicant admitted in his Affidavit that he was not eligible for a racing license.
13. The Division’s determination that the License-Applicant was ineligible under the provisions of C.R.S. § 12-60-507 (1)(k) was appropriate under the circumstances.
14. It is appropriate, under the circumstances, for the Commission to uphold the decision of the Division to deny a Colorado Racing License to the License-Applicant.

Order

The Commission hereby unanimously orders:

The Division’s Notice of Denial issued to the License-Applicant on September 7, 2005 is upheld.

DONE this 20th day of January, 2006.

**FOR, AND BY ORDER OF,
THE COLORADO RACING
COMMISSION**

s/_____
DANIEL J. HARTMAN, Director
Colorado Division of Racing Events

Report on Greyhound Racing Activity – Richard Mattson

Mr. Richard Mattson, Greyhound Racing Coordinator, advised that, for the period ending January 7, 2006, Interstate Kennel Club’s total live mutuel handle was 22.4% lower than for the comparable period last year. Mr. Mattson stated that the total import handle for the period reflects a 10% increase from the import handle wagered during last year’s meet. He also reported that Interstate’s Sunday programs have not been popular.

Mr. Tom Matl, General Manager of Interstate Kennel Club, appeared on behalf of the Racing Association. Mr. Matl observed that overall wagering in Colorado is slightly higher than it was at this time last year. However, he noted that wagering on Interstate’s live racing product is substantially less than it was during the 2004/05 season. He

explained that bettors prefer wagering on out-of-state offerings rather than on live in-state races because of Colorado's high take-out rate. He commented that live attendance is up approximately 7% this year over last. Mr. Matl informed the Commission that Interstate has held some special recognition nights to attract patrons, such as a Commerce City Night for local residents, and intends to hold a College Night and a Military Recognition Night in the near future.

Mr. Mattson also mentioned that the overall injury rate during this meet is down approximately forty percent (40%) from the same period last year. Mr. Mattson commented and Commission Veterinarian Earl Carlson confirmed that, whenever there are inconsistencies or difficulties with the racing surface, Track Superintendent Arthur Sweet takes immediate action to adjust the maintenance routine and correct the problems. Both Mr. Mattson and Dr. Carlson stated that Interstate's racecourse is being well-maintained.

Mr. Gary Bryan, President of the Colorado Greyhound Kennel Association, complimented the cooperation given to the greyhound racing community by Mr. Matl and his staff. He expressed his satisfaction with the efforts being made to ensure a safe racing surface and prevent injuries to the racing animals. Mr. Dan Hartman, Director of the Division of Racing Events, stated that the racing surface is routinely checked on the same day each week and an analysis is performed on it at that time.

Mr. Matl thanked Dr. Carlson for his leadership and Mr. Bryan for his cooperation.

The Commission accepted Mr. Mattson's report as presented.

Report Regarding Proposed Legislative Initiative – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, reported that he remains optimistic that a sponsor will be found to carry the Division's proposed legislative initiative and assured the Commission that he would monitor the status of and activity on this measure as well as on any other pertinent legislative initiatives and apprise the Commission of any developments.

Adjournment

There being no further business to consider, the meeting was adjourned at 12:05 p.m.

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on Tuesday, February 14, 2006 in Conference Room 110 (Gaming Conference Room), 1881 Pierce Street, Lakewood, Colorado.

GENE O. NAUGLE, DVM, CHAIRMAN

The undersigned hereby approve the foregoing Minutes.

DAVID LYNN HOFFMAN, VICE-CHAIR

MARILYN ALKIRE, MEMBER

C. DREW GRANT, MEMBER

JACK PRETTI, MEMBER

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, February 14, 2006 at 1881 Pierce Street in Conference Room 110 (Gaming Conference Room), Lakewood, Colorado. Chairman Gene Naugle called the meeting to order at 9:40 a.m.

Members Present

Gene Naugle, DVM, Chairman
Marilyn Alkire, Member
C. Drew Grant, Member
Jack Pretti, Member

Commissioner David Lynn Hoffman was excused from the meeting.

Staff Present

Dan Hartman, Director, Division of Racing Events
Earl Carlson, Commission Veterinarian
Richard Mattson, Greyhound Racing Coordinator
Robert "Duke" Mann, Horse Racing Coordinator
Mark Brown, Division Enforcement Coordinator
Leland BeBee, Division Legal Assistant
Robert Dodd, Jr., Assistant Attorney General
Sherry Gunnell, Assistant to the Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Approval of Minutes of January 10, 2006

A motion was made by Commissioner Alkire, seconded by Commissioner Pretti and unanimously carried to approve the minutes of January 10, 2006 as submitted.

Consideration of Request to Schedule Formal Rule-Making Hearing – Dan Hartman

Mr. Dan Hartman, Division Director, requested the ability to commence the formal rule-making process. He advised the Commission that the Division of Racing Events is in the process of compiling a packet of proposed new rules and rules to be amended or repealed based upon recommendations made by staff and industry members. Mr. Hartman stated that copies of this material would be available via electronic messaging for those on the agenda mailing list in the near future and in printed form for distribution at the March Commission meeting. Mr. Hartman also reported that a rule review workshop had been held on January 3, 2006 that had afforded interested parties an opportunity to review and discuss rule proposals and present additional rules for consideration. Based upon Mr. Hartman's request, a motion was made by Commissioner Alkire, seconded by Commissioner Grant and unanimously carried to direct the Division to schedule a formal Rule-Making Hearing during the Commission's April 11, 2006 meeting, which will be held in Conference Room 110 (Gaming Conference Room) at 1881 Pierce Street, Lakewood, Colorado.

Presentation Regarding Distribution of Owners/Breeders Awards and Supplemental Purse Fund Monies – Dan Hartman

Mr. Dan Hartman, Division Director, advised that the Division had prepared a final accounting of the Owners/Breeders Awards and Supplemental Purse Fund monies to be distributed to the various breed organizations for calendar year 2005. Mr. Hartman explained that, once authorization is given by BLB, Inc., the Division would be able to disburse the fund accruals.

After considering Mr. Hartman's final accounting of the Owners/Breeders Awards and Supplemental Purse Fund monies for distribution to the various breed organizations for calendar year 2005, a motion was made by Commissioner Pretti, seconded by Commissioner Grant and unanimously carried to grant approval to the Division to request issuance of State warrants in the following amounts to be disbursed pursuant to statute:

Colorado Thoroughbred Breeder's Association	\$757,459.36
Rocky Mountain Quarter Horse Association	153,092.06
Colorado Owners and Breeders of Racing Arabians	21,347.00
Rocky Mountain Paint Racing Club	3,609.36

The amount of \$1,826.63 due the Colorado Appaloosa Racing Association and the amount of \$46,489.78 due the Colorado Harness Horsemen's Association were excluded from distribution and will remain in escrow since the appaloosa organization does not currently have by-laws in effect containing a distribution plan and the harness group ceased to conduct live racing in Colorado several years ago.

Consideration of Request to Grant Conditional Approval of Arapahoe Park's 2006 Race Dates – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, advised the Commission that Mr. Bruce Seymore, General Manager of Arapahoe Park, had submitted a request to have the Commission consider granting conditional approval of Arapahoe Park's 2006 race dates at this meeting. Mr. Seymore informed the Commission that Arapahoe Park intends to conduct a thirty-nine (39) day meet commencing on Saturday, June 10, 2006 and concluding on Monday, September 4, 2006 with live performances on Mondays, Saturdays and Sundays throughout the season and a special program on Tuesday, July 4, 2006. He explained that, if the approval were given, it would afford him the ability to disseminate stall applications, establish a stakes race schedule and undertake sales negotiations and other arrangements for the meet, such as scheduling broadcast time on the Altitude Sports network.

In response to Commissioner Alkire's query regarding the rationale for conducting live racing on Mondays, Mr. Seymore observed that Mr. Sean Beirne, Vice-President of Racing and Simulcasting for BLB Investors LLC, had ascertained that Monday racing was desirable because there would be virtually no direct head-to-head competition with other racecourses in the nation on that day and, in this way, Monday racing afforded Arapahoe Park an advantage in promoting its simulcast schedule. Mr. Seymore explained that, due to the fact that five states refused to simulcast any Quarter Horse races, the Monday programs would be solely composed of Thoroughbred races. He noted that Arapahoe Park's on-site live handle and attendance would suffer on Mondays, but its simulcast handle would compensate for this.

Following review of the date request and discussion with Mr. Seymore regarding his plans for the upcoming meet, a motion was made by Commissioner Pretti, seconded by Commissioner Alkire and unanimously carried to grant conditional approval for Arapahoe Park to conduct a thirty-nine (39) day meet commencing on Saturday, June 10, 2006 and concluding on Monday, September 4, 2006 with live performances on Mondays, Saturdays and Sundays throughout the season and a special program on Tuesday, July 4, 2006. The Commission took notice that Arapahoe Park's renewal application would be provided to the Division in accordance with the established time frame for its submission.

Discussion Regarding Reconditioning of Arapahoe Park's Racing Surface – General Manager Bruce Seymore

Mr. Bruce Seymore, General Manager of Arapahoe Park, addressed the Commission regarding the process of reconditioning the racecourse during the off-season. He explained that the composition of the racing surface last year remained essentially the same as it was in 2004 and it had been determined that the surface failed to dry uniformly and, when it dried, it formed clots and became inconsistent. Therefore, Mr. Seymore had arranged for materials sampling and testing to be performed by Soil and Plant Laboratory, Inc. of Santa Clara,

California, a company that services major California racetracks and was highly recommended to him by Mr. Joe King, an expert racetrack superintendent. The results derived from the company's analyses indicated that 1) the combined levels of silt plus clay as well as the sodium content of the surface should be reduced; and 2) an adjustment in the ratio of fine to coarse sand (increasing the quantity of finer grade sand) was also needed. Mr. Seymore advised the Commission that, in March, modification of the racing surface would be undertaken and the existing material would be removed to sufficient depth to accommodate the amount of additive required. He stated that the entire process would be completed prior to the commencement of schooling in May. Mr. Seymore commended BLB, Inc. for granting immediate approval for this substantial capital expenditure.

Mr. Seymore reported that there would be changes made to Arapahoe Park's maintenance routines and that machinery that had cut into the base at uneven depths would not be used in the future. He advised that he had purchase a track conditioner that would become a main staple in caring for the track. Additionally, Mr. Seymore stated that he had hired a new Track Superintendent, Mr. Billy Byers, to serve during the upcoming season. Mr. Seymore informed the Commission that Mr. Byers had vast experience as both a jockey and a track superintendent and his expertise would be very useful. Mr. Seymore offered additional comments relating to the efforts that he and his staff make on an ongoing basis to ensure a uniform, consistent and safe racecourse.

Mr. Shannon Rushton, Executive Director of the Colorado Horse-Racing Association, expressed his appreciation, on behalf of his organization, for Mr. Seymore's efforts. He also commented that it is the earnest desire of the members of the Arapahoe Park horse racing community to have Dr. Earl Carlson, Commission Veterinarian, assigned to serve at Arapahoe Park's 2006 live race meet.

The Commission commended Mr. Seymore's efforts and expressed its hope that they would be successful.

Update – Animal Welfare and Medication Issues – Dr. Earl Carlson

Dr. Earl Carlson, Commission Veterinarian, advised the Commission that there have been recent outbreaks of kennel cough at three Florida racecourses. In light of this, he has obtained a treatment regime in an effort to be proactive and prevent the spread of the disease into Colorado. He observed that his primary focus is on ensuring that racing greyhounds entering and leaving Colorado have current and up-to-date health certificates and vaccination records. He noted that he has sent out notices and will be sending protocols to race and greyhound veterinarians to ensure that they are aware of the situation.

Dr. Carlson reported that, after the first two weeks of racing at Cloverleaf Greyhound Track, an initial surface analysis was performed that indicated that the racetrack was reasonably consistent and that clay/silt and sand ratios were within an acceptable range. He advised that he would attempt to perform a second depth measurement at Cloverleaf in order to ensure that a uniform, consistent track surface is maintained. Dr. Carlson assured the Commission that he and the track superintendent would address this matter.

Dr. Carlson advised that the injury levels at Cloverleaf were comparable to those in 2005. However, he stated that, recently, he had observed five injuries to hocks and numerous split toenails among racing greyhounds, possibly due to the coarseness of the sand being used. He also advised that there have been problems with cramping which could have resulted from weather changes. Dr. Carlson explained that he has been working closely with Cloverleaf's Racing Secretary to remedy this situation.

Dr. Carlson complimented the performance of Cloverleaf's Paddock Judge, Ms. Lisa Waterman. He stated that Ms. Waterman handles her work in a very professional manner.

Dr. Carlson stated that he and his staff will be monitoring what percentage of racing greyhounds are re-entered to race before the requisite seventy-two hours between starts has elapsed and will incorporate these statistics into their injury tracking data report for further study and analysis. He commented that it should be possible to detect whether there is a change in a greyhound's total number of starts.

The Commission accepted Dr. Carlson's report as presented.

Report – Greyhound Race Meets – Richard Mattson

Mr. Richard Mattson, Greyhound Racing Coordinator, presented his report on recent and current live race meets. Mr. Tom Matl, General Manager of Interstate Kennel Club, and Mr. John Manning, General Manager of Cloverleaf Greyhound Track, represented their respective Associations.

Mr. Mattson advised that he would include the statistical data relating to Interstate Kennel Club's 2005/06 live race meet in his end-of-meet report to be presented at the Commission's March meeting. He reported that the injury rate for this season was down approximately thirty (30) percent from last year. He attributed this significant decrease in the number of injuries to the performance of soil analyses. In this way, essential information was obtained that enabled the maintenance of a consistent racing surface. Mr. Mattson stated that he was pleased with the general conduct of the meet, although there were shortages of grooms on numerous occasions.

Mr. Mattson provided the following statistical data for the first nine day of live racing at Cloverleaf Greyhound Track: 1) the total in-state mutuel handle was \$1,504,110; 2) the total out-of-state handle was \$1,045,261; 3) the 2006 combined live and import handle for the period was \$2,549,371; and 4) the total import handle for the second week of racing (no imports could be accepted during the first week of racing) was \$589,074. Mr. Mattson noted that the handle is lower than for the same period in 2005. Mr. Mattson reiterated Dr. Carlson's observation that the 2006 injury rate is approximately the same as it was for the comparable time frame in 2005. He also commended the excellent performance Paddock Judge, Ms. Lisa Waterman.

The Commission accepted Mr. Mattson's report as presented.

Status Report -- Legislation – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, reported that, although the Division had pursued efforts to obtain sponsorship for and introduction of its proposed legislative initiative, the Legislature had refused to allow the measure to be presented. Mr. Hartman stated that the Division would not be making any further attempts to gain introduction of its proposal. He observed that the industry could elect to pursue its own legislative initiative recognizing the limits that Governor Owens has agreed to accept.

Certain representatives of the greyhound racing community voiced their distress and apprehension that, in the absence of tax relief, the industry may not be able to continue to be profitable. Mr. Bruce Seymore, General Manager of Arapahoe Park, asked to consult with industry members at the conclusion of today's meeting regarding possible legislative options.

Adjournment

There being no further business to consider, the meeting was adjourned at 10:30 a.m.

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on Tuesday, March 14, 2006 in Conference Room 110 (Gaming Conference Room), 1881 Pierce Street, Lakewood, Colorado.

GENE O. NAUGLE, DVM, CHAIRMAN

The undersigned hereby approve the foregoing Minutes.

(EXCUSED)

DAVID LYNN HOFFMAN, VICE-CHAIR

MARILYN ALKIRE, MEMBER

C. DREW GRANT, MEMBER

JACK PRETTI, MEMBER

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, March 14, 2006 at 1881 Pierce Street in Conference Room 110 (Gaming Conference Room), Lakewood, Colorado. Due to the absence of the Chairman and Vice-Chairman, Commissioner Alkire called the meeting to order at 9:30 a.m.

Members Present

Marilyn Alkire, Member
C. Drew Grant, Member
Jack Pretti, Member

Commission Chairman Gene Naugle and Vice-Chairman David Lynn Hoffman were excused from the meeting.

Staff Present

Dan Hartman, Director, Division of Racing Events
Richard Mattson, Greyhound Racing Coordinator
Robert "Duke" Mann, Horse Racing Coordinator
Leland BeBee, Division Legal Assistant
Robert Dodd, Jr., Assistant Attorney General
Sherry Gunnell, Assistant to the Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Approval of Minutes of February 14, 2006

A motion was made by Commissioner Grant, seconded by Commissioner Pretti and unanimously carried to approve the minutes of February 14, 2006 as submitted.

End of Meet Report – Interstate Kennel Club's 2005/06 Live Race Meet – Richard Mattson

Mr. Richard Mattson, Greyhound Racing Coordinator, presented the end of meet report for Interstate Kennel Club's 2005/06 live racing season, which commenced on November 1, 2005 and concluded on January 29, 2006 with 66 days of live racing and 88 performances. He reported that the total mutuel handle for the 2005/06 season of \$14,480,221 was approximately thirty-three and one-third percent (33-1/3%) below the amount of \$21,623,629 wagered during the 2003/04 season, which was the last full season of live racing at Interstate.

In his report, Mr. Mattson provided the following additional statistical information: 1) the total in-state mutuel handle was \$3,790,807; 2) the total out-of-state handle was \$10,644,832; 3) the 2006 combined live and import handle for the period was \$2,549,371; and 4) the average daily handle for the meet was \$219,397; the average handle per performance was \$164,547; the average daily handle generated on-site at Interstate was \$82,078 and the average daily handle generated off-site was \$161,285. He advised that \$813,846 was paid in purses during this past live racing season. In response to Commissioner Alkire's query, Mr. Mattson explained that the reason that a higher contribution was made to purses in 2005/06 than in 2003/04 was that there was no import signal being offered during the earlier meet and, thus, no five percent (5%) share was being set aside for purses.

Mr. Tom Matl, General Manager of Interstate Kennel Club, appeared on behalf of the Association.

Mr. Mattson commented in his report that the Division veterinary staff had found the operation of the paddock area to be as smooth as it was last season and no problems were reported. Mr. Mattson complimented Racing Secretary Gilbert Garcia and his staff for their helpfulness in implementing changes to the procedures relating to Division programs and for their cooperation and helpfulness in addressing problems and issues as they arose. Mr. Mattson advised that, although there was a shortage of grooms for a few performances, on most occasions, there was an adequate number of grooms available to staff the paddock.

Additionally, Mr. Mattson stated that there were no problems involving security or the operation of the mutuel department.

Mr. Mattson observed that there were 1,404 pari-mutuel races and 236 schooling races during this meet for a total of 1,640 official races. A total of 93 derogatory comments were issued for various infractions related to the running of the races. Further, there were 125 scratches requiring the greyhounds to school in front of the Board of Judges prior to being allowed to enter into official races. Mr. Mattson stated that there were no program cancellations, but one "no race" was declared during the January 5, 2006 performance.

In his report, Mr. Mattson commented that the lure was operated in an inconsistent manner during most of the meet. He observed that the Lure Operator failed to keep the lure at a consistent distance from the lead greyhound, most notably, after a greyhound had fallen and that the Lure Operator was often distracted while performing his duties. Discussion ensued between the Commission, representatives of the association and Division staff regarding the deficiencies in the operation of the lure at this meet and at other meets. It was the consensus of those offering views and opinions that this matter needs to be addressed. Division Director Dan Hartman and Mr. Matl stated that they had discussed the problems regarding the operation of the lure and assured the Commission that the situation would be rectified prior to the commencement of Mile High Greyhound Racing's 2006 live meet.

Mr. Mattson observed that the racetrack surface remained very consistent throughout the season and that race times were normally within the range projected by management prior to the commencement of the meet. He advised that the number of injuries observed by the veterinarian on duty was down twenty-three percent (23%) from last year, noting that this decrease in the injury rate could, in large part, be attributed to the program implemented by the Division Veterinarian(s). Mr. Mattson commented that this program requires that measurements be taken around the racetrack on the cushion depth from the inside to the outside rail. Afterward, the findings are provided to track maintenance personnel so that maintenance routines can be adjusted accordingly. On behalf of the Division, especially the veterinary staff, Mr. Mattson thanked the track maintenance staff for addressing problems as they arose and for performing their duties in an exemplary manner.

Mr. Mattson reported that, during the meet, 116 license transactions were completed with license and fingerprint fees totaling \$3,195. Additionally, there were thirteen citations issued for racing violations resulting in fines totaling \$585.00. There were eleven human drug/alcohol tests conducted during the meet. Three persons refused to take the test and their refusals were treated as positive results.

In his report, Mr. Mattson observed that American Teletimer, the provider of photo finish and official timing services, experienced very few problems during this meet. He also stated that having the Presiding Judge operate the photo finish camera instead of an employee of American Teletimer has continued to work very well and it has proved to be a benefit to the Judges to have control of the photo finish equipment. The Board has been able to view the photo without having to contact another individual to highlight specific areas of the photo. The process of making a race official has thereby been expedited. Mr. Mattson commented that the personnel of both United Tote Company, the provider of pari-mutuel services and equipment, and International Sound, the supplier of video surveillance of the races, performed their duties in a very professional manner.

Mr. Mattson extended his thanks to Mr. Matl and his staff for their cooperation throughout this meet.

Commissioner Alkire voiced her concern about the decline in the mutuel handle and expressed her hope that efforts will be undertaken to reverse this trend. Mr. Matl advised that, despite the decreased handle, he was encouraged that the on-site attendance had increased by approximately five percent (5%) from last season's meet. He informed the Commission that BLB, Ltd. is in the process of developing a new logo and a new marketing plan to be launched in conjunction with the Mile High Greyhound Track meet. Mr. Matl assured the Commission that every effort would be made to create a new image that would appeal to and attract new patrons to the racetrack.

Mr. Gary Bryan, President of the Colorado Greyhound Kennel Association, asserted that it is detrimental to the kennel operators to have to accommodate extra programs that do not draw patrons to the racetrack and do not increase the mutuel handle. He stated that the greyhound community suffers economically when the handle on live races is so low that it "destroys" the per-point allocation and the money generated from it. It was Mr. Bryan's view that the racing association should ensure that its marketing efforts would produce profitable results for the racing community.

After noting that there were no recommendations or conditions imposed for relicensure, a motion was made by Commissioner Grant, seconded by Commissioner Pretti and unanimously carried to accept the end of meet report for Interstate Kennel Club's 2005/06 live race meet as presented.

Inquiry Regarding Legislative Proposal

In response to Commissioner Pretti's query, Mr. Dan Hartman, Director of the Division of Racing Events, replied that the Division would not be sponsoring any legislation during the current legislative session. He stated that the racing industry is seeking to obtain late bill status for a measure that would not contain any reference to tax reductions for racetracks, but would give some relief in the southern circuit. Mr. Gary Bryan, President of the Colorado Greyhound Kennel Association, explained that the industry's proposal is two-pronged in that 1) it seeks to eliminate any requirement for the greyhound community to race in the southern circuit; and 2) it would allow simulcasting of races to take place during weeks when there are not five full days of live racing.

Consideration of Request to Raise Take-Out Rates on Twin-Tri and Tri-Super Wagers at Cloverleaf Greyhound Track – John Manning

Mr. John Manning, General Manager of Cloverleaf Greyhound Track, explained to the Commission that he had been instructed by the members of Cloverleaf's Board of Directors to request approval for the take-out rate on the Twin-Tri wager and the take-out rate on the Tri-Super wager to be raised to twenty-four percent (24%) of all wagers. Mr. Manning asked the Commission to take immediate action on this request in order for the changes to be implemented as soon as possible. Mr. Manning advised that Cloverleaf could expect to lose approximately \$35,000 on these two wagers if the take-out rate could not be raised. He stated that an increase in the take-out rate from the current nineteen percent (19%) to twenty-four percent (24%) should enable Cloverleaf to offset its shortfall in meeting its cash funding assessment.

Mr. Dan Hartman, Director of the Division of Racing Events, stated that the Commission has statutory authority to grant adjustments to take-out rates in order for racing associations to be compensated for the expense of cash funding the Division.

Discussion ensued during which Mr. Gary Bryan, President of the Colorado Greyhound Kennel Association, contended that the mutuel handle would decrease once patrons became aware that the take-out rate on certain wagers had been raised. Mr. Manning acknowledged that he is cognizant of the fact that increases in take-out rates produce diminished mutuel handles. He noted that he had lowered the take-out rates on the Twin-Tri and the Tri-Super wagers from the twenty-four and one-half percent (24-

1/2%) level in effect in 2005 on an experimental basis and for this Mr. Hartman commended him. Mr. Hartman recommended that the Commission approve the subject request in order to afford Cloverleaf the opportunity to recoup its outlay for cash funding.

Mr. Bryan asserted that the wagering public was being misled and that consistency in programming and take-out levels should be maintained. Mr. Manning observed that he was presenting the request of the Cloverleaf Greyhound Track Board of Directors.

A motion was made by Commissioner Grant, seconded by Commissioner Pretti and unanimously carried to grant approval of Cloverleaf Greyhound Track's request to raise the take-out rate on the Twin-Tri wager and the take-out rate on the Tri-Super wager to twenty-four percent (24%) of all wagers recognizing that there were some objections raised to this approach, but that the Association is statutorily permitted to make such an adjustment in order to offset the costs of cash funding.

Consideration of Request to Modify Veterinary Reimbursement Schedule and Fees for Associations – Dan Hartman

Division Director Dan Hartman advised that, pursuant to a 2002 statutory change, the Commission was given the responsibility to establish fee amounts and the veterinary reimbursement limits for Associations that employ veterinarians that fill in during emergencies. He explained that current economic circumstances and shortages of State veterinarians have necessitated the hiring of a substitute veterinarian to ensure full coverage of all live performances.

In light of a request submitted by Mr. John Manning, General Manager of Cloverleaf Greyhound Track, and after acknowledging that an Association may deduct the fee amount for emergency veterinary services from its taxes as provided by the Racing Statute, a motion was made by Commissioner Pretti, seconded by Commissioner Grant and unanimously carried to increase the maximum salary rate from \$210.00 to \$275.00 for up to a six-hour performance for greyhounds.

Consideration of Request for Early Distribution of 2005 Breeders Awards Fund Monies – Willard Burbach, Colorado Thoroughbred Breeders Association

Mr. Dan Hartman, Director of the Division of Racing Events, informed the Commission that the Colorado Thoroughbred Breeder's Association had submitted a formal written request for early release of \$129,000, which is approximately fifteen percent (15%) of their Owners/Breeders Awards and Supplemental Purse Fund accrual as permitted by statute. Mr. Hartman assured the Commission that he could project with confidence that sufficient funds would be available for this amount to be distributed to the Colorado Thoroughbred Breeders' Association on July 1, 2006.

Mr. Willard Burbach, Vice-President of the Colorado Thoroughbred Breeders Association, appeared to address the Commission on behalf of the breed organization. Mr. Burbach advised that his organization is requesting the sum of \$129,000 for the purpose of supplementing the Colorado Bred Stakes program and all Colorado Bred races at Arapahoe Park in 2006.

A motion was then made by Commissioner Grant, seconded by Commissioner Pretti and unanimously carried to authorize early distribution of \$129,000, which represents approximately fifteen percent of the total allocation, to the Colorado Thoroughbred Breeder's Association by July 1, 2006 conditioned upon confirmation of the availability of funds.

Comments Regarding Funds Distribution Process – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, advised that a delay in the issuance of warrants for release of the 2005 Owners and Breeders Awards and Supplemental Purse Fund distribution had occurred. He stated that the funds have now

been distributed and the Division hopes that the delays that caused the prolonged distribution process would not happen again.

Status Report – Cloverleaf Greyhound Track's 2006 Live Race Meet – Richard Mattson

Mr. Mattson reported that the total mutuel handle at Cloverleaf Greyhound Track through March 11, 2006 of \$8,249,995 represents a decline of -17.82% from last year's figure of \$10,038,376. He advised that the total handle derived from imported races of \$2,979,009 was -11.68% lower than the 2005 amount of \$3,372,960.

Mr. John Manning, General Manager of Cloverleaf Kennel Club, appeared on behalf of the Association.

Mr. Mattson stated that there have been twenty-seven (27) injuries to racing greyhounds through the first six weeks of racing this season, three higher than in 2005. Of the total number of injuries, twelve (12) have been injuries to hocks, one higher than in 2005, with the balance being injuries to toes, quarter bones and muscles. He stated that, at the beginning of the meet, there were eight hock fractures during the first four weeks of racing, but, during March, there have been four greyhounds have sustained fractured hocks through the first eleven days of the month. Mr. Manning expressed his concern regarding the significant increase in injuries in the past ten days and commented that virtually all of the injuries have occurred in the middle of the first turn.

Mr. Mattson commented that, when track depth measurements have been taken, it has been observed that the cushion is not as deep as the veterinary staff believes that it should be. Mr. Mattson advised that, ideally, the cushion depth should be between 1-1/2"-2" with the base being receptive to the greyhounds' toenails, affording them the ability to dig in and grip the base while racing. Mr. Manning observed that he has been requested to add new silica sand to the first turn in an effort to reduce the injury level and is being very attentive to the depth of the racing surface.

Mr. Dan Hartman, Director of the Division of Racing Events, explained that, as soon as he was made aware that a stick ruler was being used to measure the cushion depth, he directed that an immediate change be made from this to use of a force meter, a pressure-sensitive instrument that would provide accurate measurements and provide information for necessary adjustments to be made to the track maintenance routine. Mr. Mattson and Mr. Hartman expressed their commitment to and hope that measures being taken to improve the consistency and condition of the racetrack will be beneficial in reducing the incidence of injuries.

Mr. Mattson reported that the Division has conducted several human alcohol/drug tests during this meet and that, to date, one person has refused to be tested. Because of this, the licensee in question will need to produce a negative test result in order to resume his/her duties.

Mr. Mattson commented that he and Mr. Manning have attempted to meet on a regular basis and intend to hold a meeting on Thursday, March 16, 2006 after weigh-in.

Mr. Manning voiced his distress and frustration that his efforts to promote and market Cloverleaf's meet have proved negligible among the local population. He explained that he has been advertising the meet and distributing free passes in Loveland, making announcements on the radio regarding racing events and is considering doing so on local television. Mr. Manning observed that the majority of patrons who come to Cloverleaf are from Wyoming. The Commission acknowledged Mr. Manning's efforts and offered its support to him. Commissioner Pretti encouraged Mr. Manning to continue to pursue his marketing ventures in the hope that they will ultimately prove successful.

The Commission thanked Mr. Manning for his observations and accepted Mr. Mattson's report as presented.

Discussion Regarding Canine Influenza

Mr. Gary Bryan, President of the Colorado Greyhound Kennel Association, stated that he had heard reports on television regarding outbreaks of canine influenza among pet populations and wanted to be assured that the Commission and Division of Racing Events would make every effort to avert transmission and reintroduction of the disease back into Colorado kennels. Mr. Bryan asserted that there needs to be some type of administrative plan developed, under State governance and monitoring, that would prohibit any pet organization from returning pets to kennels and would prevent any pets from gaining access to kennels. Mr. Dan Hartman, Director of the Division of Racing Events, responded that, in order for a quarantine to be effective in the prevention of disease transmission, those who participate in the industry must make it successful. Mr. Hartman advised that the Division of Racing Events does not have sufficient manpower or financial resources to monitor the movement of all racing greyhounds into or outside of Colorado and throughout the nation. He stated that the Division relies upon the kennel operators to act in the best interests of their animals and undertake protective measures on their own. Mr. Hartman stated that there is a twenty-four hour health certificate requirement in effect in Colorado and assured Mr. Bryan that the Division is conscientious in its efforts to prevent greyhounds from entering Colorado without proper health documentation. Mr. Hartman appealed to Mr. Bryan's organization to halt the intrastate and interstate transportation of greyhounds.

Adjournment

There being no further business to consider, the meeting was adjourned at 10:45 a.m.

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on Tuesday, April 11, 2006 in Conference Room 110 (Gaming Conference Room), 1881 Pierce Street, Lakewood, Colorado.

(EXCUSED)

GENE O. NAUGLE, DVM, CHAIRMAN

The undersigned hereby approve the foregoing Minutes.

(EXCUSED)

DAVID LYNN HOFFMAN, VICE-CHAIR

MARILYN ALKIRE, MEMBER

C. DREW GRANT, MEMBER

JACK PRETTI, MEMBER

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, April 11, 2006 at 1881 Pierce Street in Conference Room 110 (Gaming Conference Room), Lakewood, Colorado. Chairman Gene Naugle called the meeting to order at 9:30 a.m.

Members Present

Gene Naugle, DVM, Chairman
Marilyn Alkire, Member
C. Drew Grant, Member
Jack Pretti, Member

Commissioner David Lynn Hoffman was present via teleconference call.

Staff Present

Dan Hartman, Director, Division of Racing Events
Earl Carlson, Commission Veterinarian
Richard Mattson, Greyhound Racing Coordinator
Robert "Duke" Mann, Horse Racing Coordinator
Robert Dodd, Jr., Assistant Attorney General
Sherry Gunnell, Assistant to the Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Approval of Minutes of March 14, 2006

A motion was made by Commissioner Grant, seconded by Commissioner Pretti and unanimously carried to approve the minutes of March 14, 2006 as submitted.

Scheduled Rule-Making Hearing

Pursuant to the published Notice of Rule-Making Hearing dated February 17, 2006, which is attached hereto and made a part of these minutes, Chairman Naugle convened the scheduled Rule-Making Hearing at 9:35 a.m.

Mr. Robert "Duke" Mann, who had assisted in the preparation of the rules for consideration at this time, informed the Commission and attendees that the Division of Racing Events had complied with all preliminary rule-filing requirements whereupon he presented the packet of rules for Commission review. Mr. Mann apprised attendees that copies of the rules were available both in written form and on the Division's website. He stated that a workshop open to all interested parties had been conducted and subsequent meetings had also been held to allow industry participation in the initial phase of the rule review process.

At this time, it was acknowledged by the Division that an annual review of its entire rulebook is undertaken in order to 1) ensure that its existing rules meet all statutory requirements; 2) determine whether the rules presently in effect accord with current industry practices; 3) correct any errors or deficiencies in the rules; and 4) consider new rule proposals and proposals to amend or repeal certain rules. Mr. Mann noted that the packet of rules to be considered at this time contains proposed new definitions, proposed new rules, certain rules proposed for amendment and certain rules proposed for repeal/deletion.

During the course of this Rule-Making Hearing, the Commission entertained views and opinions from industry representatives and other interested parties. All attendees were afforded an opportunity to present arguments for and against adoption of each rule under consideration.

At the outset of the Rule-Making Hearing, Mr. Mann observed that, although the rules were presented in numerical order in the packet, he would be requesting that the Commission consider certain rules in groups by subject and subsequently consider the definitions.

- Consideration of Proposed New Rule 2.201: Mr. Mann read the text of proposed new rule 2.201 into the record. Following review and after ascertaining that there were no objections to formal action being taken at this time, a motion was made by Commissioner Alkire, seconded by Commissioner Hoffman and unanimously carried to adopt new rule 2.201 on a permanent basis and, as part of the motion to adopt, the Commission incorporated the Statement of Statutory Authority, Basis and Purpose into the rule. A copy of the subject rule is attached hereto and made a part of these minutes.
- Consideration of Proposed Amended Rules 5.244 and 5.317: Mr. Mann read the text of proposed amended rules 5.244 and 5.317 into the record and observed that the amendments being requested were to bring the current rules into conformity with the nationally adopted Model Rules concerning Veterinary Practice. Following review and after ascertaining that there were no objections to formal action being taken at this time, a motion was made by Commissioner Hoffman, seconded by Commissioner Alkire and unanimously carried to adopt amended rules 5.244 and 5.317 on a permanent basis and, as part of the motion to adopt, the Commission incorporated the Statement of Statutory Authority, Basis and Purpose into the rules. A copy of the subject rules is attached hereto and made a part of these minutes.
- Consideration of Proposed Amended Rules 11.481, 11.482 and 11.484: Mr. Mann read the text of proposed amended rules 11.481, 11.482 and 11.484 into the record and observed that the purpose for amending the subject rules was to ensure proper security of a racetrack stable area following a race meet for the protection and safe removal of racing animals and participants. Review and discussion of the rules took place during which additional changes were incorporated into proposed rules 11.481 and 11.482. After ascertaining that there were no objections to formal action being taken at this time, a motion was made by Commissioner Alkire, seconded by Commissioner Hoffman and unanimously carried to adopt amended rules 11.481, 11.482 and 11.484 on a permanent basis and, as part of the motion to adopt, the Commission incorporated the Statement of Statutory Authority, Basis and Purpose into the rules. A copy of the subject rules is attached hereto and made a part of these minutes.
- Consideration of Proposed New Rule 3.809 and Proposed Amended Rule 11.480: Mr. Mann read the text of proposed new rule 3.809 and proposed amended rule 11.480 into the record. Mr. Mann observed that the purpose for recommending adoption of these rules was to afford the Division of Racing Events the ability to regulate off-track stabling locations and training tracks that house racehorses participating in and/or qualifying for racetracks licensed by the Colorado Racing Commission. Discussion ensued during which Division Director Dan Hartman and Mr. Mann confirmed that it is crucial for the Division investigators to be able to have jurisdictional authority at off-track stabling locations and training tracks that is comparable to and consistent with that that they have onsite at racing venues. Further, Mr. Hartman and Mr. Mann explained that it was necessary that all persons working with or preparing racing horses should be licensable.

Mr. Shannon Rushton, Executive Director of the Colorado Horse-Racing Association voiced some concerns and raised certain issues relating to the rules as presented. He asserted that 1) it would not be possible for the Division to ensure that all persons transporting racing animals throughout the nation are licensable;

and 2) a distinction must be made between the breeding sectors and the training sectors of an off-track stabling facility. Following discussion during which these matters were clarified to Mr. Rushton's satisfaction and after incorporating certain additional changes into the rules, it was agreed that the rules should be adopted at this time and that the effectiveness of the rules is to be monitored by the Division. After ascertaining that there were no objections to formal action being taken at this time, a motion was made by Commissioner Alkire, seconded by Commissioner Hoffman and unanimously carried to adopt new rule 3.809 and amended rule 11.480 on a permanent basis and, as part of the motion to adopt, the Commission incorporated the Statement of Statutory Authority, Basis and Purpose into the rules. A copy of the subject rules is attached hereto and made a part of these minutes.

- Consideration or Proposed Amended Definition of "Breeder" and Proposed New Definition of "Off-Track Stabling Location": Mr. Mann read the text of proposed amended definition of "Breeder" and proposed new definition of "Off-Track Stabling Location" into the record. Following review and after ascertaining that there were no objections to formal action being taken at this time, a motion was made by Commissioner Grant, seconded by Commissioner Hoffman and unanimously carried to adopt amended definition of "Breeder" and new definition of "Off-Track Stabling Location" on a permanent basis and, as part of the motion to adopt, the Commission incorporated the Statement of Statutory Authority, Basis and Purpose into the rules. A copy of the subject rules is attached hereto and made a part of these minutes.
- Consideration of Proposed Relocation of Current Rule 12.213: Mr. Mann explained that existing rule 12.213 had inadvertently been positioned under the incorrect heading and that it should be moved from under the heading "Closing of Wagering on a Contest" and inserted beneath the heading "Method of Wagering". Mr. Mann stated that no textual change to the wording of the rule was being proposed. After ascertaining that there were no objections to formal action being taken at this time, a motion was made by Commissioner Alkire, seconded by Commissioner Naugle and unanimously carried to relocate current rule 12.213 on a permanent basis and, as part of the motion to adopt, the Commission incorporated the Statement of Statutory Authority, Basis and Purpose into the rule. A copy of the subject rule is attached hereto and made a part of these minutes.
- Consideration of Proposed Amended Rule 12.550 and Proposed Repeal/Deletion of Rules 12.552, 12.554, 12.556, 12.558 and 12.560: Mr. Mann explained that the purpose for amending rule 12.550 and for repealing and deleting rules 12.552, 12.554, 12.556, 12.558 and 12.560 was that the rules are obsolete and do not conform to current totalisator system provisions and practices. Following discussion and after ascertaining that there were no objections to formal action being taken at this time, a motion was made by Commissioner Hoffman to adopt repealed/deleted rules 12.550, 12.552, 12.554, 12.556, 12.558 and 12.560 on a permanent basis. Commissioner Alkire amended the motion to reflect that all of the aforementioned rules, except rule 12.550, were being repealed/deleted, but that rule 12.550 was being amended. The motion was carried unanimously as corrected and, as part of the motion to adopt or repeal, the Commission incorporated the Statement of Statutory Authority, Basis and Purpose into the rules. A copy of the subject rules is attached hereto and made a part of these minutes.

There being no further rules to consider, the Rule-Making Hearing was adjourned at 10:30 a.m.

Scheduling of 2007 Race Dates Hearing – Dan Hartman

A motion was made by Commissioner Alkire, seconded by Commissioner Hoffman and unanimously carried to schedule the 2007 Race Dates Hearing on Tuesday, July 11, 2006 in conjunction with the Commission's regular July meeting. The location of both of these sessions will be Conference Room 110, 1881 Pierce Street, Lakewood, Colorado.

Comments by Arapahoe Park's General Manager Bruce Seymore

Mr. Bruce Seymore, General Manager of Arapahoe Park, distributed copies of the new "logo" that will be introduced at special events to be held at the racetrack on May 4, 2006. Mr. Seymore explained that the Commission would receive invitations to attend, as would media and press representatives, the Governor and local politicians. He stated that Arapahoe Park would not be renamed.

Consideration of Proposed 2006/07 Simulcast Schedule – Arapahoe Park – Robert "Duke" Mann/Bruce Seymore

Mr. Robert "Duke" Mann, Horse Racing Coordinator, presented Arapahoe Park's 2006/2007 proposed simulcast schedule for the period of April 21, 2006 through April 20, 2007, which was submitted by Mr. Bruce Seymore, General Manager of Arapahoe Park. He explained that it is appropriate and allowable for the Commission to consider the subject simulcast schedule at this time because Arapahoe Park has complied with the requirement that its renewal application to conduct a live race meet in 2006 be received by the Division of Racing Events sixty days prior to the planned opening of the meet. Mr. Bruce Seymore, General Manager of Arapahoe Park, appeared on behalf of the Association.

The Commission took notice of the following matters: 1) that Arapahoe Park is requesting permission to conduct 250 days of simulcasting, which is allowable by statute; 2) that thirty-nine (39) of these simulcast days are to be presented in conjunction with Arapahoe Park's live race meet, to be conducted from June 10 through September 4, 2006; and 3) that, in conjunction with its live meet, Arapahoe Park will provide horse simulcasting on its non-live days.

Mr. Mann observed that Arapahoe Park's request for approval of its simulcast schedule includes an open letter asking for blanket approval to send and receive interstate wagers and simulcasts from the following sources subject to contract and Division approval, excluding specific listing of racecourses and simulcast dates:

- All racetracks representing the United States and Canada;
- All racetracks in the International jurisdiction;
- All affiliated off-track wagering venues;
- Nevada pari-mutuel books; and
- Common pooling

Mr. Mann stated that the Division recommends Commission approval of the range of dates and the simulcasting proposal submitted by Arapahoe Park. The Commission acknowledged Division receipt of a copy of the agreement between Arapahoe Park and the Colorado Horse-Racing Association, the organization that represents a majority of the horse racing community at Arapahoe Park, endorsing the subject simulcast request and a Simulcast Calendar indicating the simulcast race days including live racing days.

Additionally, notice was taken by the Commission that unforeseen circumstances may necessitate that modifications be made to prospective simulcast dates and/or racing schedules and, therefore, the Division Director or his designee are delegated authority to approve such changes. Mr. Mann assured the Commission that final approval for simulcasting from any racecourse would not be given unless the Division had received both a racing schedule and a simulcast contract. He noted that the Division would apprise the Commission of the racing dates and schedules, as they are made available.

Following discussion, a motion was made by Commissioner Hoffman, seconded by Commissioner Alkire and unanimously carried to approve Arapahoe Park's request to commence simulcast wagering on April 21, 2006 and to allow Arapahoe Park to continue simulcast wagering through April 20, 2007 subject to the following terms and conditions:

- 1) That Arapahoe Park will inform the Division at least ten (10) days prior to adding a new track to its schedule. This will be followed by all required contracts.
- 2) That fully executed signed contracts and agreements for each racetrack from which broadcasts are to be received are provided to the Division no later than forty-eight (48) hours prior to the commencement of simulcasting from that site.
- 3) That adequate advance notice of the actual dates and simulcasting schedules for any and all venues to be made part of Arapahoe Park's 2006/2007 roster be provided to the Division of Racing Events prior to the start of racing from that site.
- 4) That the Division of Racing Events may, in its discretion, 1) require any totalisator link that has not been tested to be tested prior to the date of operation and 2) approve the telephone lines to be used.
- 5) That Arapahoe Park comply with all terms and conditions contained in the Interstate Horse Racing Act with regard to receipt of simulcast signals, presentation of approved simulcasts and broadcasting of its races to out-of-state venues.
- 6) That the Commission delegate authority to the Director or his designee to approve schedules for pre-approved tracks when a specified envelope is determined.
- 7) That the Commission will consider a complete renewal application for Arapahoe Park's 2006 live race meet, including specific approvals on the number of simulcast races to be offered on live race days, at its May 9, 2006 meeting.

The Commission directed that the Division monitor compliance with these requirements and ensure receipt of all necessary contracts prior to commencement of simulcasting from any racetrack.

Report – Association of Racing Commissioners' International Spring Conference – Commissioner David Lynn Hoffman

Commissioner David Lynn Hoffman reported that he and Division Director Dan Hartman had recently attended the first combined conference of the newly merged Association of Racing Commissioners' International (RCI) and the North American Pari-Mutuel Regulators Association (NAPRA) held near Albuquerque, New Mexico. Commissioner Hoffman stated that he is enthusiastic about the merger of the organizations and believes that it will ensure a consistency in the future development of rules and policies.

Commissioner Hoffman observed that he had appreciated the opportunity to meet with regulators from other racing jurisdictions and become exposed to the various political issues impacting them. He had ascertained from these encounters that other racing jurisdictions were affected by the availability of other forms of gambling, especially by the presence of different types of gambling at racetrack venues. He commented that states, such as Colorado, that did not allow gambling on the premises of racetracks were struggling financially, that those that allowed additional gambling options at racetracks were doing well, but that those that offered both on-site gambling at racecourses and had casinos nearby were not doing as well as those that were not impacted by casinos. Commissioner Hoffman expressed his belief that the apparent benefit of having other forms of gambling available at racetracks may, in some cases, be merely a short-term solution, a "band-aid", to the financial distress being experienced by

the racing industry and that it would not cure or permanently offset the decline in the popularity of live racing.

Commissioner Hoffman commented that he has serious concerns about the effects of both off-shore gambling and internet wagering on racing revenues. He observed that, absent involvement by the federal government, these types of gambling would become increasingly difficult to control or police, noting that they diminish revenues going to the states. After asserting his views, Commissioner Hoffman urged that a roundtable discussion or open forum be held, possibly in conjunction with an upcoming Commission meeting, to flesh out ideas for and possible solutions to these problems.

Commissioner Hoffman expressed his appreciation for the opportunity that he had been afforded by being able to attend and participate in the conference.

Update – Animal Welfare and Medication Issues – Dr. Earl Carlson

Dr. Earl Carlson, Commission Veterinarian, advised the Commission that, recently, there have been only a very limited number of reported outbreaks of kennel cough with none in Colorado. He also stated that no outbreaks of canine influenza have occurred, noting that the problems with it appear to have subsided in Florida and Georgia. He commented that he and veterinarians at Colorado State University had developed protocols in an effort to respond to outbreaks of either disease as rapidly as possible. He noted that he has forwarded the protocols to local race and greyhound veterinarians as well as to the Colorado Veterinary Medical Association in an effort to ensure that they are aware of the situation and to ensure that the recommended treatment regime is followed and that a network is in place and maintained for the facilitation of communication regarding disease outbreaks. Dr. Carlson reported that his primary concern is that greyhounds may have been exposed to kennel cough or canine influenza, but not display any disease symptoms, making them probable carriers of the illness(es). In light of this, he is hoping to have the ability to limit the movement of greyhounds into or out of Colorado, noting that the major hurdle to accomplishing this is the enforcement aspect of it. He observed that his primary focus is on ensuring that racing greyhounds entering and leaving Colorado have current and up-to-date health certificates and vaccination records. Commissioner Hoffman stressed that it must be emphasized that it is extremely dangerous for greyhounds to move from states that have had disease outbreaks to Colorado.

With regard to horse racing, Dr. Carlson stated that, to date, there have not been any outbreaks of vesicular stomatitis. Mr. Bruce Seymore, General Manager of Arapahoe Park, and Horse Racing Coordinator Robert “Duke” Mann confirmed that a current, valid health certificate must be obtained for horses coming to Arapahoe Park within ten days of the time that they are brought for admission to Arapahoe Park’s stable area. Commissioner Naugle complimented the management of Arapahoe Park for implementing a ten-day time frame for acquisition of health certificates.

Dr. Carlson stated that, at this time, it is the discretion of a practicing veterinarian to decide whether a vaccination is to be given for the West Nile Virus. Dr. Carlson stated that, to date, no problems have arisen with this disease, but he assured the Commission that he would carefully monitor the situation and report any outbreaks.

Dr. Carlson reported that the injury rate at Cloverleaf Greyhound Track has risen slightly during this reporting period. He stated that he has spoken to Mr. John Manning, General Manager of Cloverleaf Greyhound Track, regarding the extreme hardness of the base of the racetrack and Mr. Manning has agreed to rototill and dredge the base of the racetrack twice each week in an effort to avert major problems in the future. Dr. Carlson requested that Mr. Manning notify him of the days upon which the racing surface/base would be rototilled. Additionally, Mr. Mattson stated in his subsequent report that the racetrack maintenance crew at Cloverleaf had been instructed to dredge several inches deeper into the base than they had been doing in order to break up the hardpan. Mr. Manning observed that there had been only two broken hocks sustained by racing greyhounds since the racetrack had been dug up in March.

The Commission accepted Dr. Carlson's report as presented.

Status Report – Cloverleaf Greyhound Track's 2006 Live Race Meet – Richard Mattson

Mr. Richard Mattson, Greyhound Racing Coordinator, reported that, through April 8, 2006, the total mutuel handle at Cloverleaf Greyhound Track of \$13,417,649 represents an approximate 19.97% decrease from the 2005 handle. Mr. Mattson commented that the handle on imported signals is down approximately 14.50%. He advised that, only for the first two performances of the 2006 season, the handle was higher than it was last year. Mr. John Manning, General Manager of Cloverleaf Greyhound Track, appeared on behalf of the racing association.

Mr. Mattson complimented the performance of Cloverleaf's Paddock Judge, Ms. Lisa Waterman. He stated that Ms. Waterman handles her work in a very professional manner.

Mr. Manning presented percentage calculations reflecting the universal decline in revenue derived from wagering at Cloverleaf Greyhound Track and each simulcast venue in Colorado this season. Commissioner Alkire observed that such losses in revenue represent a significant loss in funds returned to the State of Colorado. Mr. Manning stated that, despite the fact that internet gambling is illegal in Colorado, it is being done and methods have been developed to allow for the pirating of signals and wagering on the internet.

Discussion ensued during which Commissioner Pretti declared that it is imperative that a dialogue be undertaken in the immediate future to discuss these matters and other issues facing the industry and seek solutions to them. Division Director Dan Hartman stated that such a session could be held subsequent to the Commission's May 9, 2006 business meeting and continued at future meetings as deemed necessary.

Mr. Mattson noted that there had been a recent cessation of simulcasting in Massachusetts due to the failure to re-authorize State law relating to simulcasts. He explained that the Massachusetts Legislature must approve the receipt and transmission of simulcast signals on an annual basis. As a result, an approximate ten-day cessation of simulcast activity had occurred.

The Commission thanked Mr. Manning for his observations and accepted Mr. Mattson's report as presented.

Adjournment

There being no further business to consider, the meeting was adjourned at 11:15 a.m.

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on Tuesday, May 9, 2006 at Cloverleaf Kennel Club, 2527 Northwest Frontage Road (Interstate-25 at Exit 257B), Loveland, Colorado.

GENE O. NAUGLE, DVM, CHAIRMAN

The undersigned hereby approve the foregoing Minutes.

(PRESENT VIA TELECONFERENCE)
DAVID LYNN HOFFMAN, VICE-CHAIR

MARILYN ALKIRE, MEMBER

C. DREW GRANT, MEMBER

JACK PRETTI, MEMBER

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, May 9, 2006 at Cloverleaf Kennel Club, 2527 Northwest Frontage Road (Interstate-25 at Exit 257B), Loveland, Colorado. Chairman Gene Naugle called the meeting to order at 9:35 a.m.

Members Present

Gene Naugle, DVM, Chairman
David Lynn Hoffman, Vice-Chairman
Marilyn Alkire, Member
C. Drew Grant, Member
Jack Pretti, Member

Staff Present

Dan Hartman, Director, Division of Racing Events
Earl Carlson, Commission Veterinarian
Richard Mattson, Greyhound Racing Coordinator
Robert "Duke" Mann, Horse Racing Coordinator
Sherry Gunnell, Assistant to the Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Approval of Minutes of April 11, 2006

A motion was made by Commissioner Pretti, seconded by Commissioner Grant and unanimously carried to approve the minutes of April 11, 2006 as submitted.

Consideration of 2006 Renewal Application – Arapahoe Park – Robert "Duke" Mann

As a preliminary matter, Division Director Dan Hartman announced that, in anticipation of its rebranding, BLB had appointed Mr. Bruce Seymore to serve as its Vice-President of Racing Operations. Mr. Hartman explained that there would be different plant managers handling on-site operations at each of BLB's racecourses. The Commission congratulated Mr. Seymore on his new position.

Mr. Seymore introduced attendees who had recently been appointed to serve in new capacities at BLB racecourses: Mr. Chris Warren, the Director of Racing/Property Manager at Pueblo Greyhound Park; Mr. William Powers, the Director of Racing/Property Manager at Arapahoe Park; Mr. Gilbert Garcia, the Director of Racing/Property Manager at Mile High Greyhound Racing; Mr. William Byers, prospective Track Superintendent at Arapahoe Park. Also present were Mr. Bill Lee and Mr. Sean Beirne, prospective Announcer and Director of Simulcast Operations at Arapahoe Park.

Mr. Robert "Duke" Mann, Horse Racing Coordinator, presented his report concerning Arapahoe Park's 2006 renewal application. Mr. Bruce Seymore appeared on behalf of the Racing Association. Mr. Mann advised the Commission that Arapahoe Park intends to conduct a thirty-nine day live race meet beginning on Saturday, June 10, 2006 and concluding on Monday, September 4, 2006, with live performances to be offered on Saturdays, Sundays and Mondays with a special program to be conducted on Tuesday, July 4, 2006 (Independence Day). Additionally, the Commission noted that Arapahoe Park intends to offer nine races per day as well as full simulcast race cards from numerous venues throughout the season. Mr. Mann stated that Arapahoe Park proposes to offer diverse racing programs composed of Thoroughbred, Quarterhorse, Appaloosa, Paint and Arabian races.

Mr. Mann advised the Commission that a copy of Arapahoe Park's proposed wagering format had been submitted. He stated that Arapahoe Park intends to reduce its take-out rates as follows: 18.0% on Win, Place and Show wagers; 23.0% on Daily Double, Exacta and Quiniela wagers and 24.0% on Trifecta, Superfecta and Pick 3 wagers. The Commission commended this decision. Division Director Hartman observed that if this experiment in take-out rate reduction is successful, Arapahoe Park might request that the Commission approve further rate reductions. Notice was also taken that Arapahoe Park will introduce a new "Quick Pick", a wager that can be randomly generated by the totalisator system.

At this time, Mr. Seymore presented the company-wide Marketing Plan that BLB has created for the upcoming season. He explained that BLB retained the firm of G.A. Wright to create novel promotions and unique marketing concepts. Mr. Seymore stated that BLB's Colorado racing operations would not only have a new logo, but would also be designated by a new name, Mile High Racing & Entertainment, with a new slogan "The Thrill You Can Bet On". Mr. Seymore and Mr. Sean Beirne aired audio and video commercials to be broadcast on television (cable and network) and radio, focusing on major events to be held during Arapahoe Park's live meet: 1) Opening Day; 2) Independence Day special program; 3) the American Quarter Horse Association's "Day at the Races" on July 30th; and 4) Closing Weekend as well as the generic 2006 spots that will be shown nationwide and worldwide. Mr. Seymore also advised that print advertisements would be issued to the press and a new website for announcements of events is in the process of being developed. Efforts will also be made to ensure that racing results and highlights of racing events are reported. Mr. Beirne stated that there will also be commercials and advertisements tailored to Mile High Greyhound Racing and special events to be conducted there, such as the revival of the Timberline Stake.

Mr. Seymore informed the Commission that direct mailings of announcements, promotional material and special incentives would be sent to approximately 40,000 area residents to attract them to Mile High Greyhound Racing and Arapahoe Park. Mr. Seymore advised that it is possible to obtain measurable data on how successful the direct mailing approach is and, if necessary, make adjustments to the demographic focus of it.

Mr. Seymore advised that the unveiling of the complete rebranding of BLB's racing operations would take place on May 25, 2006 and that invitations had been extended to the Commission as well as the Governor, other local political leaders and all sectors of the media. Mr. Seymore invited those present at the meeting to attend this special event. He noted that media kits would be provided to all press/media corps members in an effort to involve them in the revitalization process.

Mr. Seymore elaborated on the variety of entertainment offerings that would be available and on the incentives that would be furnished to the public. He stated that there would be an increased emphasis on family-oriented events and activities at both Arapahoe Park and Mile High Greyhound Park with free admission being offered to persons seventeen years of age and younger. The Commission thanked Mr. Seymore and Mr. Beirne for their informative presentation and wished them every success in these new endeavors.

Mr. Mann continued to report on Arapahoe Park's renewal application. He mentioned that Arapahoe Park would be sending its live signal out-of-state, although contracts with out-of-state associations and simulcast providers have not yet been finalized due to the fact that the application for Arapahoe Park's race dates has not been approved. He assured the Commission that all contracts with out-of-state associations and simulcast providers would be provided to the Division for approval and made part of the renewal application.

Mr. Mann advised the Commission that the Division had received a copy of the agreement from the Colorado Horse-Racing Association endorsing both Arapahoe Park's request to send its signal out-of-state and its request to offer more than the four statutorily designated simulcast races on live race days. Notice was taken that Arapahoe Park intends to simulcast out-of-state horse races into Colorado six days a week on both its live and non-live race days. Notice was also taken that the Horsemen's Contract between

the Colorado Horse-Racing Association and Arapahoe Park to be in effect from February 1, 2005 through April 20, 2007, was provided with the renewal application, as was a copy of the purse structure.

The Commission reviewed the list of racing officials for Arapahoe Park's upcoming meet. Mr. Mann apprised the Commission of the following changes to the list of officials submitted with the renewal application: 1) Mr. Paul Guerrieri will serve as the Paddock Judge/Identifier; 2) Mr. Tom Figueroa will serve as the Clerk of Scales and Jockey Room Custodian; 3) Mr. Gary Riggs will serve as the Stable Superintendent; 4) Ms. Cindy Navarre will be an Outrider; 5) Mr. William Byers will serve as the Track Superintendent; 6) Ms. Roberta Mason will serve as the Mutuel Manager; and 7) Mr. Sean Beirne will serve as both the Announcer and the Director of Simulcast Operations. Mr. Mann announced that Mr. Richard Garrison would be returning as the Senior State Steward and that Ms. Linda Salinas would serve as the second State Steward. Additionally, notice was taken that a second Outrider has yet to be designated, but that this position would be filled in the near future.

Mr. Mann informed the Commission that he had received resumes from both Mr. Byers, designated to serve as the Track Superintendent, and Ms. Navarre, designated to serve as one of the Outriders reflecting their qualifications and past experience and their ability to serve in these positions. Mr. Mann recommended that the Commission approve the appointments of Mr. Byers and Ms. Navarre, noting that Ms. Navarre needs to be properly licensed prior to her first day of work. Additionally, Mr. Mann assured the Commission that the Division would monitor the performance of these persons throughout the meet.

Mr. Mann noted that Division Director Dan Hartman and Commissioner David Lynn Hoffman had reviewed the financial statements for both Arapahoe Park and Mile High Greyhound Racing. Commissioner Hoffman observed that the current ratios for both racetracks are low, but he anticipates that they should be able to remain solvent and finds the reports to be satisfactory. Commissioner Hoffman expressed his confidence in BLB and its plans for Colorado greyhound and horse racing. Mr. Hartman concurred with Commissioner Hoffman's assessment of the financial statements. The Commission accepted their findings as presented.

The Commission took notice that the insurance binder for on-track accident coverage for Jockeys was included with the renewal application. However, the Commission observed that Arapahoe Park would provide an insurance binder for Exercise Riders, not for Pony Persons, who are independent contractors. A copy of this insurance binder was not provided in the application packet, but must be submitted to the Division prior to May 20, 2006, the first day of official schooling. Additionally, Mr. Mann informed the Commission that the public liability insurance policy that expires on July 1, 2006, renews automatically. However, confirmation of this renewal must be provided to the Division.

Mr. Mann stated that Arapahoe Park has submitted most of the required exhibits with its renewal application and he recommended that the Commission grant conditional approval of Arapahoe Park's 2006 renewal application.

Mr. Mann reviewed the list of recommendations set forth in Arapahoe Park's 2005 end of meet report, noting that Arapahoe Park had complied with each of them.

Mr. Seymore explained that Arapahoe Park would be hiring a new crew to learn about the composition of the racetrack surface and how to operate the track maintenance equipment. He observed that Commission Veterinarian, Dr. Earl Carlson, would review the maintenance protocol with Mr. Byers. Additionally, Mr. Seymore stated that it is his intention to analyze the composition of the racing surface midway through the meet.

Following review and discussion, a motion was made by Commissioner Alkire, seconded by Commissioner Grant and unanimously carried to approve Arapahoe Park's 2006 renewal application to operate as a Class B racetrack during the period specified in the application; further, to allow Arapahoe Park to offer additional simulcast races above the statutorily permitted level of four simulcast races per live race day; and approving the

reduction of the take-out rates as specified in Arapahoe Park's renewal application; and to make this approval contingent upon satisfaction of the following conditions:

- 1) That Arapahoe Park will submit a copy of its current certified health inspection report for the racetrack and all simulcast or track facilities no later than five (5) days prior to the commencement of the meet.
- 2) That Arapahoe Park will submit to a full and complete pre-meet facility inspection by the Division of Racing Events. If it is determined via the inspection that there are areas of concerns or matters to be addressed, specific time frames for compliance will be imposed.
- 3) That Arapahoe Park will apprise the Division of the names of any Association employees not listed as Racing Officials no later than ten (10) days after the commencement of the meet.
- 4) That Arapahoe Park will notify the Division of the names of those persons who are to serve as racing officials in positions that are currently vacant no less than three days prior to the commencement of the meet.
- 5) That Arapahoe Park will ensure that its public liability insurance policy is in effect and will provide a copy of the policy renewal to the Division.
- 6) That Arapahoe Park will submit proof of Exercise Rider insurance prior to the opening of the track for training.
- 7) That copies of all intrastate simulcast contracts and/or agreements entered into by the applicant will be submitted to the Division no later than five days prior to receipt of the simulcast signal.
- 8) That any additional health/sanitation reports received for Arapahoe Park and its facilities are to be provided to the Division.
- 9) That Arapahoe Park will provide copies of all service contracts not presently on file with the Division no later than five days prior to the commencement of the meet.
- 10) That the Commission may determine in its discretion to impose additional conditions at any time prior to or during Arapahoe Park's live meet.

The following Notice of Issuance of Meet License with Conditions was provided to Arapahoe Park in accordance with the Commission's motion:

STATE OF COLORADO

NOTICE OF ISSUANCE OF MEET LICENSE WITH CONDITIONS

**IN THE MATTER OF THE ISSUANCE OF A MEET LICENSE FOR:
RACING ASSOCIATES OF COLORADO, LTD. DBA ARAPAHOE PARK
26000 EAST QUINCY AVENUE
AURORA, COLORADO 80016**

Pursuant to Colorado Revised Statute 12-60-505, the Colorado Racing Commission has reviewed and conducted a public meeting concerning the application for a race meet license.

The Colorado Racing Commission finds the application to be acceptable and orders said meet license to be issued to:

Racing Associates of Colorado, Ltd. d.b.a. Arapahoe Park
26000 East Quincy Avenue
Aurora, Colorado 80016

with the following conditions:

1. This approval is granted from the opening day of the live race meet, which is June 10, 2006 through the closing day of the meet, which is September 4, 2006 for an envelope of thirty-nine days. The following racing schedule was requested by the Association and approved by the Commission: Saturday, Sunday and Monday: nine (9)-race matinee performances per day. A nine (9)-race matinee program is also scheduled to be conducted on Tuesday, July 4, 2006.
2. The Association shall keep in force a public liability insurance policy at all times, with minimum policy limits of \$1 million. Further, the Association shall provide copies of all required insurance and bond document exhibits to the Division no later than five (5) days prior to the opening of the meet.
3. The Association shall keep in force adequate insurance coverage for the protection of the exercise riders. Notice was taken by the Commission that, per agreement between the Colorado Horse-Racing Association (“CHA”) and Arapahoe Park, the CHA is authorized to provide On-Track Accident Insurance coverage for Jockeys. Payment of the insurance premium is to be made directly from the Horsemen’s Bookkeeper account to the insurance carrier. Copies of the insurance policy shall be provided to the Division and said coverage shall take effect the first day of training.
4. All employees shall be properly licensed prior to conducting any activities. In addition, all Association Racing Officials, including replacement officials, must be approved by the Division of Racing Events prior to conducting any activities.
5. All monies derived from live race monies due for horse purses shall be deposited by the licensee directly into the horsemen’s purse account. All horsemen’s nominations and sustaining fees shall be handled through the Horsemen’s Bookkeeper account.

All monies due from simulcast races due for horse purses shall be deposited by the licensee in a “Colorado Racing Association Escrow” trust account in a commercial bank located in Colorado until such date as the purse funds are paid to the horse owners or to the host track for payment to the horse owners. The moneys deposited in any such trust account shall be invested in a fund that invests in obligations of the United States Government with maturities of less than one year or that is account insured in full by an agency of the Federal Government. All trust accounts shall be interest-bearing accounts with the interest payable as horse purses.

The Association shall make a full accounting to the Department of Revenue through the Division each week of all amounts due purse funds from simulcast and live races and paid out from the purse funds as specified by Statute and contracts.

6. All funds due Colorado State University for allocation to its School of Veterinary Medicine shall be paid weekly with a full accounting to the Colorado Racing Commission yearly.
7. The facility shall meet the “Totalisator Standards” as adopted by the Commission.
8. All required facility improvements deemed necessary for the protection, health and safety of the public, the Division of Racing Events’ employees and the race participants shall be completed prior to opening.
9. The Association shall have a fully operational totalisator system (tested and approved at least three (3) days prior to start of wagering on live races) capable of:
 - a. Handling pari-mutuel wagers on horse races;
 - b. Producing CRC reports on a timely basis; and
 - c. Common pool wagering on both an intrastate and interstate level.

10. Any change from the approved simulcast schedule for each in-state and out-of-state simulcast facility, which the Association proposes to simulcast from or to, including its live races, shall be approved by the Division of Racing Events prior to any simulcasting activity at such simulcast facility. All simulcast contracts must specify how purse percentages are to be calculated. (As part of its approval, the Commission formally accepted Arapahoe Park's proposed simulcast schedule during its live racing season through September 4, 2006, and, additionally, granted approval for Arapahoe Park to exceed the statutory limit of four simulcast races per live race day.) The Commission delegates to the Director or his designee to approve schedules for pre-approved tracks when a specified envelope is determined.
11. Current certified fire and health/sanitation inspection reports shall be submitted to the Division and, if not current, then within five days prior to the commencement of the live meet for the entire racetrack operations.
12. Approval of the renewal application and simulcast race programs, even if the above conditions are met, shall be subject to the Colorado Legislature granting an appropriation for funding and spending authority to the Commission for its fiscal year 2006/2007 and subsequent budget years.
13. A list of all Association employees not listed as Racing Officials shall be submitted to the Division no later than ten (10) days after the opening of the meet.

A list of all security staff, including copies of their qualifications and firearm certificates, shall be kept on file in the Division of Racing office at Arapahoe Park.
14. To permit the Division to coordinate its staffing for simulcast programs, the applicant shall provide the Commission with all modifications to its simulcast program as approved by the Commission one week prior to the proposed modifications.
15. All racing official positions shall be filled no later than five days (5) prior to the commencement of the meet.
16. That all service contracts that are not presently on file with the Division be submitted no later than five days prior to the opening of the meet.
17. That Arapahoe Park and its facilities comply with the Division of Racing Events' Video Surveillance Policy throughout the 2006 Arapahoe Park race meet.
18. That the Stable Superintendent shall make every effort to ensure that all horses entering the grounds at Arapahoe Park shall have a current health certificate signed by a Veterinarian.
19. The Racing Secretary and/or Stable Superintendent shall be responsible for the arrival and departure of all horses from the premises and maintain records for the Division's inspection.
20. The Racing Secretary shall require that all horses entering the grounds at Arapahoe Park, whether from within or outside of Colorado, have a current Coggins Test (within the previous twelve (12) months) and have the document attached to the foal certificates when they are submitted to the Racing Office.
21. Arapahoe Park will make arrangements to satisfy the Colorado Racing Commission and the Division in providing an adequate water supply to the racetrack, stable area and grandstands at all times.
22. The Commission, in its discretion, may determine that additional conditions need to be imposed at this time or at any time during the live meet.

23. That the Commission has reviewed Arapahoe Park's financial statement and finds it to be acceptable as submitted.
24. That the Commission has reviewed Arapahoe Park's proposed marketing plan and finds it to be acceptable as submitted.

Failure to comply with the applicable conditions prior to or during the 2006 meet may result in a fine, suspension or revocation of the meet license for Racing Associates of Colorado, Ltd., d.b.a. Arapahoe Park.

DATED this 12th day of May 2006.

BY ORDER OF THE COLORADO RACING COMMISSION

s/

Dan Hartman, Director,
Division of Racing Events

Consideration of 2006 Renewal Application – Mile High Greyhound Racing – Richard Mattson

Greyhound Racing Coordinator Richard Mattson presented Mile High Greyhound Racing's 2006 renewal application with the dates of Friday, June 2, 2006 through Friday, September 29, 2006. He noted that these dates fall within the 120-day envelope previously granted to Mile High Greyhound Racing by the Commission.

Mr. Mattson stated that the following requested racing schedule for Mile High Greyhound Racing's meet equates to seven performances and 105 race per week:

Sunday – Dark
Monday – 15-race matinee (Super Monday)
Tuesday – Dark
Wednesday – 15-race matinee/15-race evening
Thursday – 15-race evening
Friday – 15-race evening (Super Friday)
Saturday – 15-race matinee/15-race evening

Mr. Bruce Seymore, Vice-President of Racing Operations and General Manager of Mile High Greyhound Racing, appeared on behalf of the Racing Association.

Mr. Mattson reported that Mile High's renewal application was accompanied by copies of the wagering format, current liability insurance binder in effect until July 1, 2006 (renewal to be submitted prior to expiration), service contracts except for that of American Teletimer (the provider of photo finish and official timing services) and a list of racing officials. Mr. Mattson advised the Commission that Mr. Raul Sanchez will serve as the Lure Operator and Ms. Christine Valenzuela will serve as the Clerk of Scales. Mr. Mattson assured the Commission that Division staff would monitor the performance of the new officials and would ensure that if a position becomes vacant, it is be filled in a timely manner.

Mr. Mattson advised the Commission that a signed agreement from the Colorado Greyhound Kennel Association relating to purse structure had been provided to the Division.

Mr. Mattson stated that the simulcast agreements with most in-state entities have been submitted. However, he apprised the Commission that, to date, no out-of-state contracts have been provided to the Division, although a list of prospective venues was made part of the renewal application. Mr. Mattson asserted that all simulcast agreements must be submitted at least forty-eight (48) hours prior to the commencement of simulcast operations with each entity.

Mr. Mattson reported to the Commission that a copy of Mile High Greyhound Racing's proposed wagering format had been submitted. He stated that Mile High Greyhound Park intends to reduce its take-out rates on Win, Place and Show wagering to 18.0%. The rates for Daily Double, Exacta and Quiniela wagers will be 24.5% and the rate on all other wagers will be 25.0%. Mr. Seymore observed that it is possible that Mile High will request approval of take-out rate reductions on other types of exotic wagers in the future.

Mr. Seymore thanked Mr. John Manning, General Manager of Cloverleaf Greyhound Track, for his assistance in allowing Mr. Sanchez to receive training in the duties and responsibilities of the Lure Operator position.

Notice was also taken that Mile High has reduced the rental charge assessed kennel operators by \$400 and has added certain amenities to the trainers' lounge. Additionally, Mr. Seymore stated that Mile High would feature a \$1 admission charge except in the dining room.

Mr. Seymore commented that a combined dog/pony wager is currently under consideration. He stated that it would entail selection of the winner of the final race at Arapahoe Park and the selection of the winner of the first race on Mile High Greyhound Racing's evening program. Mr. Seymore reported that there would be a wide variety of special incentives implemented at Mile High Greyhound Racing to attract new patrons. Mr. Seymore assured the Commission that, if this wager is offered, the monies derived from it will be handled in accordance with the Racing Statute.

Mr. Hartman also advised that a certified fire inspection report dated March 18, 2006 for Wembley Park was provided with the renewal application. Additionally, a report dated March 22, 2006 for the Havana Park simulcast facility was submitted. Mr. Hartman observed that the health/sanitation inspection report dated September 27, 2005 was also included with the renewal application.

Following review and discussion and after acknowledging Mr. Mattson's affirmative recommendation, a motion was made by Commissioner Hoffman, seconded by Commissioner Alkire and unanimously carried to grant approval of Mile High Greyhound Racing's renewal application for its 2006 live race meet subject to the terms and conditions set forth in the following Notice of Issuance of Meet License with Conditions:

BEFORE THE COLORADO RACING COMMISSION

STATE OF COLORADO

NOTICE OF ISSUANCE OF MEET LICENSE WITH CONDITIONS

IN THE MATTER OF THE ISSUANCE OF A MEET LICENSE FOR:
MILE HIGH GREYHOUND RACING
6200 DAHLIA STREET
COMMERCE CITY, COLORADO 80022

Pursuant to Colorado Revised Statute 12-60-505, the Colorado Racing Commission has reviewed and conducted a public meeting concerning the application for a race meet license.

The Colorado Racing Commission finds the application to be acceptable and orders said meet license to be issued to:

Mile High Greyhound Racing
6200 Dahlia Street
Commerce City, Colorado 80022

with the following conditions:

1. That all racing official positions be filled no later than forty-eight (48) hours prior to the commencement of the race meet and a list of said officials shall be filed with the Division of Racing Events. All employees are required to be licensed and must apply for and receive a license before commencing employment.
2. That a maintenance routine be established and approved by the Division to ensure the consistency required for formful racing and to ensure the safety of the racing greyhounds. The Colorado Racing Commission has charged the Division of Racing Events with the duty of requiring Mile High Greyhound Racing to modify its track maintenance routine, if deemed necessary, at any time during the live race meet.
3. That Mile High Greyhound Racing, which is approved to conduct live racing from Friday, June 2 through Friday, September 29, 2006, (comprising an envelope of 120 days) has requested the following racing schedule: 15-race matinee performances on Monday (Super Monday), Wednesday and Saturday; 15-race evening performances on Wednesday, Thursday, Friday (Super Friday) and Saturday for a total of seven performances and 105 races per week. No racing will be conducted on Sunday and Tuesday. The schedule is to be approved subject to the following conditions:
 - a) That the Division of Racing Events' staff will closely monitor Mile High Greyhound Racing's racing operations to ensure that a sufficient number of racing greyhounds are available for any given racing performance.
 - b) That, in the event of ongoing shortages of active greyhounds, the Commission delegates to the Division of Racing Events, without the necessity of conducting a special meeting, the authority to direct Mile High Greyhound Racing to redefine its permanently approved racing schedule by either decreasing the number of races on any given program or deleting an entire performance.
 - d) That Mile High Greyhound Racing's management agrees to and will ensure that there is a forty-five minute (45) period between matinee and evening performances throughout the entire race meet.
4. All simulcast contracts shall be submitted no later than forty-eight (48) hours prior to the commencement of simulcasting.
5. The racing secretary shall verify the vaccination records of all race participants before accepting any registration papers.
6. A schedule shall be provided to the staff of the Division of Racing Events for regular schooling races and weigh-in times.
7. Mile High management shall ensure that the paddock is adequately staffed for all functions that are performed therein.
8. Adequate advance notice be given to all racetrack departments regarding special events and races and the staff of the Division of Racing Events shall be notified twenty-four (24) hours in advance of any additional schooling races.
9. Certified fire, health/sanitation inspection reports shall be submitted to the Division no later than five (5) days prior to commencement of the race meet.

10. That the requirement that there be sufficient operational video surveillance cameras at Mile High Greyhound Racing be continued throughout the 2006 Mile High Greyhound Racing race meet.
11. That Mile High Greyhound Racing's take-out rate be as follows: For Win, Place and Show and all single wagers – 18.0%; for all double (2-dog) wagers – 24.5%; and for all triple (3-dog) and any other exotic wagers – 25.0%. Any change to this take-out schedule must be approved by the Colorado Racing Commission.
12. That Mile High Greyhound Racing is to receive 84 of the total 250-day allotment of greyhound simulcast days for use on live race days during calendar year 2006 in accordance with changes to the Racing Statute during the 2003 legislative session. The Commission noted that the enabling legislation mandates that only racetracks that are scheduled to offer live performances five days per week with a minimum of ten races per day would qualify for simulcast racing.
13. That contracts for all service providers to Mile High Greyhound Racing be submitted to the Division of Racing Events prior to assuming their duties.

Failure to comply with the applicable conditions prior to or during the 2006 meet may result in a fine, suspension or revocation of the meet license for Mile High Greyhound Racing.

DATED this 12th day of May, 2006.

BY ORDER OF THE COLORADO RACING COMMISSION

s/

Dan Hartman, Director
Division of Racing Events

Consideration of 1) Arapahoe Park's Stewards' Guidelines and Groundrules; 2) Race Review Committee Protocol; 3) Split Sample Policy; 4) Horse Racing Medication Guidelines and Veterinary Practices for 2006 Live Race Meet – Robert "Duke" Mann

Mr. Robert "Duke" Mann, Horse Racing Coordinator, presented the following documents for Commission consideration:

Stewards' Guidelines and Groundrules: The Commission reviewed the proposed Stewards' Guidelines and Groundrules for 2006. Mr. Mann advised that no changes had been made to the document from 2005. Those in attendance were afforded an opportunity to comment on the document and offer views and opinions relating to it. No objections being raised to acceptance of this document as presented.

Race Review Committee Protocol: The Commission took notice that no changes had been made to this document from 2005. Mr. Mann stated that, since its implementation, the Race Review Committee Protocol had not been utilized. Those in attendance were afforded an opportunity to comment on the document and offer views and opinions relating to it. No objections were raised to acceptance of this document as submitted.

3) Split Sample Policy: The Commission reviewed the proposed Split Sample Policy for 2006 and found it to be acceptable as presented.

4) Horse Racing Medication Guidelines and Veterinary Practices: Mr. Mann advised that the proposed Horse Racing Medication Guidelines and Veterinary Practices for 2006 that he and Dr. Earl Carlson had compiled included certain changes from those presented in 2005. Mr. Mann discussed with the Commission all changes that had been made to the document and gave a comprehensive review of each section and topic contained therein, such as medication regulations, lists of authorized and unauthorized medications with an accompanying authorized medication change form, insertion of amended Commission Rule 5.317 relating to

the administration of Furosemide; the Division policy relating to Commission Rules 5.312 and 5.317, information regarding miscellaneous compounds, Division veterinarian records and track scratches, prohibited practices, neurectomy, humane treatment of horses, illness and death of horses, health certificates and Coggins test requirements, test barn procedures, practicing veterinarians and reporting requirements and tack and pharmaceutical salespersons. Mr. Mann clarified the reasons for the changes that had been made and answered questions relating to them. No objections were made to acceptance of this document as presented.

Mr. Mann concluded his presentation by recommending that the Commission approve the aforementioned documents. He stated that, upon Commission acceptance, they would be incorporated into the trainers' packets along with copies of the rules and other pertinent supplementary material. A motion was thereupon made by Commission Alkire, seconded by Commissioner Grant and unanimously carried to accept the 2006 Stewards' Guidelines and Groundrules, the Race Review Committee Protocol, the 2006 Split Sample Policy and the 2006 Horse Racing Medication Guidelines and Veterinary Practices as presented.

Consideration of Rules Proposed for Waiver during Arapahoe Park's 2006 Live Race Meet – Robert "Duke" Mann

Mr. Robert "Duke" Mann, Horse Racing Coordinator, recommended that the Commission grant a waiver of Colorado Racing Commission Rules 7.532, 7.631, 7.646 and 11.511 for Arapahoe Park's 2006 live race meet. Mr. Mann stated that several other racing jurisdictions are presently discussing the issues of minimum jockey weights and publication of riding gear, but have not taken formal action on them. The Division believes that it would be in the best interests of the Colorado horse racing community to waive these rules for the upcoming meet since they have not universally endorsed by all racing jurisdictions.

Commissioner Alkire expressed her concern that these rules have been retained in the Commission rulebook, but are not being enforced. She stated that she would agree to grant a waiver of these rules with the caveat that they be addressed during the next Rule-Making Hearing and a decision rendered whether to revoke or amend them. Mr. Mann assured the Commission that the rules in question would be presented for consideration during the next Rule-Making workshops/hearing cycle.

Division Director Dan Hartman informed the Commission that a dialogue is taking place between representatives of the New York and California jurisdictions regarding these matters. He stated that he hopes that there will be universal agreement reached in the near future regarding what course of action to follow. Mr. Hartman commented that if no decision is rendered prior to the next rule-making review process, he would support removal of the rules despite his belief that there should be a body fat component in place and that jockeys should be encouraged to be conscious and protective of their physical health.

Mr. Mann stated that he would ensure that a specific time for jockeys to be weighed would be established. Further, he advised the Commission that he would post and distribute copies of the rules to be waived as needed.

Following discussion, a motion was made by Commissioner Alkire, seconded by Commissioner Hoffman and unanimously carried to waive Colorado Racing Commission Rules 7.532, 7.631, 7.646 and 11.511 during Arapahoe Park's 2006 live race meet with the understanding that they will be specifically reviewed during the next Rule-Making proceeding.

Update – Animal Welfare and Medication Issues – Dr. Earl Carlson

Dr. Earl Carlson, Commission Veterinarian, advised the Commission that, recently, there have been concerns or problems relating to kennel cough at the following racecourses: Wheeling (West Virginia), Wichita and The Woodlands (Kansas) and

Orange Park (Florida) with a quarantine having been instituted at Orange Park. Dr. Carlson stated that, to date, no cases have been reported in Colorado, but, in an effort to prevent an outbreak here, twenty-four hour health certificates and up-to-date vaccination records are being required on all greyhounds entering Colorado and will be mandated for all greyhounds leaving the state. He noted that most racing jurisdictions are cognizant of the protocols that are to be implemented and the treatment regime that is to be followed. He noted that every effort is being made to ensure that the latest information relating to disease outbreaks or concerns is made available via electronic mail dissemination.

Dr. Carlson reported that the injury rate at Cloverleaf Greyhound Track rose sharply during this reporting period. He advised that the injury level had increased 39% in the past month (63 injuries this year contrasted with 38 injuries for the same period last year) for no clear-cut reasons. Dr. Carlson stated that he had spoken to Mr. John Manning, General Manager of Cloverleaf Greyhound Track, and Mr. Scott Merkel, Director of Racing/Racing Secretary, about the racetrack maintenance protocols and routines and had asked that the base of the racetrack be rototilled and dredged twice each week. He observed that some apparent confusion had occurred regarding who was responsible for ensuring that this was accomplished. Dr. Carlson asserted that Mr. Manning should be required to explain in detail to the entire Cloverleaf racing community what the maintenance routines would be for the duration of the meet. Additionally, Dr. Carlson observed that Cloverleaf has acquired a new piece of equipment, a disc, but he does not know what role it is to play in the maintenance process.

Division Director Dan Hartman commented that the Division has taken the same approach that it has in the past when injury levels rise. He observed the Division staff has engaged in consultations with Mr. Manning and his track maintenance crew in order to ascertain whether dredging the track twice each week would be beneficial. Mr. Manning stressed that he had made some staffing and maintenance routine changes in an effort to make the racecourse softer and safer than it has been. He explained that the twelve-inch disc is being used to dredge and dig deeply into the base, but, despite this, the base becomes hard again for no apparent reason. Mr. Manning stated that, although some of the injuries were attributable to the condition of the racing surface, others were not. He voiced his frustration at being unable to pinpoint the specific reasons for the injury rate increase.

Mr. Hartman explained that the Division intends to repeat the soil sampling process in light of Cloverleaf's use of the disc. He stated that the Division recognizes that Mr. Manning and his staff are attempting to determine the causes of the ongoing problems with the surface and rectify them.

Discussion ensued during which Mr. Gary Bryan, President of the Colorado Greyhound Kennel Association, accused the Division of failing to take action and intervene earlier in the meet than now. Mr. Hartman responded that the Division has 1) offered guidance and recommendations regarding the surface and its condition to Cloverleaf's management; 2) has conducted weekly discussions with Association management that were open to any interested member of the racing community, including Mr. Bryan, and 3) has been willing to entertain proposals and suggestions for improving the racing surface and developing a cushion that allows for safe racing. Mr. Hartman commented that, if the injury rate continues to climb and the racing surface continues to be resistant, the Division might need to require program cancellations or make recommendations in its end of meet report that the surface be replaced prior to the resumption of racing in 2007. Mr. Hartman declared that if the Division did not believe that the racing surface was safe for racing, it would have halted it. Mr. Bryan voiced his belief that the Division of Racing Events should inspect and approve any equipment to be used for maintaining a racing surface prior to the commencement of a live race meet. Dr. Carlson stated that it is essential that the lines of communication are clear, that management ensures that the proper maintenance routine is carried out and that the person(s) responsible for performing maintenance on the racing surface are aware of what to do and when to do it. Dr. Carlson also emphasized that the track maintenance personnel should be trained and experienced in the performance of their duties.

Commissioner Hoffman asserted that the increase in injuries was unacceptable. He advocated that Cloverleaf Greyhound Track's management needs to provide a maintenance report about what it intends to do during the remaining weeks of the current live meet and in the event that Division Director Hartman and Commission Veterinarian Carlson do not feel that the racecourse is in acceptable condition, the Commission would support their decision to discontinue racing.

Mr. Hartman acknowledged that Cloverleaf's racing surface appears to be safe and in acceptable condition for the conduct of racing events despite which the injury level is unacceptable. This suggests that other factors than the state of the racing surface are contributory to the volume of injuries that have been occurring. Mr. Manning assured the Commission that he has always been concerned about animal welfare and is willing to do whatever is necessary to protect the well-being of the greyhounds racing at Cloverleaf.

The Commission accepted Dr. Carlson's report as presented.

Status Report – Cloverleaf Greyhound Track's 2006 Live Race Meet – Richard Mattson

Mr. John Manning, General Manager of Cloverleaf Greyhound Track, presented percentage calculations reflecting the universal decline in revenue derived from wagering at Cloverleaf Greyhound Track and each simulcast venue in Colorado, except Arapahoe Park, this season. Mr. Manning observed that attendance has risen from last year and that approximately 2,200 patrons were present at Cloverleaf to view the broadcast of the Kentucky Derby. Mr. Manning advised the Commission that he has exceeded his budget for marketing/promotions. Mr. Mattson acknowledged that it is very frustrating to witness the decline in the popularity of racing despite the rise in Colorado's population. Mr. Mattson noted that casinos and the lottery have negatively affected the racing industry.

The Commission thanked Mr. Manning for his observations and accepted Mr. Mattson's report as presented.

Adjournment

There being no further business to consider, the meeting was adjourned at 12:25 p.m.

Racing Industry Meeting

Subsequent to the regular Commission meeting, a racing industry roundtable discussion was conducted. The purpose of this session was to afford interested parties from the horse and greyhound racing communities an opportunity to participate in an open forum discussion of various issues of importance and areas of concern to the industry. Mr. Dan Hartman, Director of the Division of Racing Events, presented an update on legislative efforts. Commissioner David Lynn Hoffman commented on marketing strategies. Views and opinions were offered by industry members regarding what the industry has done well, what it needs to improve in terms of enhancements and upgrades to racing venues and in terms of the development and presentation of legislative initiatives. Also, consideration was given to what threatens the survival of the industry. The session was convened by Commissioner Hoffman at 1:30 p.m. and concluded at approximately 3:00 p.m.

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on Tuesday, June 13, 2006 in Conference Room 110 (Gaming Conference Room), 1881 Pierce Street, Lakewood, Colorado.

GENE O. NAUGLE, DVM, CHAIRMAN

The undersigned hereby approve the foregoing Minutes.

DAVID LYNN HOFFMAN, VICE-CHAIR

MARILYN ALKIRE, MEMBER

C. DREW GRANT, MEMBER

JACK PRETTI, MEMBER

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, June 13, 2006 at 1881 Pierce Street in Conference Room 110 (Gaming Conference Room), Lakewood, Colorado. Chairman Gene Naugle called the meeting to order at 9:35 a.m.

Members Present

Gene Naugle, DVM, Chairman
David Lynn Hoffman, Vice-Chairman
Marilyn Alkire, Member
C. Drew Grant, Member
Jack Pretti, Member

Staff Present

Dan Hartman, Director, Division of Racing Events
Earl Carlson, Commission Veterinarian
Richard Mattson, Greyhound Racing Coordinator
Robert "Duke" Mann, Horse Racing Coordinator
Mark Brown, Division Enforcement Coordinator
Leland BeBee, Division Legal Assistant
Robert Dodd, Jr., Assistant Attorney General
Sherry Gunnell, Assistant to the Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Approval of Minutes of May 9, 2006

A motion was made by Commissioner Pretti, seconded by Commissioner Alkire and unanimously carried to approve the minutes of May 9, 2006 as submitted.

Consideration of Adjustment of Cash Funding Fees to Racing Associations – Dan Hartman

Mr. Dan Hartman, Division Director, informed the Commission that, due to staffing/operational changes as well as a carryover in the cash fund, the Division has made this year, the Division is anticipating that it will realize an additional \$50,000 savings in its proposed 2007 budget. He stated that the Division intends to pass this overage along to each individual racing association in the form of a one-time deduction to each individual track's cash fund payment.

Mr. Hartman commented that the fees that the racetracks have been paying to the Division of Racing Events were based on the original budget that no longer reflects the Division's needs and, therefore, that the Division is proposing to make a change at this point in the year to reflect the \$50,000.00 savings. He observed that, currently, greyhound racetracks pay \$126,109.23 per month of racing to the State of Colorado racing cash fund and that Arapahoe Park pays \$32,954.30 per month for twelve months of the year. Mr. Hartman explained that, in order to achieve the \$50,000.00 savings, the Division is recommending that the Commission authorize a one-time deduction to the cash fund payment made by each greyhound racing association of \$13,212.84 and a one-time deduction for the horse racetrack of \$10,358.16 per month. He advised that, if the Commission accepts the aforementioned amounts, Cloverleaf Greyhound Track's June assessment would total \$112,896.38, Mile High/Interstate/Post Time Greyhound Racing's July assessment would total \$99,680.00 and Arapahoe Park's July payment would be \$22,596.13.

Mr. Hartman explained that the Division of Racing Events is mandated to carry a reserve that cannot exceed 16.5% of its budget forward into the next fiscal year, noting that the Division attempts to retain approximately 10% of its annual budget.

Following review, a motion was made by Commissioner Hoffman, seconded by Commissioner Alkire and unanimously carried to adopt the aforementioned one-time deductions to the cash funding fees as proposed by Mr. Hartman.

Consideration of 2007 Occupational License Fees and Review of Current License Categories – Dan Hartman

Mr. Dan Hartman, Division Director, advised the Commission that this would be the fourth year of fee-setting for both occupational and racetrack license fees. Mr. Hartman stated that, overall, there have been minimal changes to the costs associated with the issuance of licenses and, therefore, the Division is recommending retention of the occupational license fee assessments that are currently in effect. He observed that the only modification being proposed is that the investigative fees applicable to New and Renewal Major Business Licenses be changed from \$36.05 per hour to \$36.73 per hour.

Mr. Hartman explained how the license costs are set. He advised that the breakdowns indicate the actual license cost, including recovery of all Division expenses for licensing and the difference between them and the total cost minus the administrative/licensing costs for Fiscal Year 2007 per the formula that the Commission had previously adopted. Mr. Hartman recommended adoption of the proposed license fees for next year as presented.

Following review and discussion of the statistical breakdown of actual license costs for all license categories and after electing to continue to omit the administrative-salary costs from license fee assessments, a motion was made by Commissioner Alkire, seconded by Commissioner Grant and unanimously carried to adopt the following fees for 2007:

New Support License	(3 years)	\$75.00
Renewal Support License	(3 years)	\$25.00
New Key License	(3 years)	\$225.00
Renewal Key License	(3 years)	\$75.00
Registration	(1 year)	\$15.00
Additional Badge	(1 year)	\$10.00
Temporary/Trainee Badge	(30 days/16 days)	\$15.00
New Minor Business License	(3 years)	\$135.00
Renewal Minor Business License	(3 years)	\$65.00
New Major Business License*	(3 years)	\$225.00+
Renewal Major Business License**	(3 years)	\$60.00+
Multi-Jurisdictional Owner License	(3 years)	\$85.00
Reciprocal	(Variable)	\$15.00

*-The motion relating to the new major business license also states that the applicant must deposit \$225.00 with the Division as advance payment for licensing and investigation. The \$225.00 will be credited toward the amount due upon completion of the investigation. Additionally, an advance deposit of \$75.00 for each “key” person must be made plus investigative fees and expenses that are due upon completion of investigation. Each corporate officer, director, owner, partner or manager will be billed at the rate of \$36.73 per hour for investigative fees and any additional expenditures to include travel, lodging and meals.

** -The motion relating to the renewal major business license also states that the applicant must deposit \$60.00 with the Division as advance payment for licensing and investigation. The \$60.00 will be credited toward the amount due upon completion of the investigation. Additionally, an advance deposit of \$75.00 for each “key” person must be made plus investigative fees and expenses that are due upon completion of investigation. Each corporate officer, director, owner, partner or manager will be billed at the rate of

\$36.73 per hour for investigative fees and any additional expenditures to include travel, lodging and meals.

Consideration of Racing Association License Fee Assessments for Fiscal Year 2007 – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, presented the calculations for the annual license fee assessments for each greyhound racetrack and for Arapahoe Park based upon its total Fiscal Year 2007 budget of \$2,100,003.00. He explained that, since the Division is a cash-funded agency, it must recoup its expenses via occupational and racetrack license fee assessments. Mr. Hartman observed that the Division estimates that it will recognize \$20,000.00 from occupational license fee charges, which leaves a remainder of \$2,080,003.00 to be obtained from the racing associations.

Mr. Hartman stated that, by taking into account statutory starting and ending cash fund balances, the Division has determined that the license fee assessment that each greyhound racetrack should be required to remit to support cash funding beginning July 1, 2006 will be \$133,400.00 per month when live racing is being conducted. The fee to be assessed Arapahoe Park should be \$34,859.49 per month for twelve months of the year.

Therefore, Mr. Hartman requested that the Commission approve these recommended license fee assessments for 2007 with the proviso that these fees might need to be adjusted, either upward or downward, to accommodate such unforeseeable circumstances as modifications to race dates, racing programs, wagering formats, and so on. Mr. Hartman apprised the Commission of the formulae used to calculate the amounts payable. He stated that the Division is attempting to operate efficiently in a cost-effective manner and expects to realize a savings next year. Mr. Hartman asserted that, if fee adjustments were warranted during the year, he would present them for Commission consideration.

Discussion ensued during which Mr. Hartman explained that the Joint Budget Committee sets the Division's budget each year after which it is presented to the Legislature for approval. He noted that there have been increases in the Division's direct and indirect expenses and in its Personal Services appropriation resulting in an approximate \$100,000.00 increase in the 2007 budget.

Mr. John Manning, General Manager of Cloverleaf Greyhound Track, voiced his belief that the cost of regulation has become unconscionable and detrimental to the survival of racing in the state. Mr. Hartman asserted that the Division has sponsored legislative proposals to address the tax burden shouldered by the racing associations and hopes to pursue such an initiative again. He advised that the Division has made every effort to avoid excessive spending and, in order to decrease its budget, had declined to take a negative supplemental appropriation.

Mr. Bruce Seymore, Vice-President of Racing Operations for Mile High Racing and Entertainment, stated that, although cash funding of the Division of Racing Events had been anticipated prior to its actual implementation, it would be crucial for the Commission to be involved in and offer its support for any legislative initiative to be spearheaded by the industry in the future. If this support were not given, it was Mr. Seymore's contention that the initiative would not be perceived by the Legislature as having much credibility.

The Commission and Mr. Hartman acknowledged that the cash funding fees are onerous and burdensome to the industry and unanimously endorsed their reduction. However, the Commission expressed its view that the Division has managed to keep its costs at a reasonable level while continuing to meet its regulatory obligations. Mr. Hartman stated that, in order for racing to continue, it must be regulated, but if the industry sees fit to eliminate parts of the Division's programs, the Division would be compelled to reduce the number of allowable race days. Mr. Hartman urged members of the Colorado racing community to unite and, with one voice, formulate a legislative

proposal that is agreeable to each sector of the racing industry and that is clear, concise and easily understandable. He emphasized that it is necessary for the industry to stand together rather than develop adversarial postures and split into partisan, splinter groups.

Following review of the proposed racing association license fees and schedules for Fiscal Year 2007 (July 1, 2006-June 30, 2007) presented by Mr. Hartman, a motion was made by Commissioner Pretti, seconded by Commissioner Alkire and unanimously carried to adopt the following payment schedule for Mile High Greyhound Racing, Cloverleaf Greyhound Track, Interstate Kennel Club and Arapahoe Park in accordance with the figures provided by the Division of Racing Events:

Greyhound:

- **For Cloverleaf Greyhound Track** – Payments are to be made in four equal monthly installments of \$133,400.00 during each association's live racing season, beginning the 15th day of the month following the opening of the 2007 meet. The total amount due is \$533,600.00.
- **For Mile High Greyhound Racing and Interstate Kennel Club** – Payments are to be made in eight equal installments of \$133,400.00 per month for the months of July 2006 through January 2007 and June 2007, beginning the 15th of August 2006 through February and one final payment in July 2007. The total amount due is \$1,067,200.00.

Horse:

- **Arapahoe Park** – Payments are to be made in twelve equal monthly installments of \$34,859.49 per month beginning the 15th of August through July 2007. The total amount due is \$418,313.88.

Report on Greyhound Racing Activity – Richard Mattson

Mr. Richard Mattson, Greyhound Racing Coordinator, presented his report on the opening of the Mile High Greyhound Racing live race meet on June 2, 2006 and the closing of Cloverleaf's 2006 live racing season on May 31, 2006. Mr. Bruce Seymore, Vice-President of Racing Operations for Mile High Racing and Entertainment, and Mr. John Manning, General Manager of Cloverleaf Greyhound Track, appeared on behalf of the racing associations.

Mile High Greyhound Racing: Mr. Mattson reported that the advertising blitz undertaken by Mile High Racing and Entertainment has had a positive impact on attendance, but not on the mutuel handle. Mr. Seymore stated that, to date, overall attendance is up by approximately 3,000 persons with both Mile High and Arapahoe Park estimating 600 patrons per race day. Mr. Seymore observed that young persons and families with children are visiting the racetrack. He assessed the handle versus attendance disparity by stating that wagering on greyhound races appears to be intimidating with a variety of wagers and price variations to be grasped. He advised that, in an effort to simplify the gambling process and appeal to persons who are unfamiliar with wagering protocol, the racetracks have implemented special promotions, instant win bets and additional customer services to familiarize customers with handicapping. Mr. Seymore noted that the Mile High is now offering \$.10 Superfecta wagers with a minimum ticket value of \$2 on the third and twelfth races.

Mr. Robert Feathers of the greyhound racing community at Mile High Greyhound Racing recommended that the association employ additional mutuel sellers to handle the volume of wagers since it is difficult for patrons who are unfamiliar with wagering machines to place bets or handle the voucher system. Mr. Seymore replied that there are sufficient mutuel tellers available on certain levels of the facility, but that he believes that patrons should be encouraged to use the self-service machines.

Cloverleaf Greyhound Track: Mr. Mattson commented that Cloverleaf's live meet had concluded on Wednesday, May 31, 2006. He offered the following statistical information for this season: the in-state handle was down approximately 12.37% from last year; the out-of-state handle was down approximately 5.59% from 2005 and the total

mutuel handle was down approximately 9.64% from last season. Mr. Mattson observed that, this year, there had been improved communication between association management and Division personnel via weekly meetings. However, he advised that the major problem during this meet, aside from the increase in the injury rate, was the shortage of paddock personnel. Mr. Mattson stated that, on numerous occasions, paddock staff failed to report for work, thus, compelling other racing officials to serve in dual capacities at the same time. Mr. Mattson advised that the Division would be offering recommendations for improvements to be made at Cloverleaf's next race meet, including, but not limited to, making necessary personnel changes and ensuring that all racing officials are adequately trained and qualified to perform their assigned duties.

Mr. Mattson advised the Commission that he would present the end of meet report for Cloverleaf's 2006 live racing season at either the July or August meeting

Mr. Manning stated that, although the handle was down this year, the percentage decline was less than it had been in recent years. However, he noted that, last year, several program cancellations occurred because of the epidemic of "kennel cough". Mr. Manning commented that there were approximately 10,000 more patrons at Cloverleaf this year than last (50,000 in 2006 versus 40,000 in 2005). Of these, some were college students. In light of the rise in attendance, Mr. Manning advised that he was perplexed by the decline in the mutuel handle. He also explained that he is approximately \$60,000 short of meeting his cash funding requirement.

The Commission accepted Mr. Mattson's report as presented.

Status Report – Arapahoe Park's 2006 Live Race Meet – Robert "Duke" Mann

Mr. Robert "Duke" Mann, Horse Racing Coordinator, presented his report on the first three days of live racing at Arapahoe Park. Mr. Bruce Seymore, General Manager of Arapahoe Park, appeared on behalf of the racing association.

Mr. Robert "Duke" Mann reported that, to date, twenty-seven races have been conducted at Arapahoe Park. Mr. Mann stated that attendance was substantially higher than it was last year with over 600 patrons present on the opening day of the meet.

Mr. Mann and Mr. Seymore informed the Commission that the water well broke down on May 31, 2006, necessitating that water be hauled to the racetrack. Mr. Seymore advised that Arapahoe Park has been hauling non-potable water from the Arapahoe County Fairgrounds. Mr. Seymore noted that the racetrack appears to be holding water and retaining moisture. Mr. Seymore reported that BLB, LLC has committed the funds needed to replace valves and pipes in order to rectify the problem with the water well. He explained that he would be testing the racing surface midway through the meet and at the conclusion of the meet.

There have been a minimal number of injuries, although one of them was a catastrophic injury resulting in the subject horse being humanely euthanized.

Mr. Mann stated that licensing activity has been quite brisk. He advised that, overall, the meet is progressing well.

Mr. Shannon Rushton, Executive Director of the Colorado Horse-Racing Association, expressed his appreciation to Mr. Seymore, Mr. Hartman and their staffs for being proactive in handling the water situation smoothly and, thereby, ensuring that an adequate supply of water would be available for the meet to commence as scheduled. Mr. Rushton also observed that many horses have been arriving at Arapahoe Park and moving into the stable area and this process has been handled very efficiently. Mr. Mann advised that, based upon the recommendations of the Colorado Horse-Racing Association, and Commission Veterinarian Earl Carlson, horses are now being allowed to enter the stable area with a health certificate issued within the previous thirty day period. Mr. Mann stressed that all horses participating in Arapahoe Park's race meet must have current health certificates and Coggins tests before being admitted to the stable area of the racetrack.

The Commission commended Mr. Seymore's efforts, both at Arapahoe Park and at Mile High Greyhound Racing. The Commission thanked Mr. Mann and accepted his report as presented.

Update – Animal Welfare and Medication Issues – Dr. Earl Carlson

Dr. Earl Carlson, Commission Veterinarian, advised the Commission that there have been reported cases of "kennel cough" at certain racecourses and, also, evidences of canine influenza. Because of this, there will be restrictions placed on the movement of greyhounds into Colorado for the foreseeable future. Problems have occurred at racetracks in West Virginia, Florida and Texas. Dr. Carlson asserted that the situation appears to be improving, but, in an effort to prevent any local outbreaks of either disease in Colorado, he will refrain from making a decision about whether to relax the restrictions until the end of June.

Dr. Carlson offered the following observations relating to Cloverleaf, Mile High and Arapahoe Park's race meets:

Cloverleaf Greyhound Track: Dr. Carlson reported on the thirty percent (30%) increase in the injury rate during Cloverleaf's 2006 meet. He stated that, in the upcoming end of meet report, he would be offering recommendations for improvements that he believes could result in a reduction in the number of injuries next season. However, he commented that one of his primary concerns is that, despite consistently taking measurements of the racing surface with a pressure gauge, the base remained hard.

Mile High Greyhound Racing: Dr. Carlson stated that, since the commencement of Mile High Greyhound Racing's live meet, four hock injuries and one ankle injury have occurred. He explained that the injury rate should decrease once the racing greyhounds have acclimated to the change from Cloverleaf's to Mile High's racing surface. Dr. Carlson advised that it is especially difficult for the racers to make the transition from Cloverleaf to Mile High due to the differences between the two surfaces, Spring weather fluctuations as well as the frequency with which the animals are entered to race.

Arapahoe Park: Dr. Carlson advised that the opening weekend at Arapahoe Park had gone very well. He stated he has examined the racetrack on several occasions and is pleased with the track maintenance routine and with the new equipment being used to condition the racing surface. He commented that it was regrettable that some horses sustained injuries, one a catastrophic injury, this past weekend. He stated that researchers at Colorado State University would attempt, via a necropsy, to ascertain the reason for the catastrophic breakdown and report their findings to him in the near future. Dr. Carlson commented that he has observed some respiratory problems, possible due to or compounded by dust, among Arapahoe's horse population.

Dr. Carlson advised that there has been some confusion regarding medication withdrawal times since these differ from one racing jurisdiction to another. He explained that he intends to provide threshold limits and new medication withdrawal times in an effort to alleviate misunderstandings due to jurisdictional variations concerning these matters.

The Commission accepted Dr. Carlson's report as presented.

Consideration of Petition for Eligibility to Apply for Licensure – In the Matter of ANDRES SIJIFREDO GONZALEZ

Mr. Dan Hartman, Director of the Division of Racing Events, explained to the Commission that Mr. Andres Sijifredo Gonzalez had sought to obtain a groom's license at Arapahoe Park on or about June 10, 2006. At that time, Division personnel informed Mr. Gonzalez that a condition set forth in Commission Order #05-04 dated October 13, 2005 was that, in the event that his existing racing license expired which it had, he would be required to appear before the Colorado Racing Commission prior to being considered eligible to apply for licensure. The Commission took notice that Mr. Gonzalez had

previously paid the fine and penalty assessments totaling one thousand dollars (\$1,000) imposed in Commission Order #05-04 and his racing license, which had been suspended ceased to be under suspension at the time that full restitution was made. (In Commission Order #05-04 dated October 13, 2005, it was specified that should Mr. Gonzalez desire to participate in racing in Colorado and “in the event that Mr. Gonzalez’ existing Colorado license shall have expired, Mr. Gonzalez must appear before the Commission to seek the Commission’s approval to apply for a new Colorado license.”)

Mr. Hartman stated that Mr. Gonzalez had requested to appear and address the Commission at today’s meeting. Mr. Hartman advised the Commission that, although exigencies of time had precluded the Division’s ability to place this matter on today’s agenda, he would recommend that the Commission consider it at this time. The Commission assented to allow Mr. Gonzalez to speak on his own behalf.

Mr. Hartman apprised the Commission that it could grant or deny the ability for Mr. Gonzalez to apply for licensure or, in its discretion, could impose, or direct the Division to impose, conditions on any license for which Mr. Gonzalez might apply. Whereupon, Mr. Gonzalez addressed the Commission regarding the incident and circumstances that had led to his fine and license suspension imposed in Commission Order #05-04.

Following review and deliberation of the testimony presented by Mr. Gonzalez, a motion was made by Commissioner Alkire, seconded by Commissioner Hoffman and unanimously carried to allow Mr. Andres Sijifredo Gonzalez to apply to the State of Colorado Division of Racing Events for a groom’s license; and, if after investigation, the Division determines that Mr. Gonzalez may be issued a temporary and/or a permanent license, a condition of the issuance of said license will be that Mr. Gonzalez shall not violate any of the Colorado Racing Commission Rules related to the unauthorized possession of or unauthorized administration of medications and prohibited substances under penalty of immediate suspension of his license and referral of the matter to the Commission for further action; and the Division shall retain the authority to attach such additional conditions on Mr. Gonzalez’ license as it may determine are necessary.

A tape recording of the above proceeding is on file in the Division’s Lakewood office.

The following Commission Order was disseminated:

**BEFORE THE COLORADO RACING COMMISSION
STATE OF COLORADO**

Case Number: 05-0436

COMMISSION ORDER # 06-02

IN THE MATTER OF:

ANDRES SIJIFREDO GONZALEZ, Petitioner

This matter came on for hearing on June 13, 2006 before the Colorado Racing Commission (hereafter, the “Commission”), at the request of Andres Sijifredo Gonzalez (hereafter, the “Petitioner”), in fulfillment of the terms of Commission Order # 05-04, dated October 13, 2005.

The Petitioner appeared in person. Assistant Attorney General Robert H. Dodd, Jr., appeared on behalf of the Division of Racing Events (hereafter, the “Division”). Robert J. Mann, Division Investigator and Horse-racing Coordinator, reviewed the case on behalf of the Division. The Commission had before it Commission Order # 05-04.

Findings of Fact

1. On October 13, 2005, the date the Commission issued Commission Order # 05-04, the Petitioner held a groom's license, Colorado Racing License # 200613249.
2. On October 13, 2005, Commission Order # 05-04 upheld the Board of Stewards' Ruling # 05-29 and the Director's Order # 05-13 and continued the suspension of the Petitioner's license until he had paid the one-thousand dollars (\$1,000.00) due and owing under the Director's Order.
3. On October 13, 2005, the Petitioner paid the amount due and owing under Commission Order # 05-04.
4. The Petitioner did not appeal Commission Order # 05-04.
5. On October 13, 2005, upon the Petitioner's payment of the noted \$1,000.00, the Petitioner's Colorado racing license was no longer suspended.
6. On June 10, 2006, the Petitioner's license expired at the end of its term.
7. ¶ 3.b. of the Order portion of Commission Order # 05-04 stated that should the Petitioner desire to participate in racing in Colorado and "in the event that Mr. Gonzalez' existing Colorado license shall have expired, Mr. Gonzalez must appear before the Commission to seek the Commission's approval to apply for a new Colorado license."
8. On or around June 10, 2006, when the Petitioner appeared at the Division offices to reapply for a Groom's license, the Division informed the Petitioner that under Commission Order # 05-04, it could not accept the Petitioner's application until the Petitioner obtained the Commission's permission to reapply.
9. On or around June 10, 2006, the Petitioner requested the Division to place him on the Commission agenda for June 13, 2006.
10. The Division agreed to request that the Commission hear the Petitioner's case at the June 13, 2006 Commission meeting.
11. On June 13, 2006, the Division brought the Petitioner's case before the Commission as a late item on its agenda for that day.
12. The Petitioner is a New Mexico resident who travels to Colorado solely to participate in the Arapahoe Park Live Race Meet.
13. The Petitioner requested he be permitted to reapply for a groom's license because his work with race horses is his only occupation and his extended family's main occupation.
14. The Petitioner explained and apologized for any involvement he may have had in the underlying case and for being unable to make the hearing related to Commission Order # 05-04.
15. The Division did not indicate that the Petitioner had had any other violations of racing rules in any other jurisdictions in which the Petitioner has been licensed.
16. The Division expressed no objection to allowing the Petitioner to reapply.
17. The Division indicated that if the Commission permitted the Petitioner to reapply, the Division would handle the Petitioner's application in the same manner as it would any other application.

Conclusions of Law

Having considered the facts and arguments presented and having been fully advised in the premises, the Commission hereby unanimously concludes:

1. The Commission has jurisdiction of the Petitioner's case under the terms of ¶ 3.b. of the Order portion of Commission Order # 05-04, which the Petitioner did not appeal.
2. Both the Division and the Petitioner complied with ¶ 3.b. of the Order portion of Commission Order # 05-04 by placing the case before the Commission.
3. The Commission has no reason to refuse to hear the matter at its June 13, 2006 meeting.
4. The Commission has the authority to place its own conditions, in addition to any other conditions the Division may, itself, place on any Colorado racing license issued to the Petitioner.

5. It is appropriate, under the circumstances, for the Commission to permit the Petitioner to reapply for a Colorado racing license under standard Division procedures.
6. It is also appropriate, under the circumstances, for the Commission to place certain conditions on any license the Division may ultimately issue to the Petitioner.

Order

The Commission hereby unanimously orders:

1. The Division shall accept and process under the Division's standard procedures the application of the Petitioner to obtain a Colorado Racing License; and,
2. In the event that the Division determines that it can issue a temporary and/or a permanent license to the Petitioner, the Division shall issue said license(s) with the condition that the Petitioner shall not violate any of the Colorado Racing Commission Rules related to the unauthorized possession of or unauthorized administration of medications and prohibited substances under penalty of immediate suspension of the Petitioner's license and referral of the matter to the Commission for additional action; and, furthermore,
3. In the event that the Division determines that it can issue a temporary and/or a permanent license to the Petitioner, the Division shall retain the authority to attach such further conditions on that license as it determines are necessary in addition to the condition set out by the Commission in this Order.

DONE this 15th day of June 2006.

FOR, AND BY ORDER OF,
THE COLORADO RACING
COMMISSION

s/

DANIEL J. HARTMAN, Director
Colorado Division of Racing Events

Scheduled Hearing – In the Matter of a Petition by JUSTIN “BRONC” GLEASON for Permission to Re-Apply for Licensure

At 11:00 a.m., the time that the hearing in the matter of Petitioner Justin “Bronc” Gleason was scheduled to commence, the Commission undertook various means and efforts to determine whether Mr. Gleason was, in fact, present, including oral summons by the Commission Chair and searches both in the foyer outside of the meeting room and the area immediately outside of Entrance B, 1881 Pierce Street, Lakewood, Colorado. After the Commission determined to its satisfaction that Mr. Gleason was not present and was not represented by any person(s), Chairman Naugle called the hearing to order at 11:07 a.m.

The Commission took notice that, in the absence of a court reporter, an official transcript of today's proceeding would not be available. In the event that a request is made for a transcription of this hearing, it would be prepared from the tape recording of the proceeding.

Mr. Robert Dodd, Jr., Assistant Attorney General, entered his appearance as disciplinary counsel on behalf of the Division of Racing Events.

Sworn testimony was given by Mr. Robert “Duke” Mann, Criminal Investigator and Horse Racing Coordinator for the Division of Racing Events.

The Commission accepted into evidence as Exhibit #1 the Division's compilation of relevant documents, comprised of a table of contents and sixty-two (62) pages of administrative documents bearing the title, "Document List, Division Records for June 13, 2006 Hearing [Petitioner: Justin D. Gleason]".

During the course of its deliberations, the Commission took into consideration that Mr. Gleason had requested to appear before the Colorado Racing Commission in a letter dated May 22, 2006 wherein Mr. Gleason stated that "I understand that I must appear before being allowed to be licensed." The Commission acknowledged that the Division had mailed a Notice of Hearing to both the official address for the Petitioner in the Division's licensing database and to the address specifically provided as a currently good address to reach the Petitioner at the time the Petitioner requested the hearing. The Commission noted that the letter containing the Notice of Hearing sent to the address in the licensing database was returned to the Division marked "Return to Sender. No such number. Unable to forward", while the other letter containing the Notice of Hearing was not received back by the Division.

Following review of the evidence and testimony presented, a motion was made by Commissioner Alkire, seconded by Commissioner Grant and unanimously carried to find that the request made by Petitioner, Justin "Bronc" Gleason to appear before the Colorado Racing Commission at its June 13, 2006 meeting has been abandoned due to Mr. Gleason's failure to appear or notify the Division/Commission of any reason for his absence; and to find that, in the event that Mr. Gleason desires to obtain a Colorado Racing License in the future, he must appear before the Commission to set a mutually-agreeable Hearing date and time at a regularly scheduled Commission meeting, when the Commission will hear Mr. Gleason's request to re-apply for a Colorado Racing License and afford him the opportunity to discuss his current standing and pending violations; and, further, that until such time as Mr. Gleason shall have obtained a Colorado Racing License, he shall not be allowed to be present on the premises of any facility, including but not limited to the grounds of any racetrack, simulcast venue and training track, under the jurisdiction of the Colorado Racing Commission.

The hearing concluded at 11:35 a.m. A tape recording of the proceeding is on file in the Division's Lakewood office.

The following Commission Order was disseminated:

BEFORE THE COLORADO RACING COMMISSION
STATE OF COLORADO

Case Numbers: L/R 04-1065 & L/R 04-1012 (Ref: L/R 03-2465)

COMMISSION ORDER # 06-03

IN THE MATTER OF:

JUSTIN D. GLEASON, Petitioner

This matter came on for hearing on June 13, 2006 before the Colorado Racing Commission (hereafter, the "Commission"), at the request of Justin D. Gleason (hereafter, the "Petitioner"), in fulfillment of the terms of the licensing status letter written to the Petitioner by the Director of the Division of Racing Events (hereafter, the "Director"), dated October 13, 2005.

Although the hearing had been scheduled for 11:00 A.M., the Commission waited for the Petitioner to appear or to communicate otherwise with the Commission. The Commission convened the hearing in Conference Room 110, 1881 Pierce St., Lakewood, Colorado at 11:07 A.M. It called the case several times and looked for the Petitioner both

in the foyer outside the conference room and the area immediately outside the 1881 Pierce St. Building, to no avail.

The Petitioner neither appeared nor sent anyone to represent him. Neither had he filed a motion for continuance nor communicated with any Division representative after the Notice of Hearing had gone out. Assistant Attorney General Robert H. Dodd, Jr., appeared on behalf of the Division of Racing Events (hereafter, the "Division"). Robert J. Mann, Division Investigator and Horse-racing Coordinator, was duly sworn and reviewed the case on behalf of the Division. The Commission accepted into evidence (Exhibit #1) the Division's compilation of relevant documents, comprised of a table of contents and 62 pages of administrative documents, bearing the title, "Document List, Division Records For June 13, 2006 Hearing [Petitioner: Justin D. Gleason]."

Findings of Fact

1. Effective August 14, 2004, Director's Order # 04-07 revoked the Petitioner's Colorado Racing Licenses.
2. On June 6, 2005, the Licensee's Colorado Racing Licenses expired at the conclusion of their normal term.
3. On September 28, 2005, the Petitioner paid in full the \$500.00 outstanding balance the Petitioner owed the Division for accumulated fines.
4. On September 30, 2005, the Director sent a letter to the Petitioner explaining the status of the Petitioner's Colorado Racing Licenses and the Division's requirement that the Petitioner appear before the Commission to seek the Commission's permission to reapply.
5. On May 22, 2006, in a letter addressed jointly to the Colorado Racing Commission and Dan Hartman, Executive Director, the Petitioner requested a hearing on June 13, 2006 before the Commission "to ask for the opportunity to apply for a Colorado Racing License." The Petitioner further stated, "I understand that I must appear before being allowed to be licensed."
6. On May 25, 2006, the Director issued a Notice of Hearing, setting the Petitioner's matter on the Commission agenda at 11:00 A.M. on Tuesday, June 13, 2006, in Conference Room 110, 1881 Pierce Street, Lakewood, Colorado.
7. On May 26, 2006, the Division mailed the Notice of Hearing by United States Mail, postage prepaid, addressed as follows:
 - a. JUSTIN D. GLEASON
515 East Besson
Dodge City, KS 67801
[the official address for the Petitioner in the Division's licensing database]
 - b. JUSTIN D. GLEASON
2600 East Trail
Lot B-12
Dodge City, KS 67801
[the address specifically provided as a currently good address to reach the Petitioner at the time the Petitioner requested the hearing]
8. On June 2, 2006, the Division received back the unopened letter containing the Notice of Hearing sent to the address in ¶3.a., above, with the following message on the envelope: "Return to Sender. No such number. Unable to forward."

9. The Division has never received back the letter containing the Notice of Hearing sent to the address in ¶3.b., above.

Conclusions of Law

Having considered the facts and arguments presented and having been fully advised in the premises, the Commission hereby unanimously concludes:

1. The Commission has jurisdiction of the Petitioner's request under C.R.S. §§ 12-60-503, 12-60-507, 12-60-507.5, and 12-60-508.
2. Under the circumstances of the Petitioner's case, it was appropriate for the Division to require the Petitioner to appear before the Commission to seek the Commission's permission to reapply for a Colorado Racing License.
3. The Petitioner complied with the Division's pre-application requirement by requesting that the Commission hear his request to reapply for a Colorado Racing License.
4. Insofar as the Petitioner on May 22, 2006 specifically requested that the Commission hear his request at its regularly-scheduled June 13, 2006 Meeting, and the Division mailed the Notice of Hearing on May 26, 2006, the Petitioner is deemed to have waived any longer notice period.
5. Insofar as the Notice of Hearing did not return from the mailing to the Petitioner at the address specifically provided at the time the Petitioner submitted his request for a hearing as a good contemporary address for the Petitioner, the Notice of Hearing is deemed to have been properly served by mail, and the Petitioner is deemed to have received the Notice.
6. It is appropriate, under the circumstances, for the Commission to consider that the Petitioner has, by non-appearance and non-notification, abandoned the Hearing request.
7. It is also appropriate, under the circumstances, for the Commission to place certain conditions on the process the Petitioner should use to apply for any Colorado Racing License in the future, and in furtherance of that process to restrict the Petitioner's access to any facility under the jurisdiction of the Colorado Racing Commission.

Order

The Commission hereby unanimously orders:

1. The Hearing requested by the Petitioner for June 13, 2006, is deemed abandoned, without prejudice; and,
2. In the event that the Petitioner should desire to obtain a Colorado Racing License in the future, the Petitioner must appear before the Commission to set a mutually-agreeable Hearing date and time at a regularly-scheduled Commission meeting, when the Commission will hear the Petitioner's request to reapply for a Colorado Racing License; and, furthermore,
3. Until such time as the Petitioner shall have obtained a Colorado Racing License, the Petitioner shall not be allowed to be present at any facility under the jurisdiction of the Colorado Racing Commission.

DONE this 16th day of June 2006.

FOR, AND BY ORDER OF,
THE COLORADO RACING
COMMISSION

s/

DANIEL J. HARTMAN, Director
Colorado Division of Racing Events

Adjournment

There being no further business to consider, the meeting was adjourned at 11:35 a.m.

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on Tuesday, July 11, 2006 at Arapahoe Park Racetrack, 26000 East Quincy Avenue, Aurora, Colorado.

GENE O. NAUGLE, DVM, CHAIRMAN

The undersigned hereby approve the foregoing Minutes.

DAVID LYNN HOFFMAN, VICE-CHAIR

MARILYN ALKIRE, MEMBER

C. DREW GRANT, MEMBER

JACK PRETTI, MEMBER

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, July 11, 2006 in the Directors' Room at Arapahoe Park, 26000 East Quincy Avenue, Aurora, Colorado. The meeting was called to order by Chairman Gene Naugle at 9:45 a.m.

Members Present

Gene Naugle, DVM, Chairman
David Lynn Hoffman, Vice-Chairman
C. Drew Grant, Member

Commissioners Marilyn Alkire and Jack Pretti were excused from the meeting.

Staff Present

Dan Hartman, Director, Division of Racing Events
Earl Carlson, Commission Veterinarian
Richard Mattson, Greyhound Racing Coordinator
Robert "Duke" Mann, Horse Racing Coordinator
Carolyn Livers, Assistant Attorney General
Sherry Gunnell, Assistant to the Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Election of Officers

A motion was made by Commissioner Hoffman, seconded by Commissioner Grant and carried by acclamation to re-appoint Gene Naugle to serve as Chair of the Commission and to re-appoint David Lynn Hoffman to serve as Vice-Chair of the Commission through June 2007.

Approval of Minutes of June 13, 2006

A motion was made by Commissioner Grant, seconded by Commissioner Hoffman and unanimously carried to approve the minutes of June 13, 2006 as submitted.

Consideration of Petition for Declaratory Order Regarding Colorado Bred Entries – Robert "Duke" Mann

Mr. Robert "Duke" Mann, Horse Racing Coordinator, advised the Commission that, in light of an incident that had recently occurred at Arapahoe Park, he had requested that Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, petition the Colorado Racing Commission to issue a Declaratory Order clarifying the definition of a "Colorado Bred (Horse) and Colorado Racing Commission Rules #9.206 and #9.210. Mr. Seymore appeared on behalf of Arapahoe Park.

Mr. Mann informed the Commission of the events and circumstances surrounding the subject petition for a Declaratory Order:

- On Friday, June 23, 2006 at Arapahoe Park, the horse, "Cash Voucher", was entered into the eighth race for Colorado Bred Thoroughbreds to be run on Monday, June 26, 2006. He stated that, at the time of entry, the foal certificate for "Cash Voucher" had not been stamped by the Colorado Thoroughbred Breeder's Association (hereinafter known as "CTBA") to reflect that the horse was a Colorado Bred. Mr. Mann advised that Arapahoe Park's Racing Office accepted this entry with the proviso that the foal certificate would be stamped prior to the race on June 26, 2006.

- On Monday, June 26, 2006, the Arapahoe Park Board of Stewards were notified that “Cash Voucher’s” papers had not been stamped by the CTBA per the organization’s Bi-Laws. The mare of “Cash Voucher” was not registered at the time of foaling. However, since the sire of “Cash Voucher” was a registered Colorado Bred sire, the Board of Stewards interpreted the definition for a Colorado Bred (horse) and Colorado Racing Commission Rule #9.210 to allow a Colorado Bred-sired horse to be eligible for this race.
- During the running of the race card on June 26, 2006, Mr. Bruce Seymore, Director of Racing Operations, Mr. William Powers, Racing Secretary and Mr. Shannon Rushton, Executive Director of the Colorado Horse-Racing Association, contacted Mr. Mann and explained to him that “Cash Voucher” was ineligible for this race due to the fact that the foal certificate was not stamped “Colorado Bred”. (Per standard practice at Arapahoe Park since 1992, all horses that are entered into Colorado Bred races are to be stamped and registered as “Colorado Bred Thoroughbred” pursuant to CTBA Bi-Laws.) After researching this matter, Mr. Mann explained that he accepted this and requested that the Board of Stewards scratch “Cash Voucher” as ineligible. The Board of Stewards scratched the subject horse, but requested that this matter be brought to the Commission’s attention. As a result of this, Mr. Mann explained that he asked that Arapahoe Park request a petition for Declaratory Order concerning this matter and Arapahoe Park complied with this request.

Mr. Mann stated that it is the position of the Division of Racing Events that the petition in question should be accepted and that Arapahoe Park’s Racing Office should be allowed to accept the Bi-Laws of the respective breed organizations as they pertain to a Colorado Bred horse. Further, Mr. Mann recommended that this matter be addressed during the next rules workshop in order to ascertain whether certain Commission rules should be reviewed at the formal Rule-Making Hearing.

Mr. Seymore and Mr. Bill Powers, Director of Racing at Arapahoe Park offered their assessment of this matter in the following letter to the Colorado Racing Commission dated June 30, 2006: “The issue is that CASH VOUCHER’s sire is a registered Colorado Bred Sire. CASH VOUCHER’s mare was not registered at the time of foaling which made CASH VOUCHER ineligible to be registered and stamped a Colorado Bred pursuant to CTBA Bi-laws. CASH VOUCHER is considered a Colorado sired horse. Rules #9.210:1 states in part that when a horse is entered in a Colorado bred race, [it] shall have preference over a Colorado sired horse. This may mean that a Colorado sired horse may be entered into a Colorado bred race. Past practice at Arapahoe Park since 1992 has been that all horses that are entered into Colorado bred races are to be stamped and registered as Colorado Bred Thoroughbred[s] pursuant to CTBA Bi-laws.”

Mr. Seymore observed that the situation in question was an untenable one for both the Board of Stewards and the CTBA and, therefore, an interpretation by the Commission of the subject definition and of certain Commission rules was being sought at this time. He commented that it is traditional in horse racing for a foal’s breed line to be based upon its mare’s lineage. Mr. Seymore acknowledged the contribution of the breed organizations that have invested in breeding stock to establish what constitutes a Colorado bred horse.

Discussion ensued between the Commissioners, Mr. Seymore and Division Director Dan Hartman concerning this matter. Mr. Seymore advised the Commission that he had not experienced such an instance as this during his tenure in the racing management. Mr. Jack Rumsey, Trainer of the horse, “Cash Voucher”, stated that there had been a previous instance of this nature and that the affected horse had been permitted to race.

In response to a query from Commissioner Grant, Mr. Hartman explained that the Division of Racing Events undertakes ongoing, regular reviews of its rule book in an effort to address any possible conflicts between existing rules, detect any obsolete rules and, then, at its annual rules workshop(s) and formal Rule-Making Hearing, adopt certain

new or amended rules and delete others as needed. He stated that, several years ago, the Division combined multiple rule books into the one that is in effect (with annual modifications) at this time. He advised that, despite the Division's best efforts to find any and all rules that need to be considered during the rule review process, some are not readily detected. Mr. Hartman noted that the Division is attempting to bring its rules into conformity with the nationally standardized Model Rules, which should alleviate some of the discontinuities.

Mr. Hartman asserted that the Commission has the authority to issue a Declaratory Order that would not only give direction and guidance to the Racing Office and to the Board of Stewards regarding a Colorado Bred horse, but would have the full force and effect of a rule until such time as the definition and/or rules that have been cited could be reviewed.

Commissioner Hoffman observed that it is apparent that there are conflicts in the rules relating to a Colorado Bred horse, which are rules #9.204, #9.206, #9.208, #9.210 and #9.212. He commented that a court of justice would look at the intent of the law, noting that the Commission has been given great leeway in the matter of interpretation of rules and the statute.

After apologizing to Mr. Rumsey, a motion was made by Commissioner Hoffman, seconded by Commissioner Grant and unanimously carried to accept the petition from Mr. Bruce Seymore and Mr. William Powers dated June 30, 2006 and received by the Division on July 4, 2006 and the memorandum dated July 4, 2006 from Mr. Robert "Duke" Mann and issue a Declaratory Order specifying what constitutes and what does not constitute a Colorado Bred horse. Specifically, the Declaratory Order clarifies that the Arapahoe Park's Racing Office is to be allowed to accept the Bi-Laws of the respective breed organizations as they pertain to a Colorado Bred horse for the duration of the 2006 live racing season.

Introduction of Representatives of BLB Investors, LLC – Bruce Seymore

Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, introduced Ms. Jacqueline Greer, Vice-President of Finance for the Colorado Operation of BLB USA, Inc., and Mr. Bruce Frazier, Executive Vice-President of BLB USA, Inc., to the Commission. The Commission welcomed Ms. Greer and Mr. Frazier and thanked them for attending the meeting.

Status Report – Arapahoe Park's 2006 Live Race Meet – Robert "Duke" Mann

Mr. Robert "Duke" Mann, Horse Racing Coordinator, reported that, through July 10, 2006, sixteen days of live racing had been conducted at Arapahoe Park. Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, appeared on behalf of the Racing Association.

Mr. Robert "Duke" Mann stated that, through Sunday, July 9, 2006, a total of 136 races have been conducted at Arapahoe Park of which 93 were Thoroughbred races, 28 were Quarterhorse races, one race was a mixed Thoroughbred/Quarterhorse race, nine were Arabian races, four were Paint/Appaloosa races and one was a mixed Paint/Quarterhorse race.

Mr. Mann observed that the rainfall during the past week, estimated at approximately three inches, resulted in the cancellation of four races on Monday, July 10, 2006. He noted that, to date, six races have been canceled.

Mr. Mann stated that there has been an overall increase in the mutuel handle, but a slight decrease in cumulative attendance.

To date, Mr. Mann stated that 198 blood/urine samples have been taken from which five medication violations were detected. (Two of them were for higher than allowable levels of Phenylbutazone and three were for use of more than one non-steroidal anti-inflammatory medication.) Mr. Mann noted that, to date, four horses have been

disqualified. The Board of Stewards has issued five administrative rulings requiring penalties and nine administrative citations.

Mr. Seymore stated that, despite the recent decline in attendance, he is quite pleased with the number of new patrons and families who are visiting both Mile High Greyhound Park and Arapahoe Park. He assured the Commission that he is confident in and convinced that the marketing/promotional and publicity approaches that Mile High Racing & Entertainment has been employing have been and will continue to be successful.

Mr. Mann observed that the racing surface is in much better condition than it was last year and that he is very pleased with how the meet has been progressing. He advised that there have been far fewer injuries than in 2005, although one horse sustained an injury during the recent period of inclement weather and, for no apparent reason, a Quarterhorse had to be humanely euthanized due to a catastrophic injury that occurred on the first day of racing.

Mr. Mann stated that licensing activity has been quite brisk.

The Commission thanked Mr. Mann and accepted his report as presented.

Status Report – Mile High Greyhound Park’s 2006 Race Meet – Richard Mattson

Mr. Richard Mattson, Greyhound Racing Coordinator, presented his update on Mile High Greyhound Park’s current race meet. Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, appeared on behalf of the Racing Association.

Mr. Mattson explained that Mr. Seymore provided him with a summary of unaudited statistics reflecting that the average daily mutuel handle is approximately \$41,000 lower than in 2005 and that the current attendance level per performance is lower than last year by approximately 96 patrons. However, Mr. Mattson commented that he has observed a greater number of families in attendance this year than in the past.

Mr. Mattson offered the following injury tabulations for the same period in 2004 through 2006: in 2004, there were 4.15 injuries per 1,000 starts; in 2005, there were 2.02 injuries per 1,000 starts and in 2006, there have been 1.47 injuries per 1,000 starts. This represents a significant decline in the injury rate. Mr. Mattson stated that the racing surface has been very well-maintained and is in very good condition. He stated that the depth measurements performed on the racing surface have indicated that the cushion depth ranges between 1-1/2” to 2”.

Mr. Mattson commended the performance of Mr. Gilbert Garcia, the Director of Racing/Racing Secretary, and his staff and of Mr. Arthur Sweet, the Track Superintendent. He commented that Mr. Sweet has been allowed to perform his duties more independently than in the past and has been able to acquire the equipment that he has needed to maintain a consistent racing surface. Mr. Mattson noted that the grooms at Mile High this season are performing their duties quite well and that there have been no problems or incidents with them or any other Association personnel. He stated that he has observed a high level of professionalism among employees at Mile High Greyhound Park this season and is pleased that Association staff members are taking ownership of their positions. Additionally, Mr. Mattson advised that the greyhound owners and trainers at Mile High Greyhound Park have been very cooperative and he is pleased with the synergy that has been evident during the meet. In conclusion, Mr. Mattson stated that the meet is progressing very well.

The Commission thanked Mr. Mattson and Mr. Seymore and accepted the report as presented.

Mr. Melvin Johnson, a member of the greyhound racing community at Mile High Greyhound Park, expressed his appreciation to the Association for hiring a new Lure Operator who has been handling his duties very capably.

Update – Animal Welfare and Medication Issues – Dr. Earl Carlson

Dr. Earl Carlson, Commission Veterinarian, advised the Commission that, in early July, reports had been received that outbreaks of viruses that could cause abortions in mares after breeding had occurred in New Mexico. As a result of these reports, Colorado has imposed a quarantine on the transportation of animals from the affected area. Additionally, problems with “kennel cough” have continued to occur in Texas, Florida and West Virginia and, because of this, the restrictions on the movement of greyhounds into Colorado remain in effect at this time. Dr. Carlson advised that it may be possible to remove the restrictions in the near future, but that has yet to be determined.

Dr. Carlson stated that there have been reports that researchers from the University of Florida are seeking to make two vaccinations for canine influenza available to the public, but, as yet, neither of them has been approved by the Federal Drug Administration. Dr. Carlson stated that his primary concern is the effectiveness of the vaccinations, but, absent any details or additional information regarding them, he would not agree to endorse their use. He observed that it has been ascertained that the hemorrhagic form of canine influenza is especially prevalent among greyhounds and, for this reason, it is imperative that restrictions remain in place on the movement of greyhounds into Colorado for the foreseeable future.

Dr. Carlson offered the following observations relating to the race meets at Arapahoe Park:

He commented that he is very pleased with the conduct of the meet and thanked the members of the Arapahoe Park racing community for their support. He stated that the injury situation has improved greatly this year with the main problem appearing to be tendonitis.

He asserted that he is quite distressed by the failure of researchers at Colorado State University (C.S.U.) to provide necropsy reports to the Division in a timely manner. He stated that the established time frame to which C.S.U. was to adhere was seventy-two hours after receipt of the deceased horse. However, despite having sent three horses for examination in the past several weeks, no reports have been provided to the Division from C.S.U. Dr. Carlson advised that he intends to discuss this situation with members of the C.S.U. veterinary staff and learn the reason for the delays in response time. He stated that if the situation remains unaltered, he would recommend that the Commission withdraw its funding of equine research projects from C.S.U.

The Commission thanked Dr. Carlson and accepted his report as presented.

2007 Race Dates Hearing

Chairman Naugle convened the 2007 Race Dates Hearing at 10:20 a.m.

Division Director Dan Hartman, charged with primary responsibility for reviewing the proposed race date requests, explained that the Commission conducted an annual Race Dates Hearing for the purpose of establishing the envelopes of race dates for each racing association for the upcoming calendar year, in this instance, 2007, and not for specifying the actual dates upon which racing would be conducted. He noted that, pursuant to statute, greyhound racing associations in the Southern Circuit are permitted to request envelopes of up to 180 days while those in the Northern Circuit may request envelopes of no more than 120 days. Mr. Hartman also noted that each envelope accommodated a minimal break between the final date of one meet and the commencement date of another meet in the same circuit, but at a different location.

Mr. Hartman advised that the Division had reviewed the requests and had found that all of them met the requirements. Therefore, Mr. Hartman recommended approval of these race date proposals.

A. GREYHOUND:

Mr. Hartman apprised the Commission that no date request had been received for racing in the southern circuit.

Following review and discussion of the list of racing envelopes as submitted, a motion was made by Commissioner Grant, seconded by Commissioner Hoffman and unanimously carried to approve the following envelopes of 2007 race dates for the Northern Circuit greyhound race meets, specifically, Interstate Kennel Club, Cloverleaf Greyhound Track and Mile High Greyhound Park, subject to availability of funding and staffing:

INTERSTATE KENNEL CLUB
(Commerce City)

JANUARY 1 – JANUARY 27, 2007
(Monday) (Saturday)
(Envelope of 27 days)

CLOVERLEAF GREYHOUND TRACK
(Loveland)

JANUARY 30 – MAY 29, 2007
(Tuesday) (Tuesday)
(Envelope of 120 days)

MILE HIGH GREYHOUND PARK
(Commerce City)

JUNE 1 – SEPTEMBER 28, 2007
(Friday) (Friday)
(Envelope of 120 days)

INTERSTATE KENNEL CLUB
(Commerce City)

SEPTEMBER 29 – DECEMBER 24, 2007
(Saturday) (Monday)
(Envelope of 87 days)

DECEMBER 26 – DECEMBER 31, 2007*
(Wednesday) (Monday)
(Envelope of 6 days)

* - No racing on December 25 (Christmas Day)

B. HORSE

Following review and discussion and after noting that no specific race dates were being requested at this time, a motion was made by Commissioner Hoffman, seconded by Commissioner Grant and unanimously carried to approve Arapahoe Park's 2007 date request on a contingency basis subject to submission of actual race dates and upon availability of funding and staffing. (Notice was taken that Arapahoe Park may request the ability to conduct live racing on any days that it desires between June 1, 2007 and September 30, 2007, but the conditions set forth above apply to any specific dates of racing.)

ARAPAHOE PARK
(Unincorporated Arapahoe County)

JUNE – SEPTEMBER, 2007**

** - Actual race days and exact number of days to be determined

(ALL APPROVALS GRANTED SUBJECT TO AVAILABILITY OF DIVISION FUNDING AND STAFFING)

There being no further race date requests to consider, the 2007 Race Dates Hearing was adjourned at 10:40 a.m.

Additional Items to Come Before the Commission – Dan Hartman

Division Director Dan Hartman informed the Commission that, since publication and dissemination of today's meeting agenda, he had been requested to bring certain matters before the Commission for its consideration. The following items were presented at this time:

Consideration of Request to Allow Equipment Changes To Be Made in the Event of Muddy/Sloppy Racetrack Conditions – Shannon Rushton

Mr. Shannon Rushton, Executive Director of the Colorado Horse-Racing Association, addressed the Commission regarding a concern that had been raised by several members of the Arapahoe Park horse racing colony, namely, problems that certain horses wearing blinkers and/or screens had experienced while racing during last week's period of monsoon rain. Mr. Rushton explained that the horsemen had recommended that he bring the matter to the attention of the Commission and request clarification of certain Commission rules relating to blinkers. Also present were State Stewards Richard Garrison and Linda Salinas and Horse Racing Coordinator Robert "Duke" Mann.

Mr. Rushton displayed certain types of blinkers and screens for the Commission to appraise. (It was noted during the course of the following discussion that approval must be given by the Stewards for blinkers to be worn by a horse, but the use of screens does not require prior approval by the Stewards.) Mr. Rushton stated that when the racetrack condition became exceedingly muddy and/or sloppy, the use of blinkers became a potential safety hazard to the racing animals. Mr. Rushton contended that, although Commission rules #7.207, #7.602 and #11.512 specify criteria for the use of blinkers and/or their removal, last week's extreme weather conditions warrant giving consideration to the alternative application of the Trainer Responsibility and/or Absolute Insuror rules. Mr. Rushton described the potentially harmful effects that wearing blinkers and/or screens could produce for both horses and jockeys.

State Steward Garrison took exception to Mr. Rushton's portrayal of the situation. He observed: 1) that the Commission's rules are in place to ensure that the public is aware of the equipment that is being used on a horse at the start of a race and that it would be unfair to the wagering patrons to make a belated change in equipment immediately before a race; 2) that the use of blinkers and/or screens does not create a safety hazard; and 3) that the trainer should not be allowed to decide whether to remove blinkers and/or screens since this could alter the performance of the horse.

Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, representing the Racing Association, endorsed the horsemen's position, although he agreed that Mr. Garrison's views have merit as well. He observed that when the condition of the Arapahoe Park racecourse becomes muddy or sloppy, the use of blinkers and/or screens could prove to be a safety issue. Further, Mr. Seymore stated that it would be possible for the public to be informed of an equipment change, such as the removal of blinkers and/or screens, prior to the running of a race. Mr. Dan Hartman, Director of the Division of Racing Events, commented that, along with announcements to the public, additional time could be given for patrons desiring to change their wagers to do so.

Mr. Hartman advised Mr. Rushton that he objected to the application of the Trainer Responsibility rule to such a circumstance and stated for the record that this should not be the basis for any determination that the Commission might make. Mr. Hartman stated that it would continue to be essential for a horse wearing blinkers to be cleared out of the gate with them and, also, for the blinkers to be placed on the horse in the presence of the Stewards. Mr. Garrison asserted that it is the position of he and Ms. Salinas that determinations regarding the use of blinkers are and should remain the responsibility of the Board of Stewards. Ms. Salinas commented that it is customary for horses to wear blinkers only for specific reasons.

Discussion ensued during which representatives of the Arapahoe Park horse racing colony and other attendees voiced their views, opinions and arguments regarding this matter. Dr. Earl Carlson, Commission Veterinarian, reported that he had discussed this matter with both Division and practicing Veterinarians at Arapahoe Park and their position is that, when the racing surface condition is deemed muddy and/or sloppy, trainers should be allowed to decide what equipment is used for the protection, safety and welfare of the racehorse.

An additional matter that was raised was whether a specific time frame for declaring whether blinkers would be worn by a racehorse or not should be established. Mr. Hartman stated that he would oppose instituting a time limit for making such a decision, but would want to ensure that sufficient time would be given for the public to be informed of the equipment change and for wagers to be changed accordingly.

Commissioner Naugle commented that, from a medical perspective, it would be dangerous for both a horse and its rider to race if the horses' eyes and blinkers were coated/covered with mud. Commissioner Hoffman reflected on the Commission's

mission and mandate to protect the safety and welfare of the racing animals, human racing participants and the wagering public. Commissioner Hoffman observed that the Commission and Division of Racing Events do not want to amend the rules, but want to resolve this matter to the satisfaction of all parties. He stated that he believes that the Board of Stewards could make a reasonable decision, based upon inclement weather, to allow an equipment change. Mr. Hartman and Commissioner Hoffman concurred that, in order to achieve consistency in interpretation of when to allow an equipment change, guidelines should be developed to aid the Board of Stewards in rendering a decision. The Commission recommended that Mr. Hartman meet with the Board of Stewards, Mr. Seymore, Mr. Mann and Mr. Rushton to formulate guidelines relating to this matter.

The Commission assured Mr. Garrison and Ms. Salinas that it did not intend to interfere with the Board's role and was not asking the Board of Stewards to shoulder the burden of making a decision in such an instance. The Commission affirmed that it should be the decision of a horse's trainer about making an equipment change when the condition of the racecourse is muddy or sloppy.

Mud Scratch Policy – Shannon Rushton

Mr. Shannon Rushton, Executive Director of the Colorado Horse-Racing Association, informed the horse racing community that the "mud scratch policy" had been dissolved pursuant to a conversation that he had had with Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, Mr. Dan Hartman, Director of the Division of Racing Events and Mr. Robert "Duke" Mann, Horse Racing Coordinator. Therefore, there was no need for the matter to be brought before the Commission. No action was taken.

Consideration of Request to Clarify Licensing Status – Ramon Gonzalez

Mr. Dan Hartman, Director of the Division of Racing Events, explained to the Commission that the Division has issued to Mr. Ramon Gonzalez a document entitled "Stipulation and Agreement for Conditional License" which sets forth the terms and conditions under which the Division would allow Mr. Gonzalez to obtain a temporary Trainer's license. Mr. Hartman stated that he believes that Mr. Gonzalez is objecting to the Division's imposition of any conditions on any license that might be issued to him. Mr. Hartman informed the Commission that the Division issues conditional licenses on a regular basis, most notably, in instances in which a background investigation has revealed any criminal history, tax delinquencies or issues relating to questionable character or reputation of a license applicant. Mr. Hartman explained that the only alternative that the Division offers to an applicant who refuses to accept a conditional license is issuance of a Notice of Proposed Denial since licensure is a privilege, not a right.

Mr. Ramon Gonzalez was present and was represented by Mr. Shawn Mitchell, Attorney at Law. Ms. Annie Knight, a colleague of Mr. Gonzalez, was also present.

Mr. Mitchell stated that Mr. Gonzalez is questioning the fairness and equity of the conditions that the Division seeks to impose on his license for the following reasons:

- 1) Mr. Gonzalez' original suspension was merely a reciprocal action taken by Colorado in response to his suspension in New Mexico, and, since his license has been reinstated in New Mexico without restrictions, Mr. Gonzalez believes that he should be restored to good standing in Colorado.
- 2) The offense that resulted in Mr. Gonzalez' original suspension was a technical medical violation involving Naproxen. Based upon knowledge of the length of time that this medication can remain and be detected in a horse after administration, certain racing jurisdictions are amending their rules in accordance with the latest information. Mr. Gonzalez does not believe that this issue should have any impact on his efforts to be licensed in Colorado.

- 3) Mr. Gonzalez questions the authority of the Division to impose conditions on licenses, especially such an extensive and burdensome amount of them. According to Mr. Mitchell, the Division's action is inconsistent with its normal licensing protocols.
- 4) The penalty restrictions that the Division is proposing to impose on Mr. Gonzalez are not consistent with the kinds of judgments meted out to other license applicants who have committed similar offenses. Mr. Mitchell contended that, if, in fact, the Division has the authority to impose some restrictions on licenses, the volume of conditions that it is attempting to apply to Mr. Gonzalez' efforts to be licensed are overwhelming.

Mr. Mitchell stated that he did not find any basis or authority in the statutes for the Division to issue conditional licenses. He observed that it appears that the Commission's rules afford the Division the ability to issue a temporary license for a period of up to thirty days, but, other than this time restriction, and its ability per rule to grant or deny a permanent license, Mr. Mitchell was unable to find any reference to the Division having authority to place any extra protocols on license issuance. Mr. Mitchell asserted that Mr. Gonzalez should be allowed to apply for and obtain a permanent license without any restrictions.

Discussion ensued during which the Commission offered observations regarding Mr. Gonzalez' lengthy history of past infractions and violations in Colorado and questioned whether he should be considered for licensure. Based upon the analysis given by Assistant Attorney General Carolyn Lievers, representing the Division of Racing Events, the Commission concluded that, despite Mr. Gonzalez' current status in New Mexico, Colorado was not under any obligation to restore Mr. Gonzalez to good standing. Further, the Commission asserted that Mr. Gonzalez' record of offenses in Colorado clearly justified the imposition of any and all terms and conditions that the Division saw fit and appropriate to impose on any license, whether temporary or permanent, that might be issued to Mr. Gonzalez. The consideration of whether Mr. Gonzalez should be considered a person of good moral character was raised and it was the position of the Commission that the Division has the authority to examine and make determinations regarding what constitutes "good moral character" as part of its background investigation. Ms. Lievers stated that the Division possesses global authority to examine a license applicant's character and cited 24-4-104 and 12-60-507 of the Colorado Revised Statutes as references addressing the Division's authority. Ms. Lievers observed that Mr. Gonzalez has the choice of attempting to negotiate terms that the Division of Racing Events proposes to impose on him or be denied the ability to be licensed until such time as he has allowed the Division to undertake a full and complete background investigation. Ms. Lievers confirmed that, if Mr. Gonzalez were denied licensure after completion of an investigation, he could then appeal the matter and come before the Commission at a formal hearing.

Mr. Mitchell asserted that, since Mr. Gonzalez' previous license in Colorado expired in 2005 when he was under suspension in New Mexico, he was now being unreasonably treated. Mr. Hartman stated that, despite Mr. Mitchell's assessment, the scrutiny that the Division was giving to Mr. Gonzalez was comparable to that applied to any other applicant for licensure, whether for a new or a renewal license. Mr. Hartman declared that the Division has the ability to apply conditions on any license it issues, whether temporary or permanent. Mr. Hartman commented that, in the event that Mr. Gonzalez proceeds to the permanent licensing phase, he might be subject to the imposition of additional terms and conditions. Mr. Hartman stated and the Commission concurred that, ultimately, Mr. Gonzalez must decide whether he wants to accept terms and conditions established by the Division for the issuance of a temporary license or forego the privilege of consideration for licensure.

Mr. Mitchell and Ms. Knight stated that the conditions that the Division is proposing to demand of Mr. Gonzalez are far too stringent and rigorous and would be virtually impossible for him to meet, such as "not being late to the paddock" when his horse might be in the care of another trainer and Mr. Gonzalez was not on the premises of

the racecourse where his horse was racing. The Commission and the Division stressed that Mr. Gonzalez was merely being required to abide by the Commission's rules, not being held to an excessively high standard of behavior or performance. Mr. Mitchell stated that there was no reason for the Division to impose such an extensive list of terms and conditions as set forth in the Stipulation and Agreement for Conditional License and he asked that the majority of them be stricken from the document. It was Ms. Lievers' recommendation that Mr. Gonzalez engage in negotiations with the Division of Racing Events regarding the current list of proposed conditions and, then, depending upon the outcome, either agree or disagree with the results; and if Mr. Gonzalez does not believe that the results of the negotiations are acceptable, he can then request to come before the Commission for consideration of his license denial. At this time, since there is no pending license application and there is a document entitled "Stipulation and Agreement for Conditional License" which Mr. Gonzalez has elected not to sign, the Commission directed Mr. Gonzalez to address his issues with the Division of Racing Events.

Mr. Mitchell then inquired about whether Mr. Gonzalez could obtain permission from the Commission to apply for an Owner's license. Again, the Commission directed Mr. Gonzalez to consult with the Division of Racing Events. The Commission cautioned Mr. Gonzalez on attempting to pre-empt the authority of the Division of Racing Events by bringing a matter before them that should rightly be addressed with Mr. Hartman and/or his designee.

The Commission declined to take formal action on these matters.

Ms. Tami Rice, Shorthand Reporter, stenographically recorded the above proceeding. A tape recording of the proceeding is on file in the Division's Lakewood office.

Adjournment

There being no further business to come before the Commission, the meeting was adjourned at 12:30 p.m.

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on Tuesday, August 8, 2006 in Conference Room 110 (Gaming Conference Room), 1881 Pierce Street, Lakewood, Colorado.

GENE O. NAUGLE, DVM, CHAIRMAN

The undersigned hereby approve the foregoing Minutes.

DAVID LYNN HOFFMAN, VICE-CHAIR

(EXCUSED)

MARILYN ALKIRE, MEMBER

C. DREW GRANT, MEMBER

(EXCUSED)

JACK PRETTI, MEMBER

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, August 8, 2006 at 1881 Pierce Street in Conference Room 110 (Gaming Conference Room), Lakewood, Colorado. Chairman Gene Naugle called the meeting to order at 9:30 a.m.

Members Present

Gene Naugle, DVM, Chairman
David Lynn Hoffman, Vice-Chairman
C. Drew Grant, Member
Jack Pretti, Member
Marilyn Alkire, Member

Staff Present

Dan Hartman, Director, Division of Racing Events
Earl Carlson, Commission Veterinarian
Richard Mattson, Greyhound Racing Coordinator
Robert "Duke" Mann, Horse-Racing Coordinator
Mark Brown, Division Enforcement Coordinator
Robert Dodd, Jr., Assistant Attorney General
Tina Bowman, Assistant Attorney General
Sherry Gunnell, Assistant to the Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Approval of Minutes of July 11, 2006

A motion was made by Commissioner Grant, seconded by Commissioner Hoffman and unanimously carried to approve the minutes of July 11, 2006 as submitted.

End of Meet Report – Cloverleaf Greyhound Track's 2006 Live Race Meet – Richard Mattson

Mr. Richard Mattson, Greyhound Racing Coordinator, presented his end of meet report for Cloverleaf Greyhound Track's 2006 live race meet, which commenced on February 1, 2006 and concluded on May 31, 2006 for a total of 102 days of racing, 139 performances, 2,083 official live races, 267 official schooling races and 46 schooling races during the pre-meet sessions, bringing the total number of races run before the Cloverleaf Board of Judges to 2,396. Mr. John Manning, General Manager of Cloverleaf Greyhound Track, appeared on behalf of the Association.

Mr. Mattson observed that the total cumulative handle of \$23,008,327 was down 9.64% from last year, that the total handle at the track site of \$2,351,841 was down 4.36% and that the off-site handle of \$20,656,486 was down 9.82% from 2005.

Mr. Mattson reported that, again this season as in previous years, Cloverleaf experienced difficulty maintaining an adequate level of staffing in the paddock area. He asserted that this is a very serious situation and Cloverleaf management needs to seek remedies to address it. As a result of the shortages of paddock personnel, other staff members were again compelled to serve in dual capacities at the same time. Mr. Mattson commented that, despite a substantial turnover in paddock personnel during the meet, the grooms were much better behaved than in recent years. Mr. Mattson attributed this to the competency and efficient performance of Ms. Lisa Waterman, the Paddock Judge, who handled the operation of the paddock as smoothly as possible under occasionally difficult circumstances. Mr. Mattson observed that, although Ms. Waterman would have scheduled an adequate number of grooms to work during a given program, many would fail to arrive. Mr. Mattson recommended that Cloverleaf Greyhound Track's

management make every effort to alleviate the ongoing staffing shortages in the paddock area.

Mr. Mattson advised that, during this meet, Cloverleaf experienced problems with the maintenance of its racing surface. He stated that the cushion on the racing surface was quite shallow and the base was very hard, which resulted in an approximate thirty percent increase in the injury rate from last season. These conditions were pointed out at the April and May Commission meetings. On both occasions, the Commission directed Cloverleaf to make changes that would result in a racing surface with increased cushion. Of primary concern was the volume of fractures sustained by racing greyhounds, although, as Mr. Mattson observed, any injury is cause for worry. Despite changes that the Association made to its maintenance routine on several occasions during the meet, nothing proved successful in rectifying the situation and reducing the injury level. Mr. Mattson stated that the base remained hard and the cushion depth did not change during the entire meet despite both daily and weekly maintenance routines.

Based upon the fact that, during this meet, the maintenance routine was altered more than once in an attempt to soften the base of the racing surface and none of the Association's efforts proved effective in achieving this outcome, the Division recommended that the Commission impose as a condition for relicensure in 2007 that Cloverleaf Greyhound Track's racing surface be replaced with materials that can be worked to provide a safer environment for the racing animals than currently exists. As part of this proposed condition for relicensure, a copy of the maintenance routine to be used during the upcoming race meet is to be submitted with Cloverleaf's 2007 renewal application.

Mr. Mattson reported the following statistical information: 1) that the Cloverleaf Board of Judges issued 199 derogatory comments to racing greyhounds compared to 213 in 2005; 2) that, this year, there were 194 scratches contrasted with last year's total of 426, many of them due to the "kennel cough" epidemic; 3) that twenty-four citations were issued this season, most for weight violations, with fines totaling \$1,015; and 4) that there were fifteen human drug and alcohol tests performed, with thirteen negative results and two positive results for marijuana.

During the meet, there were a total of 151 license transactions, which represented an increase from 137 in 2005. The majority of them (93) were registrations for the position of a groom. Cloverleaf continued its practice of assisting new employees, primarily grooms, with their license fees.

The Commission noted that, per Mr. Mattson's report, no complaints of problems or incidents were reported to the Board of Judges or brought to the attention of Division personnel regarding the operation of the Mutuel Department.

There were a few problems with the Totalisator System that were brought to the attention of Division personnel. The Totalisator System was provided by AmTote, which at one time was the primary provider of mutuel services in Colorado, but has not been a presence in the state since the early 1980's. Mr. Mattson commented that the AmTote operators needed a few weeks to become familiar with and accustomed to Colorado wagering routines. There were no recommendations regarding the Totalisator System.

Mr. Mattson commented on the deteriorating condition of the facility, noting that the grandstand and other areas are being or have been closed off to the public due to their derelict state. He explained that this condition, which has resulted from a leaking roof, should be addressed prior to Cloverleaf's next live racing season. Although this was not made an official recommendation, Mr. Mattson observed that it is a matter of public safety that needs to be resolved in the near future.

Mr. Mattson observed that the Presiding Judge Kevin Gartland, who operated the American Teletimer equipment again this season, was unable to produce a photo on several occasions. Mr. Mattson commented that some of these instances could have been avoided had the equipment been tested on a daily basis prior to the running of the races as required by Commission rule. Mr. Mattson expressed his belief that Mr. Gartland's

initial training to serve as a Photo Finish Operator was inadequate and, therefore, American Teletimer should give him a refresher course in the operation of the equipment.

Mr. Mattson complimented the performance of Sportview Television and expressed his appreciation for their cooperation and responsiveness to any requests that were made of them.

Mr. Mattson stated that, each day throughout each performance, security was on duty at the back gate.

Additionally, Mr. Mattson advised that he and designated Division staff members had participated in weekly meetings with Mr. Manning and Mr. Scott Merkel, the Director of Racing. Mr. Mattson observed that, although a representative of the Colorado Greyhound Kennel Association was included on the list of those notified of these meetings, seldom did one attend them. Based upon the injury level, the main topic of discussion at this year's meetings was the condition of the racing surface. Mr. Mattson expressed his belief that, during this racing season, a more cooperative and more cohesive working relationship between the Division staff and Cloverleaf's management/personnel had been forged than had existed in recent years. He stated that the entire Cloverleaf racing community was concerned about the racing surface and attempted to work together to address the situation.

Mr. Manning voiced his strenuous objections to the imposition of the requirement that the racing surface be replaced. He stated that should Cloverleaf Greyhound Track be compelled to do this, it would not be possible for the racetrack to open in 2007. Mr. Manning informed the Commission that, in 2003, Cloverleaf had replaced its racing surface, but as the result of some problems that had subsequently occurred with it, the surface had to be replaced again in 2004. He listed other improvements that had been made during the past three years, such as the replacement of boilers, installation of another heating system and the addition of new surface material, for which approximately \$250,000 had been expended. Mr. Manning explained that he had attempted to comply with the Division's recommendations regarding the type of material to be applied to the racing surface, but this had not alleviated the problems with the racecourse and expressed his frustration with the blame that he believes is being levied against the Racing Association. Further, he stated that he has retained racetrack maintenance personnel who have continually failed to follow his instructions regarding proper maintenance routines. Mr. Manning asserted that in the event that the Commission forces Cloverleaf's racing surface to be replaced at an estimated cost of \$85,000, Cloverleaf would not have sufficient capital to continue to operate.

Discussion ensued during which views and opinions were exchanged between Mr. Manning, the Commission, Division Director Hartman, Mr. Mattson, Commission Veterinarian Dr. Earl Carlson and Mr. Gary Bryan, President of the Colorado Greyhound Kennel Association, concerning multiple issues relating to Cloverleaf's racing surface. In response to Commissioner Alkire's query, Dr. Carlson expressed his belief that the problems with Cloverleaf's racing surface are due to both the lack of proper maintenance and the composition of the racetrack, noting that there have been ongoing problems with drainage, inconsistencies in the overall depth of the track and hardness that persists despite dredging. Mr. Hartman asserted that at the April 11, 2006 and May 9, 2006 Commission meetings, the problems with the racing surface were discussed at length. He apprised the Commission that the circumstances that are afflicting Cloverleaf's surface are similar to those that plagued the surface at Rocky Mountain Post Time and the Division's recommendation for Cloverleaf would be the same as the one that it made for the Colorado Springs racecourse: that if, in the future, live racing is to be conducted at Rocky Mountain Post Time, the racing surface must be replaced. Mr. Hartman acknowledged that this would impose a financial hardship on the owners of Cloverleaf Greyhound Track, but stated that he believes that the only way to resolve the continuous and ongoing problems with the racecourse and reduce the unacceptable injury level is for the Division's recommendation to be endorsed by the Commission.

Dr. Carlson explained to Mr. Manning and the Commission that, in assessing the safety of a racecourse, he and his staff make mathematical calculations and compile statistical data that enable them to determine risk factors for injuries. He stated that no criticism was being made of the Association or any of its employees. Rather, the assessment and evaluation of the racing surface at a given location are based solely on mathematical formulae and probabilities. He emphasized that proper preparation and track maintenance are also essential factors in preventing problems from arising with a racing surface.

Commissioner Alkire stated that she did not view the lack of proper racetrack maintenance as an acceptable excuse for the current condition of Cloverleaf's racing surface. She commented that, although the Commission is charged with the responsibility for promoting racing in Colorado, it is also obligated to ensure the safety and welfare of animals racing at any pari-mutuel racing/wagering facility in the state. Commissioner Alkire asserted that, given the information provided to the Commission today, she would not have the assurance that this would be accomplished unless Cloverleaf was required to replace its racing surface. Again, Mr. Manning reiterated that, if the proposed requirement were imposed, he did not believe that the owners of Cloverleaf Greyhound Track would be willing to continue to operate the racetrack. Commissioner Hoffman asserted that, although he recognized the gravity of the situation, he did not believe that the Commission had a choice other than to make as a condition for relicensure of Cloverleaf Greyhound Track in 2007 that Cloverleaf be required to replace its entire racing surface.

Following deliberation and discussion, a motion was made by Commissioner Hoffman, seconded by Commissioner Pretti and unanimously carried to accept Mr. Mattson's end of meet report for Cloverleaf Greyhound Track's 2006 live race meet as presented and to accept the recommendation of the Division of Racing Events that Cloverleaf Greyhound Track be required to replace its entire racing surface as a condition for licensure in 2007.

Consideration of Report and Recommendation of Race Review Committee – Dan Hartman/Robert “Duke” Mann

Mr. Dan Hartman, Director of the Division of Racing Events, advised the Commission that, on July 26, 2006, a Race Review Committee had met and had conducted a hearing in the matter of the objection of Trainer Walter M. Hall to the decision of the Arapahoe Park Board of Stewards in Ruling #06-22 issued on July 16, 2006, wherein the Board had disqualified the horse “Lake Cide Girl”, which ran in post position #2 in the seventh race on July 16, 2006.

Mr. Robert “Duke” Mann, Horse Racing Coordinator, presented the report and findings of the Race Review Committee. He informed the Commission that the Committee had upheld the decision of the Board of Stewards in Ruling #06-22. Further, Mr. Mann stated that Mr. Hall had waived his right to respond by informing the Division of Racing Events that he would not file a Response to the Committee's Report and Recommendation.

After noting that Section III(J)(I) of the Race Review Committee Policy and Procedural Directive requires the Commission “to take final agency action on any Objection that has progressed through the Committee process to Commission review. . .”, Mr. Mann requested and recommended that the Commission accept the Report and Recommendation of the Race Review Committee at this time.

After being advised by Mr. Hartman and Mr. Mann that the deliberations and decision-making processes of both the Race Review Committee and the Arapahoe Park Board of Stewards in the aforementioned matter had been properly executed, a motion was made by Commissioner Alkire, seconded by Commissioner Grant and unanimously carried to adopt the Report and Recommendation of the Race Review Committee in the matter of the horse, “Lake Cide Girl” (Case Number 06-0960).

Status Report – Arapahoe Park’s 2006 Live Race Meet – Robert “Duke” Mann

Mr. Robert “Duke” Mann, Horse Racing Coordinator, reported that, through Sunday, August 6, 2006, twenty-seven (27) days of live racing had been conducted at Arapahoe Park. Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, appeared on behalf of the Racing Association.

Mr. Mann stated that the on-track handle and in-state handle are down approximately eleven percent (11%) for the period, but the out-of-state handle is up approximately fifty-two percent (52%). Therefore, the total handle figure of \$3,118,272 represents an approximate twenty percent (20%) increase for the same period last year. Mr. Mann attributed the increase in out-of-state handle to the fact that Arapahoe Park is conducting live racing/simulcasting on Mondays this year rather on Fridays as was done in 2005. Mr. Seymore noted that, since few racecourses offer live racing on Mondays, there is limited competition with Arapahoe Park’s races on that day. Mr. Mann noted that Monday’s attendance is approximately 100-200 patrons lower on an average Monday than it was on an average Friday, but Arapahoe Park is pleased with the increased handle.

Mr. Mann stated that the Rocky Mountain Quarter Horse Association’s “Day at the Races” was an outstanding occasion; it was well-attended and very enjoyable. He observed that the handle that day was excellent and that attendance was the second highest of the season, only exceeded by that on opening day.

Mr. Robert “Duke” Mann stated that, through Sunday, August 6, 2006, a total of 240 races had been conducted at Arapahoe Park of which 165 were Thoroughbred races, 53 were Quarterhorse races, one race was a mixed Thoroughbred/Quarterhorse race, fifteen were Arabian races, four were Paint/Appaloosa races and two were mixed Paint/Quarterhorse races.

To date, thirty-seven (37) rulings have been issued by the Board of Stewards of which eighteen (18) imposed penalties, eleven (11) were disqualifications of horses requiring adjustments of the orders of finish and two resulted in appeals to the Race Review Committee, (both of the Board’s decisions were upheld) with the remaining rulings being either dismissals or racing/entry eligibility orders. Additionally, Mr. Mann reported the following: that sixteen (16) administrative citations with penalties have been issued; that approximately 250 blood/urine samples have been taken, some on a random basis and some from winners of races; and that from samples taken, eight medication violations were detected with one still pending awaiting the results of a split sample analysis.

A brief discussion ensued relating to a disqualification of a horse and the decision of the Race Review Committee. Commissioner Alkire asserted that it would be especially helpful for both the Race Review Committee and the Commission to have the opportunity to review comprehensive test results from the laboratory during their deliberations.

Mr. Mann informed the Commission that Gubernatorial Candidate Bob Beauprez and his entourage toured Arapahoe Park this past weekend. Mr. Beauprez was introduced and welcomed to track patrons during a post-race blanket presentation.

Notice was taken that the current race meet would conclude on Labor Day, Monday, September 5, 2006.

Mr. Mann stated that the racing surface has remained in good condition and that there have been fewer injuries this year than in 2005, although there have been a small number of catastrophic injuries during the meet.

Mr. Seymore commended the excellent cooperation between the horse racing community at Arapahoe Park and the Association and Division staff members. Additionally, Mr. Seymore commented that, this season, there has been the lowest number of purse overpayments since horse racing was reactivated in Colorado thirteen

years ago. He stated that, for the first time since the revival of Colorado horse racing, purse money has been generated for the next live horse race meet.

The Commission thanked Mr. Mann and Mr. Seymore for their observations and accepted Mr. Mann's report as presented.

Comments Regarding New Required Documentation for Licensure – Dan Hartman

Division Director Dan Hartman stated that, as a result of decisions made by the Legislature during its recently concluded Special Session, effective July 31, 2006, licensing by a state agency was established to be a "public benefit". He apprised the Commission that the State of Colorado adopted emergency rules in order to clarify what types of personal identification would be required of license applicants and what criteria, guidelines and protocols would need to be implemented to comply with the new laws. Also mandated were visual inspections and verification of authenticity of allowable documents by designated state licensing personnel prior to issuance of a license. Mr. Hartman observed that only thirty-five states require verification of United States citizenship via presentation of documentation in order to obtain a license. At this time, the Division is requiring a temporary waiver issued by the Division of Motor Vehicles to applicants from those states that do not require citizenship verification and is also issuing temporary licenses with conditions to persons who are on the premises of Arapahoe Park on Saturdays or Sundays when the validity/authenticity of documentation could not be confirmed. Mr. Hartman emphasized that, should applicants fail to comply with the conditions for licensure, their temporary licenses would be voided. He noted that the current protocols would be in place through March 2007.

Status Report – Mile High Greyhound Park's 2006 Race Meet – Richard Mattson

Mr. Richard Mattson, Greyhound Racing Coordinator, presented his update on Mile High Greyhound Park's current race meet. Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, appeared on behalf of the Racing Association.

Mr. Mattson reported that the total live handle of \$10,535,907 represents an approximately ten percent (10%) decrease from 2005, while the total import handle of \$4,940,620 represents a slight increase from last year.

Mr. Mattson stated that, to date, the Board of Judges has issued twenty-one (21) citations, most of which were for weight violations. However, two citations were issued for greyhounds that had ticks, a problem that necessitated that these greyhounds be scratched. Due to a severe infestation of ticks, notices have been posted at Mile High Greyhound Park as an alert and a warning.

Mr. Mattson offered the following injury tabulations: for the first nine weeks of racing in 2005, there were 2.61 injuries per 1,000 starts; in 2006, there were 1.63 injuries per 1,000 starts. This represents a significant decline in the injury rate. Mr. Mattson stated that the racing surface has been very well-maintained by Track Superintendent Mr. Arthur Sweet and is in very good condition. He commented that Mr. Sweet is extremely careful and conscientious in the performance of his duties as evidenced by the numerous occasions when he prepares the racecourse at night for the following day. Mr. Seymore stated that he is very pleased to have been able to acquire the equipment and the materials needed to maintain a consistent racing surface. He explained that the composition and materials used for both the racing surfaces at Mile High Greyhound Park and Arapahoe Park are the same, noting that, although a few problems have arisen at both track sites, adjustments have been made whenever necessary.

Mr. Mattson stated that, during the evening performance on Saturday, August 5, 2006, Mile High reintroduced the Timberline Stake, a very prestigious race that was once offered annually at Mile High, but had not been conducted for many years. Mr. Mattson observed that, on this night, attendance was very good, although the handle was not great.

In conclusion, Mr. Mattson stated that the meet is progressing very well.

The Commission thanked Mr. Mattson and Mr. Seymore and accepted the report as presented.

Update – Animal Welfare and Medication Issues – Dr. Earl Carlson

Dr. Earl Carlson, Commission Veterinarian, advised the Commission that the problems with “kennel cough” have abated in Texas and West Virginia and, therefore, it has been possible for Colorado to lessen the restrictions on the movement of greyhounds into this state from both of these states. Greyhounds are being allowed to enter Colorado from these states subject to presentation of a twenty-four hour health certificate and proof of current vaccinations. However, due to continuing problems with “kennel cough” in Florida, restrictions on the movement of greyhounds from there into Colorado remain in effect at this time.

Dr. Carlson commented that he is very pleased with the conduct of the Arapahoe Park race meet. He stated that there has been a significant improvement in the condition of the racing surface despite some problems with it. He explained that it has not been possible to establish precisely why and when soreness in horses will occur, although when the weather is hot, the water content of the racecourse is less than on a normal day, which could cause horses to slide. Dr. Carlson reported that, as the meet progresses, he has observed an increased incidence of soreness in racehorses at Arapahoe Park.

Dr. Carlson advised that he has not taken a mid-season depth measurement of Arapahoe Park’s racetrack. Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, stated that the Association measured the track depth recently, although the results have not yet been received.

Dr. Carlson stated that he is quite pleased with the overall conduct of Arapahoe Park’s race meet.

The Commission thanked Dr. Carlson and accepted his report as presented.

Acknowledgment of Re-Appointment of Commissioner Marilyn Alkire – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, announced that Commissioner Marilyn Alkire had recently been re-appointed by Governor Owens to serve her second four-year term on the Colorado Racing Commission. Mr. Hartman and Ms. Alkire’s colleagues on the Commission congratulated her on her re-appointment.

Adjournment

There being no further business to come before the Commission, the meeting was adjourned at 10:50 a.m.

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on Tuesday, September 12, 2006 in Conference Room 110 (Gaming Conference Room), 1881 Pierce Street, Lakewood, Colorado.

GENE O. NAUGLE, DVM, CHAIRMAN

The undersigned hereby approve the foregoing Minutes.

DAVID LYNN HOFFMAN, VICE-CHAIR

MARILYN ALKIRE, MEMBER

C. DREW GRANT, MEMBER

JACK PRETTI, MEMBER

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, September 12, 2006 at 1881 Pierce Street in Conference Room 110 (Gaming Conference Room), Lakewood Colorado. Chairman Gene Naugle called the meeting to order at 9:30 a.m.

Members Present

Gene Naugle, DVM, Chairman
David Lynn Hoffman, Vice-Chairman
C. Drew Grant, Member
Jack Pretti, Member
Marilyn Alkire, Member

Staff Present

Dan Hartman, Director, Division of Racing Events
Richard Mattson, Greyhound Racing Coordinator
Robert Dodd, Jr., Assistant Attorney General
Tina Bowman, Assistant Attorney General
Sherry Gunnell, Assistant to the Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Approval of Minutes of August 8, 2006

A motion was made by Commissioner Alkire, seconded by Commissioner Grant and unanimously carried to approve the minutes of August 8, 2006 as submitted.

Approval of 2007 Commission Meeting Dates

Following review of the list of proposed 2007 Commission meeting dates, a motion was made by Commissioner Alkire, seconded by Commissioner Hoffman and unanimously carried to continue to hold the Commission's meetings on the second Tuesday of each month.

Consideration of 2006/07 Interstate Kennel Club Renewal Application – Richard Mattson

Mr. Richard Mattson, Greyhound Racing Coordinator, presented the 2006/2007 renewal application for Interstate Kennel Club with the dates of September 30, 2006 through January 27, 2007 for a total envelope of 120 calendar days, which falls within the envelope of dates approved by the Commission at its 2006 and 2007 Race Dates Hearings. The Commission took notice that Interstate does not intend to conduct racing on either Thanksgiving Day (Thursday, November 23) or Christmas Day (Monday, December 25).

Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, appeared on behalf of the Racing Association.

Notice was taken by the Commission that Interstate's meet includes 83 race days, five race days per week with 20 races per performance totaling 100 races per week. Mr. Bruce Seymore explained the rationale for the modification of Interstate's racing schedule. He expressed his belief that it was necessary to try a new approach to generate revenue and patronage. He observed that he had discussed this proposed schedule change with patrons, had performed cross-country research to ascertain what would be a desirable time frame for racing and had decided that this "twilight" schedule would afford Interstate an opportunity to increase its simulcast handle since it would be 5:00 p.m. on the East Coast when racing would begin at Interstate. Additionally, Mr. Seymore advised that each program would conclude at or close to 8:00 p.m., which would be

especially beneficial to patrons at Interstate during the Winter months. Mr. Seymore stated that this would be a consistent, unvarying schedule throughout the race meet. He stated that he had discussed the racing schedule with Mr. Gary Bryan, President of the Colorado Greyhound Kennel Association, who had endorsed it despite the reduction from the standard number of 105 races per week to 100 races per week.

Mr. Mattson reported that Interstate Kennel Club has submitted the following tentative racing schedule:

Sunday – Dark
Monday – 20-race program
Tuesday – Dark
Wednesday – 20-race program
Thursday – 20-race program
Friday – 20-race program
Saturday – 20-race program

Post time for each performance is 3:00 p.m.

Mr. Mattson noted that the list of racing officials submitted with the renewal application is primarily composed of persons who have previously served in their designated positions. However, the exceptions are Mr. Anthony Rawson, who will serve as the Starter, and Mr. Brian Frawley, who will serve as the Brakeman, neither of whom has previously held these positions. Mr. Mattson assured the Commission that Division personnel would monitor their performance throughout the meet. Mr. Mattson also observed that Mr. Jesse Mora would be replacing Mr. John Lopez as Director of Security.

The Commission took notice of the following items submitted as part of the renewal application: a) Interstate's proposed purse structure which has been formally accepted by the Colorado Greyhound Kennel Association, the organization representing a majority of the kennel operators at the meet, per its written notification; b) Interstate's current financial statement; c) copies of current fire inspection and health/sanitation reports for both Havana Park, Interstate's off-track wagering facility, and the Mile High Greyhound Park facility; d) copies of the proposed wagering formats and the take-out structure; e) a copy of the current liability insurance binder valid through July 1, 2007; f) copies of required service contracts; g) copies of simulcast agreements provided via a compact disc; and h) request for retention of the outs tickets until February 27, 2007.

Commissioner Hoffman stated that he had reviewed Interstate's most recent financial statement and had taken notice of the following: 1) that no negative comments had been made by an independent auditor, who had examined the report; and 2) that the current assets are much lower than the current liabilities, although a small profit has been realized.

Mr. Mattson observed that Interstate would be continuing to update its roster of simulcast venues and agreements via a compact disc that would be provided at least once a month during the meet.

Mr. Seymore stated that the take-out rate on Win, Place and Show wagers had been raised from the 18% in effect during Mile High Greyhound Park's meet to 22% for Interstate's meet since it had not proved profitable to continue offering the lower rate. Additionally, Mr. Seymore advised that the \$.10 Superfecta wager had been discontinued at least for the time being, although he commented that he might request approval to resume offering it in the future.

Mr. Mattson informed the Commission that the recommendations made in the end of meet report for Interstate's 2005/2006 race meet had been addressed by Mile High Greyhound Racing/Interstate Kennel Club management prior to the 2006 Mile High meet.

Following review and discussion and after acknowledging Mr. Mattson's affirmative recommendation, a motion was made by Commissioner Hoffman, seconded

by Commissioner Pretti and unanimously carried to grant approval of Interstate Kennel Club's renewal application for its 2006/07 live race meet subject to the terms and conditions set forth in the following Notice of Issuance of Meet License with Conditions:

BEFORE THE COLORADO RACING COMMISSION

STATE OF COLORADO

NOTICE OF ISSUANCE OF MEET LICENSE WITH CONDITIONS

IN THE MATTER OF THE ISSUANCE OF A MEET LICENSE FOR:
INTERSTATE RACING ASSOCIATION D/B/A INTERSTATE KENNEL CLUB
6200 DAHLIA STREET
COMMERCE CITY, COLORADO 80022

Pursuant to Colorado Revised Statute 12-60-505, the Colorado Racing Commission has reviewed and conducted a public meeting concerning this application for a race meet license with live racing to commence on September 30, 2006 and conclude on January 27, 2007 for an envelope of 120 calendar days.

The Colorado Racing Commission finds the application to be acceptable and orders said meet license to be issued to:

Interstate Racing Association D/B/A Interstate Kennel Club
6200 Dahlia Street
Commerce City, Colorado 80022

with the following conditions:

1. That all race official positions be filled no later than forty-eight (48) hours prior to the commencement of the race meet and a list of said officials shall be filed with the Division of Racing Events.
2. That all employees required to be licensed make application for and receive a license before commencing employment.
3. That a maintenance routine be established and approved by the Division to ensure the consistency required for formful racing and to ensure the safety of the racing greyhounds. The Colorado Racing Commission has charged the Division of Racing Events with the duty of requiring Interstate Racing Association d/b/a Interstate Kennel Club to modify its track maintenance routine, if deemed necessary, at any time during the live race meet. Further, the Colorado Racing Commission delegates to the Division of Racing Events, without the necessity of conducting a special meeting, the authority to direct Interstate Racing Association d/b/a Interstate Kennel Club to redefine its permanently approved racing schedule by decreasing the number of races on any given program or deleting an entire performance if such maintenance routine and/or equipment fails to maintain the racetrack in a proper and consistent manner.
4. That Interstate Racing Association's d/b/a Interstate Kennel Club's requested 2006/07 racing schedule of twenty-race twilight performances on Monday, Wednesday, Thursday, Friday and Saturday for a total of 100 races per week with no racing on Tuesday and Sunday and no racing to be conducted on Thursday, November 23, 2006 (Thanksgiving Day) and Monday, December 25, 2006 (Christmas Day), be approved subject to the following conditions:
 - a) That the Division of Racing Events' staff will closely monitor Interstate Racing Association's d/b/a Interstate Kennel Club's racing

operations to ensure that a sufficient number of racing greyhounds are available for any given racing performance.

- b) That Interstate management ensure that greyhounds will have a minimum of seventy-two (72) hours between starts.
 - c) That, in the event of ongoing shortages of active greyhounds, the Commission delegates to the Division of Racing Events, without the necessity of conducting a special meeting, the authority to direct Interstate Racing Association d/b/a Interstate Kennel Club to redefine its permanently approved racing schedule by either decreasing the number of races on any given program or deleting an entire performance.
 - d) That Interstate Racing Association d/b/a Interstate Kennel Club management agrees to and will ensure that there is a forty-five minute (45) period between matinee and evening performances throughout the entire race meet.
 - e) That notice was taken that an agreement was reached, with respect to purse structure, between Interstate Racing Association d/b/a Interstate Kennel Club and the Colorado Greyhound Kennel Association, the organization representing the majority of the kennel operators scheduled to race their greyhounds at the 2006/07 Interstate Racing Association d/b/a Interstate Kennel Club race meet.
5. That all simulcast contracts shall be submitted no later than forty-eight (48) hours prior to the commencement of simulcasting.
 6. That the racing secretary shall verify the vaccination records of all race participants before accepting any registration papers.
 7. That a schedule shall be provided to the staff of the Division of Racing Events for regular schooling races and weigh-in times.
 8. That Interstate management shall ensure that the paddock is adequately staffed for all functions that are performed therein. The Commission determined that all grooms should be given proper guidance in the performance of their duties and be shown a training video as part of their preliminary instruction.
 9. That adequate advance notice be given to all racetrack departments regarding special events and races and the staff of the Division of Racing Events shall be notified twenty-four (24) hours in advance of any additional schooling races.
 10. That all required facility improvements deemed necessary for the protection, health and safety of the public, the Division of Racing Events' employees and the race participants shall be completed before opening.
 11. That certified fire, health/sanitation inspection reports shall be submitted to the Division no later than five (5) days after commencement of the race meet.
 12. That the requirement that there be sufficient video surveillance cameras at Interstate Racing Association d/b/a Interstate Kennel Club be continued throughout the 2006/07 Interstate race meet.
 13. That the Commission delegated authority to the Division Director and/or his designee to review Interstate's proposal to send its signal to out-of-state venues and approve any requests if deemed acceptable.

14. That the following take-out percentages will be in effect during the 2006/07 Interstate's race meet: For Win, Place and Show – 22%; for Quiniela, Daily Double and Exacta – 24.5% and for all other wagers – 25%.

Failure to comply with the applicable conditions prior to or during the 2006/07 meet may result in a fine, suspension or revocation of the meet license for Interstate Racing Association d/b/a Interstate Kennel Club.

DATED this 29th day of September, 2006.

BY ORDER OF THE COLORADO RACING COMMISSION

s/_____

Dan Hartman, Director
Division of Racing Events

Notice of Proposed Change to Totalisator Standards – Inclusion of Section Regarding Implementation of an Independent Monitoring System – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, apprised the Commission that the Totalisator Standards are specifically referenced in the Colorado Racing Commission Rules, but are not an actual part of the rules. Mr. Hartman observed that the Totalisator Standards were officially adopted in 1995 to establish minimum internal control standards, policies and procedures to be met by totalisator companies and racing associations that seek initial and continual licensure from the Colorado Racing Commission to do business in the State of Colorado.

Mr. Hartman stated that, at this time, the Division of Racing Events was providing the requisite thirty days' advance notice of its intent to modify the existing Totalisator Standards by proposed incorporation into the Standards of a section to be designated as "Independent Monitoring System" (hereafter, "IMS"). Mr. Hartman advised that the Division would be providing a copy of the subject document to each totalisator company and racing association conducting business in Colorado for their responses. He commented that this matter would be placed on the Commission's October 10, 2006 meeting agenda for discussion, review and formal adoption.

He explained that the IMS, if adopted, would be mandatory. It would enable every wager to be monitored and would prevent repetition of the problems that arose during the 2005 Breeders' Cup. Mr. Hartman observed that the IMS has been implemented in Florida and at some Canadian racecourses.

At Mr. Hartman's request, a motion was made by Commissioner Alkire, seconded by Commissioner Grant and unanimously carried to accept the thirty days' advance notice to change the Totalisator Standards and to consider this matter at the October 10, 2006 Commission meeting.

Adjournment

There being no further business to come before the Commission, the meeting was adjourned at 9:45 a.m.

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on Tuesday, October 10, 2006 in Conference Room 110 (Gaming Conference Room), 1881 Pierce Street, Lakewood, Colorado.

GENE O. NAUGLE, DVM, CHAIRMAN

The undersigned hereby approve the foregoing Minutes.

DAVID LYNN HOFFMAN, VICE-CHAIR

MARILYN ALKIRE, MEMBER

C. DREW GRANT, MEMBER

JACK PRETTI, MEMBER

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, October 10, 2006 at 1881 Pierce Street in Conference Room 110 (Gaming Conference Room), Lakewood Colorado. Vice-Chairman David Lynn Hoffman called the meeting to order at 10:00 a.m.

Members Present

David Lynn Hoffman, Vice-Chairman
Marilyn Alkire, Member
Jack Pretti, Member

Commission Chairman Gene Naugle, DVM, and Commission Member Drew Grant were excused from the meeting.

Staff Present

Dan Hartman, Director, Division of Racing Events
Leland BeBee, Division Legal Assistant
Tina Bowman, Assistant Attorney General
Robert Dodd, Assistant Attorney General
Sherry Gunnell, Assistant to the Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Approval of Minutes of September 12, 2006

A motion was made by Commissioner Alkire, seconded by Commissioner Pretti and unanimously carried to approve the minutes of September 12, 2006 as submitted.

Consideration of Proposed Changes to Totalisator Standards – Inclusion of “Independent Monitoring System – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, advised that, at the Commission’s September 12, 2006 meeting, he had given the requisite thirty days’ prior notice of intent to modify the Division’s Totalisator Standards. Mr. Hartman stated that he had provided copies of the proposed amendments to the Totalisator Standards to each totalisator company and racing association conducting business in Colorado. In light of responses that he had received, Mr. Hartman stated that he had made additional modifications to the document.

Mr. Hartman informed the Commission that the two-fold purpose for proposing amendments to the Totalisator Standards is 1) to update the language in the document, originally adopted in 1995, to include reference to “out-of-state hubs”; and 2) to incorporate a new requirement and a new section to be designated as “Independent Monitoring System” (hereafter, “IMS”). He stated that such systems are widely used in both the gaming and lottery industries since both demand that regular independent auditing be performed. In like manner, an “IMS” serving the racing community would consist of a separate, independent system housed at a data center at which copies of every wager would be received in order to ensure the security and integrity of the wagering process. Mr. Hartman observed that, had such a secondary monitoring system been in place during the 2005 Breeders’ Cup, it would have detected the fraudulent wagering transactions that were later discovered.

Mr. Hartman stated that an IMS is currently being used in Canada to monitor pari-mutuel totalisator operations. Mr. Hartman reported that Florida has such a system in place at this time and Indiana has made the implementation of such a system mandatory. He noted that other states intend to implement use of an IMS in the near future. He commented that these proposals have been widely discussed at conferences held by national racing organizations and that the language proposed for incorporation into the current Totalisator Standards is the national model. Mr. Hartman observed that each racing jurisdiction would be allowed to decide how to implement the IMS. In Colorado, decisions regarding the implementation of the IMS would be left to each racing association and totalisator company with the authority for approving the IMS provider and system vested in the Colorado Racing Commission and the licensing authority held by the Division of Racing Events.

Discussion ensued regarding the estimated cost of IMS implementation in Colorado. Mr. Hartman explained that he has obtained cost information from one IMS supplier, but could not confirm whether the proposed \$68,000 would be the final amount required or not. There was some concern voiced by members of the racing community that, given the decline in racing revenue, it would not be cost-effective for Colorado racing associations to be required to absorb a major expense of this nature. Mr. Hartman asserted that the IMS would serve as an “insurance policy” for racing venues in that it would ensure that the integrity of the totalisator system would be maintained and, also, would prevent a system failure that could result in collapse of the entire Colorado racing industry.

Commissioner Alkire expressed her belief that the concept of an IMS is very good, noting that a system must be evaluated and approved before implementation. She asserted that she would support necessary changes in regulation and would welcome conversation relating to the actual details of IMS implementation once the cost of it is known. Commissioner Hoffman observed that, although Colorado has never experienced an instance resembling the one that transpired during the 2005 Breeders’ Cup matches, an IMS should be able to generate sufficient data to ensure that every wager is registered. He endorsed giving permission to the Division of Racing Events to commence the initial phases of the IMS provider screening and assessment process. In response to an inquiry,

Mr. Hartman confirmed that the IMS provider must be an independent company with no commercial or ownership interests in the pari-mutuel industry other than in providing independent monitoring services and the company and system must be approved by the Colorado Racing Commission and licensed by the Division of Racing Events. Further, Mr. Hartman explained that, during the application process, both the totalisator service provider and the IMS provider would need to be screened and approved by the Commission. Mr. Hartman observed that the Totalisator Standards document that was originally developed and adopted in Colorado has since become the model for racing jurisdictions throughout the nation and Canada. He commented that, as its use becomes worldwide, additional changes to the document might be necessary.

Mr. Hartman read for the record the additional proposed amendments recommended by BLB, Inc. The Commission announced that the subject document containing the suggested changes had been sent to both Colorado racetrack operators and to totalisator companies providing service to Colorado racecourses via electronic mail. Mr. Hartman informed the Commission and those in attendance that, as a company or companies come forward and express a desire to seek certification as IMS provider(s), the Division and Commission would develop protocols for licensure.

A motion was made by Commissioner Alkire, seconded by Commissioner Pretti and unanimously carried to adopt the changes to the Totalisator Standards set forth in the document presented to the Colorado Racing Commission today and, further, to include the additional changes highlighted in red and incorporated into the record by Division Director Hartman.

Announcement Regarding Commencement of Rule Review Process and Time Frame for Submission of Rule Proposals – Dan Hartman

Mr. Dan Hartman, Division Director, advised the Commission that the Division of Racing Events intends to commence its annual rule review process and to schedule a rule review workshop in order to afford all interested parties the opportunity to engage in a discussion of current and prospective rules and proposed rule amendments. He announced that, in the near future, a workshop would be scheduled for the purpose of commencing the annual review of rule proposals. He invited anyone wishing to submit recommendations for rule changes, additions or deletions to provide them to him by or before November 1, 2006. He stated that proposed new rules or proposed rule changes could be submitted in very abbreviated form. He stated that, since no representative of the horse racing community was present at today's meeting, he would contact Mr. Shannon Rushton, Executive Director of the Colorado Horse-Racing Association, regarding this subject.

He stated that the Division would make every effort to compile a packet of rules proposed for adoption, amendment or repeal for distribution at the November 14, 2006 Commission meeting. Mr. Hartman noted that, at either the November or December 12, 2006 meeting, the Division would be announcing the date, time and location of a rule review workshop.

Consideration of a Request by JUSTIN “BRONC” GLEASON for Permission to Re-Apply for Licensure – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, informed the Commission that, on October 6, 2006, he had received a request from Mr. Justin “Bronc” Gleason to appear before the Commission at a hearing to be scheduled for either the December or January Commission meetings. Mr. Hartman stated that it is his belief that Mr. Gleason is seeking restoration to good standing in order to be eligible to apply for licensure in other racing jurisdictions. Mr. Hartman noted that the Division of Racing Events would not object to placing this matter before the Commission. A motion was thereupon made by Commissioner Alkire, seconded by Commissioner Pretti and unanimously carried to direct the Division of Racing Events to contact Mr. Gleason and offer him the option to appear before the Commission at either its regularly scheduled December or January meetings and to schedule a hearing upon the date that he selects.

Acknowledgment of Receipt of Race Meet Updates and Injury Reports – Commissioner Marilyn Alkire

Commissioner Alkire informed those in attendance that the Commission had received a cumulative injury report compiled by Commission Veterinarian Earl Carlson, DVM, and had reviewed the data that he had provided. She stated that this status report does not indicate any major problems or areas of concern.

Commissioner Alkire expressed her belief that Dr. Carlson’s absence from monthly Commission meetings may create future problems should issues arise that necessitate immediate responses. Therefore, she recommended that the entire Commission have a conversation at the November meeting to ascertain whether all Commissioners are satisfied with receiving only written reports or whether some or all of them would prefer to return to having full on-site reports from the Coordinators and Dr. Carlson.

Mr. Gary Bryan, spokesperson for the Colorado Greyhound Kennel Association, voiced his belief that it is important for the Commission to receive on a regular basis specific details on types of injuries to racing greyhounds.

Update on Mile High Greyhound Park’s and Interstate Kennel Club’s Race Meets – Bruce Seymore

Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, informed the Commission that he has been encouraged by certain positive developments that occurred during the recently concluded Mile High Greyhound Park meet and have continued to occur during Interstate Kennel Club’s current meet. These include upward trends in handle figures on the live racing product. He observed that, during the Mile High meet, point totals reached \$63.54 and it was determined after the conclusion of the meet that this was approximately \$8.00 higher than during the previous meet. Mr. Seymore advised the Commission that the point value correlates directly with

the handle. During the Mile High meet, the handle averaged \$183,000 per day and the out-of-state totals ranged from 35% to 50% of the total mutuel handle on a daily basis.

Mr. Seymore reported that Interstate's racing schedule appears to be "reaping rewards" with its focus on increasing the out-of-state greyhound handle. He advised that, although marketing strategies have remained essentially unchanged, the wagering format in effect has been substantially altered in an effort to appeal to the wagering public. For example, the number of Superfectas has been doubled, the number of Quiniela Doubles has been raised and these wagers have been capped at \$10,000 to increase wagerers' prospects of winning. Mr. Seymore noted that it is possible that promotions involving coupons will be launched during the current meet.

Mr. Seymore commended the greyhound racing community for its cooperation and support during the Interstate meet. He acknowledged that the reduction in the total number of races per week and the lengthening of each day's performance to twenty races had created some difficulties for greyhound owners, trainers and their employees. He noted that he is pleased with the continued increase in the point total.

Mr. Gary Bryan, speaking on behalf of the greyhound racing community, commented that the new racing schedule necessitates an increased number of turnouts per race day. Despite this, the greyhound-racing colony is making every effort to adjust to the change and profit monetarily from it.

Mr. Seymore stated that injuries to racing greyhounds have decreased during the past two weeks. He noted that some hock injuries had occurred early in the Interstate meet.

Commissioner Hoffman encouraged anyone wishing to place an item on an upcoming meeting agenda to contact the Division and submit a request to make a presentation or hold a discussion of a given subject. He observed that, in this way, the Division would be able to undertake advance preparation. Mr. Bryan expressed his view that it is important for the Commission to be as well informed as possible about issues and areas of concern affecting the entire Colorado racing community. He stated that it is also beneficial for the Commission to have more than one source of information. Commissioner Pretti stated that the concerns of the greyhound community have been duly noted and the Commission will be taking appropriate action.

Adjournment of Regular Business Meeting/Reconvening for Scheduled Hearings

The regular business meeting was adjourned at 10:55 a.m. The Commission reconvened at 11:00 a.m. for the purpose of conducting scheduled hearings.

In the Matter of Licensee SERGIO ALVINO IBARRA

Mr. Dan Hartman, Director of the Division of Racing Events, informed the Commission that he had been notified that Mr. Sergio Alvino Ibarra had recently retained legal counsel. Mr. Hartman stated that Mr. Ibarra's attorney had contacted him to request a continuance of today's hearings until the Commission's November meeting based upon having insufficient time to prepare for the hearings. Mr. Hartman reported that he had granted this request for a continuance for good cause shown. This matter will be placed on the November Commission meeting agenda.

Scheduled Referral Hearing – In the Matter of Licensee ENRIQUE ARREOLA

Vice-Chairman Hoffman called the hearing to order at 11:02 a.m. Mr. Arreola was not present and was not represented by legal counsel. Assistant Attorney General Tina Bowman appeared on behalf of the Division of Racing Events. Division Director Dan Hartman reviewed the case on behalf of the Division of Racing Events.

Mr. Hartman apprised the Commission that, due to Mr. Arreola's failure to fulfill riding engagements for races #1 and #2 on July 29, 2006 at Arapahoe Park, Horse Racing Coordinator Robert "Duke" Mann had issued Citation #1619 dated August 7, 2006, which explained that, unless a hearing was requested, the amount of the fine for this violation, i.e., one-hundred dollars (\$100.00) would be due and payable on August 27, 2006. Notice was taken that Mr. Arreola failed to pay the fine in question, which was then doubled. Further, Mr. Arreola's racing license was automatically suspended for non-payment of two hundred dollars (\$200), the full amount of this outstanding indebtedness. The Commission took notice of Revised Director's Order #6-12 and the Notice of Hearing Before Commission pertaining to Case Number 06-1094 in the matter of Enrique Arreola.

Following review and deliberation of the evidence presented, a motion was made by Commissioner Alkire, seconded by Commissioner Pretti and unanimously carried to uphold Citation #1619 and "Revised Director's Order # 06-12 and Notice of Hearing"; to continue the suspension of any and all Colorado racing licenses issued to Mr. Enrique Arreola until such time he pays the fine and penalty amounts totaling \$200 to the Colorado Division of Racing Events or until expiration of his current racing license(s); and, further, that if his license expires prior to settlement of these outstanding indebtednesses, he would be ineligible for relicensure in Colorado. Therefore, the unpaid fine and penalty assessment totaling \$200 and the suspension of the racing license(s) of Enrique Arreola are hereby upheld.

The hearing concluded at 11:10 a.m.

The above proceeding was stenographically recorded by Ms. Teri Chaplin, Court Reporter. A tape recording of the proceeding is on file at the Division's Lakewood office.

The following Order was disseminated:

BEFORE THE COLORADO RACING COMMISSION
STATE OF COLORADO

Case Number: 06-1094

COMMISSION ORDER # 06-07

IN THE MATTER OF:

ENRIQUE ARREOLA, Licensee

This matter came on for hearing on October 10, 2006 before the Colorado Racing Commission (hereafter, the "Commission"), as a referral from the Division of Racing Events (hereafter, the "Division") under the provisions of C.R.C.R. # 6.700.

The referral arose out of the "Revised Director's Order # 06-12 and Notice of Hearing" issued by the Director of the Division (hereafter, the "Director") to the Licensee, ENRIQUE ARREOLA (hereafter, the "Licensee") on September 7, 2006. The Licensee did not appear. Assistant Attorney General Ana Cristina (Tina) Bowman, Esq., appeared on behalf of the Division. Daniel J. Hartman, Director, reviewed the case on behalf of the Division. The Commission had before it "Revised Director's Order # 06-12 and Notice of Hearing."

Findings of Fact

1. On August 7, 2006, Division Horse Racing Coordinator Duke Mann issued Citation #1619 to the Licensee for 2 violations of C.R.C.R. # 7.632, related specifically to the Licensee's failure as a Jockey to fulfill riding engagements in both Race #1 and Race #2 on July 29, 2006.
2. Citation #1619 assessed the Licensee a fifty dollar (\$50.00) fine for each violation of C.R.C.R. #7.632, due and payable to the Division within twenty (20) calendar days after notice, i.e., due no later than August 27, 2006.
3. The Licensee did not contest or appeal the Citation within the time for appeal.
4. By September 7, 2006, more than 20 calendar days had passed subsequent to the Division's issuing of Citation #1619, and the Licensee had not paid the fines.

5. On September 7, 2006, the Division issued to the Licensee the “Revised Director’s Order #06-12 and Notice of Hearing,” in which the Licensee received notice that, under the provisions of C.R.C.P. #6.700, 1) the fines for Citation #1619 had each been doubled for a total of two hundred dollars (\$200.00) due and payable immediately, 2) the Licensee’s Colorado racing license had been suspended, and 3) the case had been referred by the Division to the Commission and would be heard by the Commission on October 10, 2006.
6. On September 8, 2006, the Division mailed the “Revised Director’s Order #06-12 and Notice of Hearing” by first-class postage, prepaid, to the Licensee at the last address furnished by the Licensee to the Division, i.e., 5700 Saplinas, El Paso, TX 79932.
7. The United States Postal Service did not return the “Director’s Order #06-12 and Notice of Hearing” to the Division as an undeliverable item.
8. As of the date of the Commission hearing on this matter, the Licensee has still not paid any part of the fines and penalties.

Conclusions of Law

Having considered the facts and arguments presented and having been fully advised in the premises, the Commission hereby unanimously concludes:

1. Both the Division in its Citation #1619 and the Division in “Revised Director’s Order # 06-12 and Notice of Hearing” complied with applicable Rules, policies, and procedures, including the required efforts to provide advance notice to the Licensee of all proceedings.
2. The Division’s determination of the Licensee’s violation and the resulting disciplinary action were appropriate under the circumstances.
3. The Division’s determination in “Revised Director’s Order # 06-12 and Notice of Hearing” to enlarge the Citation’s fine with an equivalent additional penalty, to suspend the Licensee’s license, and to refer the matter to the Commission, were each appropriate under the circumstances.
4. C.R.C.R. #6.700 permits the Commission to evaluate a referred Case when a Licensee “fails to pay a fine and/or a penalty within the time required,” and to take additional disciplinary action, “including denial, suspension or revocation of a license, and/or exclusion of a licensee,” as appropriate under the circumstances.

5. As of the date of this Order, the Licensee owes the total of the fines (\$100.00) and the total of the penalties (\$100.00), for a grand total of \$200.00, and his license remains suspended, pending the Commission's review and further determination.
6. It is appropriate, under the circumstances, for the Commission to uphold the established fines, penalties, and suspension, and to take additional action.

Order

The Commission hereby unanimously orders:

1. Citation #1619 and "Revised Director's Order # 06-12 and Notice of Hearing" are upheld.
2. The Licensee's license shall remain suspended until the Licensee has paid the fines established in Citation #1619 (i.e., fifty dollars (\$50.00) for each violation for a total of \$100.00 for the Citation) together with the penalties assessed in "Director's Order # 06-12 and Notice of Hearing" (i.e., fifty dollars (\$50.00) for each violation for a total of penalties of \$100.00) for a grand total of fines and penalties of two-hundred dollars (\$200.00).
3. In the event that the Licensee's license should expire before he has made full payment of the foregoing amounts, the Division shall not permit the Licensee to reapply for a racing license of any kind in Colorado until the foregoing fines and penalties shall have been paid in full.

DONE this 12th day of October, 2006.

FOR, AND BY ORDER OF,
THE COLORADO RACING
COMMISSION

s/

DANIEL J. HARTMAN, Director
Colorado Division of Racing Events

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on Tuesday, November 14, 2006 in the New Classroom Building of the Equine Reproduction Laboratory located on the Foothills Research Campus of Colorado State University on Rampart Road, Fort Collins, Colorado.

(EXCUSED)

GENE O. NAUGLE, DVM, CHAIRMAN

The undersigned hereby approve the foregoing Minutes.

DAVID LYNN HOFFMAN, VICE-CHAIR

MARILYN ALKIRE, MEMBER

(EXCUSED)

C. DREW GRANT, MEMBER

JACK PRETTI, MEMBER

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, November 14, 2006 in the New Classroom Building of the Equine Reproduction Laboratory located on the Foothills Research Campus of Colorado State University, 3194 Rampart Road, Fort Collins, Colorado. Chairman Gene Naugle called the meeting to order at 10:15 a.m.

Members Present

Gene Naugle, DVM, Chairman
David Lynn Hoffman, Vice-Chairman
C. Drew Grant, Member
Jack Pretti, Member

Commissioner Marilyn Alkire was excused from the meeting due to illness.

Staff Present

Dan Hartman, Director, Division of Racing Events
Earl Carlson, Commission Veterinarian
Richard Mattson, Greyhound Racing Coordinator
Robert "Duke" Mann, Horse Racing Coordinator
Leland BeBee, Division Legal Assistant
Naomi Smith, Division Auditor
Tina Bowman, Assistant Attorney General
Sherry Gunnell, Assistant to the Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Approval of Minutes of October 10, 2006

A motion was made by Commissioner Pretti, seconded by Commissioner Grant and unanimously carried to approve the minutes of October 10, 2006 as submitted.

Presentation Regarding Colorado State University Equine Research Fund

Dr. Torrance Nett, Associate Dean for Research and Graduate Education at the Colorado State University (hereinafter known as "C.S.U.") College of Veterinary Medicine, introduced himself and his colleagues, Dr. Diana Hassel, a faculty member in clinical sciences, and Dr. Elaine Carnevale, an assistant professor in the field of assisted reproductive technologies, to the Commission.

Dr. Nett explained that the funding provided by the Commission has been extremely beneficial to the University and is essential for the continued growth of the equine research program there. Dr. Nett informed the Commission that its annual financial contribution is leveraged approximately thirty-fold to obtain grant funding for various research projects. He observed that the Commission's 2005 financial contribution of approximately \$110,000 has been applied to pilot research projects in horses at Colorado State University. Dr. Nett commented that, in order to select the research proposals to be funded, a committee of eight persons evaluates the large quantity of research proposals that are submitted for consideration and ranks them in order of merit. He noted that this is an extremely competitive process with three times as many proposals being tendered as can be subsidized. This year, the following five equine research projects that have benefited from funding by the Colorado Racing Commission: 1) comparison of surgical and laparoscopic techniques for oocyte transfer in the mare; 2) validation of rapid diagnostic tests for Strangles; 3) study of in vitro sacroiliac joint kinetics; 4) post mortem evaluations of Colorado racehorses; and 5) genetic modification of joint tissue with adeno-associated virus in an effort to grow new cartilage. Dr. Nett

expressed his appreciation to the Commission for its ongoing support of and contribution to equine research at Colorado State University.

Dr. Carnevale focused on specific research projects funded by the Commission and reported on how they have progressed over time. She explained that there is a three-tiered, interactive approach that is applicable to each research project: research combined with clinics that provide information to the affected industry via teaching and continuing education. She discussed the impact of reproductive aging on fertility in mares and oocyte transfer techniques, the harvesting of oocytes and sperm and vitrification (or cryopreservation) of embryos. Dr. Carnevale observed that preliminary studies in the use of the laparoscopic technique in oocyte transfer have shown that it precludes certain reproductive problems in mares. Drs. Carnevale and Nett commented that research funding has also enabled the University to acquire equipment that can be used in a variety of projects.

Dr. Diana Hassel discussed her research relating to the role of N-Acetylcysteine in a model of systemic inflammation and oxidative injuries in the horse. She explained the detrimental impact of oxidative stress on organic matter, observing that it produces elevated blood glucose levels, damages the electrons by attacking atoms and molecules in the system and, thus, allowing for the proliferation of free radicals and the increased tendency toward serious diseases. She described the revised treatment protocols that have been used and the current status of the project.

Both Drs. Carnevale and Hassel illustrated their comments with slide presentations.

Drs. Nett, Carnevale and Hassel thanked the Commission for the opportunity to appear and report on a sampling of equine research projects being performed at Colorado State University. The Commission expressed its appreciation to each of them for their insights and informative presentations.

Announcement Regarding Scheduled Hearings – In the Matter of SERGIO ALVINO IBARRA

Mr. Dan Hartman, Director of the Division of Racing Events, advised the Commission that, on Monday, November 13, 2006, he had received both verbal (via telephone) and formal written notification (via facsimile) from Mr. Shawn Mitchell, Attorney for Mr. Sergio Alvino Ibarra, that Mr. Ibarra is requesting to withdraw his appeals of the Arapahoe Park Board of Stewards' Rulings. 06-43 and 06-44. Mr. Hartman presented the facsimile entitled "Withdrawal of Appeal" to the Commission for its consideration. Whereupon, the Commission acknowledged receipt of the document in question and accepted it as submitted.

No further action was taken at this time.

Announcement Regarding Scheduling of Rule Review Workshop – Dan Hartman

Division Director Dan Hartman advised that a rule review workshop has been scheduled for Tuesday, December 12, 2006 in Conference Room 110, 1881 Pierce Street, Lakewood, Colorado. It will follow the conclusion of the regular December Commission meeting.

He invited all interested parties to attend and requested that anyone wishing to submit rule proposals for consideration do so in the near future. Mr. Hartman stated that the Division would prepare and forward a copy of all rule proposals to those on the Division's electronic mailing list and would place the proposed rules on the Division's website prior to the workshop.

End of Meet Report – Mile High Greyhound Park's 2006 Live Race Meet – Richard Mattson

Mr. Richard Mattson, Greyhound Racing Coordinator, presented the end of meet report for the Mile High Greyhound Park's 2006 live racing season, which commenced

on June 2, 2006 and concluded on September 29, 2006. Mr. Mattson advised that there were 87 days of live racing with 121 performances.

Mr. Mattson offered the following statistical comparisons between the 2006 and 2005 Mile High meet, noting that, because of last year's shortened season, the comparative figures are based on per performance data rather than on seasonal figures. Mr. Mattson observed that a comparison of the mutuel handles per performance for each year reflected a \$30,000 decrease for 2006.

	<u>2006</u>	<u>2005</u>
Total Live Handle	\$18,522,143.60	\$12,225,016
Handle per Performance	\$ 151,821	\$ 182,463
Import Handle	\$ 9,024,057	\$ 5,349,668
Total In-State Handle	\$11,630,365.70	\$17,574,684
Live Race Days	87	47
Total Performances	121	67

Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, appeared on behalf of the Association.

Mr. Mattson commented in his report that the Division veterinary staff had found the overall operation of the paddock area to be acceptable and were pleased with the cooperation shown by the Association paddock personnel. However, Mr. Mattson noted that, for several performances, there were shortages of grooms, which necessitated the intervention of other racing officials. Mr. Mattson recommended that, for future meets, the Association develop a plan that will ensure that there is adequate staffing in the paddock for all performances. He complimented Racing Secretary Gilbert Romero and the staff of the racing department for their cooperation and helpfulness in addressing problems and issues as they arose.

Mr. Mattson stated that, on several occasions, persons who were either unlicensed or were not in possession of their license badges gained access to the backlot. This matter was brought to the attention of the Director of Security and a new guard has been assigned to oversee access to this area. Security reports were provided to the Division staff in a timely manner. Mr. Mattson commented that the presence of a uniformed Commerce City police officer might have prevented the occurrence of incidents involving patrons. Mr. Mattson recommended that access to the backlot by unlicensed persons and/or licensees who are not in possession of their badges be strictly prohibited. Further, Mr. Mattson advised that he had suggested that the Association consider installing separate gates for entry to and departure from the backlot.

Mr. Mattson commended the performance of the newly appointed Lure Operator, Mr. Raul Sanchez. Mr. Mattson stated that Mr. Sanchez operates the lure in a very consistent manner.

Mr. Mattson observed that there were a total of 1,810 pari-mutuel races and 348 schooling races of which 52 were pre-meet. A total of 161 greyhounds were placed on the schooling list for various infractions related to the running of the races. Further, there were 146 scratches requiring the greyhounds to school in front of the Board of Judges prior to being allowed to enter into official races. Mr. Mattson stated that no program cancellations or "no races" occurred during this meet.

He advised that the total number of injuries was notably down during this meet. The incidence of injuries occurred at a rate of 3.06 per 1,000 starts in 2005 compared to 2.31 per 1,000 starts this year. This vast improvement is, at least, partially attributable to the charting of the depth of the cushion, which has been very helpful to the track maintenance staff in determining their maintenance routine.

Additionally, Mr. Mattson stated that there were no problems involving the operations of either the Mutuel Department or the Totalisator System.

Mr. Mattson reported that a total of 134 license transactions were completed with fees totaling \$3,475. Additionally, there were thirty citations issued for various racing violations resulting in fines totaling \$2,245.00. There were sixteen human drug/alcohol tests conducted during the meet. There was one positive test result for marijuana. One person refused to take the test and this was treated as a positive result. All Breathalyzer tests resulted in negative test results.

In his report, Mr. Mattson observed that International Sound continued to improve its video service. He noted that, on a few occasions, racing was delayed when a slow-motion replay of the greyhounds breaking from the starting box had to be produced.

Mr. Mattson reported that, during this meet, American Teletimer, the provider of the photo finish and official timing services, did not operate their equipment. Instead, the Presiding Judge and former employee of American Teletimer, Tom Tamura, operated the photo finish camera. Mr. Mattson advised that this arrangement has continued to work very well and it has proved to be a benefit to the Judges to have control of the photo finish equipment. The Board has been able to view the photo without having to contact another individual to highlight specific areas of the photo. The process of making a race official has thereby been expedited.

Mr. Mattson informed the Commission that weekly meetings were held at which Division and Association staff members discussed issues and problems that had arisen during the previous week. He stated that Mr. Gary Bryan, representative of the Colorado Greyhound Kennel Association, attended and participated in these meetings. The meetings afforded attendees an opportunity to discuss and address such issues as the condition of the racing surface, vaccinations, quarantine(s) and any other matters requiring attention.

Mr. Mattson extended his thanks to Mr. Seymore and his staff for their cooperation during this meet.

The Commission inquired whether Mr. Seymore had any views or opinions regarding the decline in the mutuel handle. Mr. Seymore stated that the problem is not isolated to Colorado, but is a matter of nationwide concern. He explained that Mile High Racing & Entertainment has coined a new term, "Racconomics", to reflect that it is possible for a healthy daily mutuel handle to be generated when fewer races are being conducted; that the length of a meet and the number of performances offered is no longer the best way to generate revenue from greyhound and horse racing. He advised that it is Mile High Racing & Entertainment's belief that it can optimize its potential to promote its product by appealing to out-of-state markets. He noted that, as an indication of positive results, the point totals are higher this year at Mile High than they have been in the past few years. He stated that he is and will be applying some of the positive approaches gained during Arapahoe Park's live season to this and future greyhound racing operations.

A motion was made by Commissioner Hoffman, seconded by Commissioner Grant and unanimously carried to accept the end of meet report for Mile High Greyhound Park's 2006 live race meet as presented.

End of Meet Report – Arapahoe Park's 2006 Live Race Meet – Robert "Duke" Mann

Mr. Robert "Duke" Mann, Horse Racing Coordinator, presented his end of meet report for Arapahoe Park's 2006 live race meet, along with the following explanatory exhibits: Exhibit A-the comprehensive veterinary report for the meet compiled on a weekly basis by Commission Veterinarian Earl Carlson, and Exhibit B-the comprehensive Ruling Log for the meet compiled by the Board of Stewards. Mr. Bruce Seymore, Director of Racing Operations for Mile High Racing & Entertainment, and Mr. William Powers, Director of Racing/Racing Secretary at Arapahoe Park, appeared on behalf of the Association.

Mr. Mann reported that the thirty-nine day Arapahoe Park meet commenced on June 3, 2006 and concluded on September 4, 2006. Additionally, a total of

seventy-seven (77) days of out-of-state horse simulcasting was offered during the meet. Live horse racing along with simulcast out-of-state horse races occurred on Saturday through Monday. On Wednesday, Thursday and Friday, out-of-state horse simulcasting alone was offered throughout Colorado. Tuesday's were dark with the exception of Tuesday, July 4, 2006.

Mr. Mann reviewed various unaudited statistics for the 2006 live race meet, including out-of-state horse racing simulcasting, along with comparative figures for the 2005 live and simulcast meets. Mr. Mann observed that this year's total mutuel handle was \$13,023,679, a decrease of 10% from last year. He stated that the total number of horse races offered during the live meet, including out-of-state simulcast races, was as follows: 349 live races with an average of 9 live races per day and a total of 5,246 simulcast races during the season.

Mr. Mann reported the following: 1) that the 2006 on-track live handle was \$4,557,941, an increase of 23% from the \$3,486,746 generated in 2005; 2) that the 2006 in-state live handle was \$2,134,820, down 6% from last year; 3) that the out-of-state live portion was \$2,423,121, up 50% from 2005; 4) that the handle generated on simulcast races on live race days was \$8,465,738, a decline of 22% from 2005; 5) that the total attendance of 59,878 represented an increase of 3% from 2005; and 6) that this season's daily average attendance figure was 1,535.

Mr. Mann offered the following breakdown of races by breed:

	<u>Races</u>	<u>Purses Paid</u>
Quarter Horse	74 (22%)	\$432,300.00
Thoroughbred	243 (69%)	\$1,589,300.00
Arabian	26 (7%)	\$149,500.00
Paint/Appaloosa	6 (2%)	\$29,475.00
Totals	349	\$2,200,575.00

In his report, Mr. Mann offered the following information and observations:

TESTING AND MEDICATION VIOLATIONS:

Mr. Mann related the following racing and training-related injury statistics and observed that the substantial reduction in this year's injury rate is attributable to the new racing surface:

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Total Starts	2527	2918	2903
Total Injuries	71	82	51
Career-ending injuries	1	1	1
Catastrophic	1	9	6

Mr. Mann commented that, for the 2006 race meet, the veterinary staff took 520 total samples from all winning and randomly selected horses from the racetrack. He reported that there were nine (9) medication violations as reported by Industrial laboratories during the 2006 Meet. Of these, three (3) violations were of CRCR #5.312(a) concerning high Phenylbutazone levels (all trainers stipulated to the test results reported by Industrial Laboratories); four (4) violations were of CRCR #5.312(f) concerning blood samples containing more than one NSAID (three out of the four trainers stipulated to the test results reported by Industrial Laboratories and one trainer sent a split sample for secondary testing which came back positive for more than one NSAID); and two violations were of CRCR #5.301 – Unauthorized Medication -- one post race sample contained the ARCI Class III drug Diclofenac (trainer stipulated to the test results reported by Industrial Laboratories); one post race sample contained the ARCI Class III drug Clenbuterol (trainer sent a split sample for secondary testing which came back positive for this substance.)

REGARDING REPORTED USE OF AUTHORIZED MEDICATION -- LASIX:

During the 2006 race meet, the authorization and reported use of Lasix was still confusing to the practicing veterinarians, trainers and Racing office staff. The Division veterinary staff uses two (2) forms to comply with CRC Rules for the use of Lasix, the 'Bleeder Form' and the 'Lasix List Form'. In his report, Mr. Mann asserted that he believed the confusion arose as a result of the new rules concerning Lasix that were promulgated in 2005 and, also, due to the number of new trainers licensed this year as well as new racing office personnel. The Division, through its veterinary staff and the Stewards' office, will continue to inform all parties of the use of these forms and enforce the rules regarding entering horses with Lasix and authorized use of Lasix administration.

REGARDING THE RACETRACK SURFACE

- Arapahoe Park resurfaced the racetrack before the 2006 race meet commenced. Having removed 3 to 6 inches from the surface used in 2005 and replacing it with much cleaner and less binder-filled material made for a safer racing surface than before. This decreased the number of injuries being seen dramatically from the 2005 season. This was especially true for the number of reported problems being seen with the younger horses.
- The Division veterinary staff received an increased number of reports of soreness during periods of excessive heat and water shortage, but these were of a general nature and not as severe and specific as in 2005.
- In addition to the improved racing surface, new maintenance equipment was brought in. Also, a new Track Superintendent was hired. The Track Superintendent implemented new procedures, which helped considerably with the consistency of the racing surface.

REGARDING CERTAIN RACING OFFICIALS:

- The Board of Stewards for 2006 was composed of: Senior State Steward, Richard Garrison; State Steward, Linda Salinas and Association Steward, Gale Davey. The Board issued forty-nine (49) administrative rulings. Of those rulings, twenty-three (23) rulings ordered a penalty and/or racing license suspension. Total fines for the meet amounted to \$6,950.00. Additionally, there were sixteen (16) disqualification/replacement rulings issued and two (2) license suspension rulings issued for refusal to submit to random testing. Mr. Mann reported that the Race Review Committee had met in session twice during the meet. He recommended that the Division continue to evaluate and upgrade the Race Review Committee protocols.
- The Starter, Shawn Demoney, returned for the 2006 race meet and again did a great job. Mr. Demoney trained and supervised his gate crew in a very professional manner throughout the meet. Mr. Demoney was away from the racetrack for several weeks attending to family matters. While Mr. Demoney was away, Arapahoe Park hired Starter Ross VonHemel, who had previously worked at the racetrack.
- Pursuant to CRC Rules, jockeys are to be weighed out prior to each race. However, during this race meet, the Clerk of Scales was not present for the weighing out of the Jockeys and, therefore, the Board of Stewards issued an administrative ruling to the Clerk for failing to be present on these occasions. It was apparent that the Clerk did not always weigh out the riders, but used an 'honor system' with the jockeys and valets. Due to the fact that a Jockey's weight varies from race to race; it is necessary to weigh out prior to each race. All changes of weight should be reported to the Stewards and announced to the public.

REGARDING THE RACING OFFICE:

- The Racing Secretary and Assistant Racing Secretary need to become more involved in training and assisting the Racing Office personnel than they were this season. Incorrect entries were a problem this year with far too many errors published in the “overnight” and distributed to the horsemen. The Racing Office complied with Colorado Law and Division policies concerning the proper transfer of claimed horses receiving a brand inspection before the transfer of ownership occurred.
- Arapahoe Park provided an office in the building for the Board of Stewards during entries. This arrangement increased the availability of the Stewards and improved their availability to the Racing Office staff and horsemen. Questions arising with reference to entries, medication and racing were answered more expeditiously than in the past.

REGARDING THE VIDEO PATROL

- Again this year, International Sound Corporation, Arapahoe Park’s contractor for video patrol, was able to provide some training for its video camera operators and, also, have their employees attend the pre-meet meeting with the Board of Stewards and Arapahoe Park Management as recommended by the Division. At this meeting, the Board was able to explain their needs to the video operators in capturing the running of the race. The operators were also given the opportunity to ask questions and educate themselves concerning horse racing. On the whole, the Audio Visual crewmembers handled their duties in a capable manner and were very cooperative.

REGARDING ARAPAHOE PARK SECURITY:

- **Stable Gate:** As recommended by the Commission’s memorandum for Arapahoe Park’s 2006 meet license issuance, the security department staffed the stable gate with two guards during the restricted access period. There were several times during the meet when the Security Director was unable to staff the gate with two guards due to licensing issues, guards failing to come to work, scheduling and communication issues. Arapahoe Park depended on security guards from Mile High Greyhound Park to fill staffing needs.
- The stable gate personnel handled the log-in process and departure of horses from the stable area very capably. The guards enforced the Commission’s requirements that only horses with current health and Coggins’ test documents be allowed to enter. A photocopier was again located at the stable gate and copies were made of all health papers when horses arrived. A trainer file was kept at the stable gate for these copies.
- **Incident Reports:** The following two major incidents were reported this season
 - A female licensee reported a cold attempt sexual assault by an unknown male during the evening hours in a tack room. (Division Case #06-0661). The Security Director did not report this incident to the Division Enforcement Staff. The Security Director did not contact the Arapahoe County Sheriff’s Office with the complaint until instructed to do so by Division Enforcement Staff several days after the incident occurred. This case is currently inactive with the Arapahoe County Sheriff’s Department.
 - An unknown person tried to gain access to the stable area with a fraudulent Division racing license. Stable gate security recognized that the document in question was fraudulent and confiscated it. The

document was properly turned over to the Division investigators along with the stable gate security tape. In reviewing the stable gate security tape, it was noted that the camera was not in a favorable position to identify the suspect, the vehicle or the license plate.

- There were approximately 62 incident reports generated by the Arapahoe Park Security Department this year compared to 52 during the 2005 race meet. Several reports described disorderly conduct or drinking in the stable area. No administrative hearings were conducted concerning the incident reports
- Arapahoe County Sheriffs Office continued to provide an off-duty officer on the live race days for grandstand security. The Sheriff's Office also allowed patrol deputies to visit the barn area during the evening hours.

REGARDING DRUG AND ALCOHOL TESTING:

The Division of Racing Events performed random drug testing pursuant to CRCR Rule #3.437 during Arapahoe Park's 2006 race meet. The policy was the same as last year with a representative from the Colorado Horse-Racing Association or Arapahoe Park serving as the witness to the drawing of the names. Five lists were generated from the license validation files:

- Trainers, Assistant Trainers, Owner/Trainer
- Jockeys
- Exercise Rider, Pony Person, and Miscellaneous
- Grooms
- Racing Officials

From these five lists, one was drawn for each of the five days, Wednesday through Sunday, for the five (5) different job categories. There were two violations of CRCR #3.437 in the administration of the random drug-testing program. Both of these licensees refused to submit a sample and remain under suspension.

In summation, Mr. Mann offered the following lists of recommendations for improvements to be made prior to the 2007 Arapahoe Park live race meet:

RECOMMENDATIONS FOR TEST BARN MAINTENANCE:

- That the wall fencing between wash racks should be repaired.
- That the walking surface needs new dirt and ground rubber needs to be added to repair ruts and soften surface.
- That the southeast side of the walking area has poor water drainage. It is recommended that there be either a possible addition or a relocation of downspouts in this area.
- That a new office air conditioning unit be sealed properly into wall to eliminate outside air, dust and insects to enter.
- That Arapahoe Park continue to maintain proper water drainage behind the wash rack areas.

RECOMMENDATIONS REGARDING THE RACETRACK SURFACE:

- That the Track Superintendent position be the only racing official position held by the individual.

RECOMMENDATIONS CONCERNING RACING OFFICIALS

- That the Division and the Association develop together some type of internal video recording monitoring equipment of the Jockey Room weight scale and that the recording is available to the Division for review.

The focus should be a full view of the jockey, equipment and weight scale read out.

- Due to the fact that the Jockey Room is unsupervised when the Clerk of Scales goes to the outside scales for weigh in, it is also strongly recommended that a Jockey Room Custodian should be required.
- That the Starter be required to have a better system for filing 'Gate OK's' with the racing office for Trainers wanting approval for entering horses.
- That the Outriders be more assertive on licensees galloping and ponying the wrong way during training hours.
- That Arapahoe Park continues to provide a radio for the Stewards' office during training hours in order to help them monitor the training activities on the racetrack that include workouts, removal of horses from the Stewards' list and the qualifying of licensees for exercising and ponying horses.

RECOMMENDATIONS FOR THE RACING OFFICE:

- That the Racing Office ensures that only authorized persons are allowed behind the counter during entries. All access to the racing office restricted area during entries should have locking devices. This restricted area should include the Racing Secretary's office and access to this office through the Bookkeepers office should also be locked during entries. The Racing Secretary shall allow visitors to his office by escort.
- That the Racing Secretary provides adequate training to his staff concerning the acceptance of entries and proofing the 'Overnight' and 'Program Proof'.
- That the Racing Office requires that all foal certificates be deposited within a certain period of time after arrival in order to help solve some of the issues that arose this past meet. Horses without submitted papers can not get a "date", work, or "gate OK" and it would be easier for the "Breed" organizations to access the papers eligible for stamps and perform their services prior to entry.
- That the Racing Office continues to be responsible for the proper transfer of claimed horses having a brand inspection before owner transfer.
- That the Racing Office continues to maintain a policy on security of the registration papers file cabinet.
- That the Racing Office continues to maintain and post to the licensees the written schooling lists for the Starter, Paddock, Stewards and Veterinarian.
- That the Association remove the carpet in the Stewards' Room in the Racing Office due to the fact that it cannot be cleaned properly.

RECOMMENDATION FOR VIDEO PATROL:

- That the Association continue to hold a pre-meet meeting with the Board of Stewards, Arapahoe Park management and the video operators to address the needs and expectations of the Board for their race review.

RECOMMENDATIONS CONCERNING THE SECURITY DEPARTMENT:

- That Arapahoe Park management reviews the Security Director position for future live racing meets.
- That Arapahoe Park management strongly encourages the Security Director to accept and provide training for himself and the security staff from the Division Enforcement personnel and other sources that management deems necessary to enforce the rules and policies of the Colorado Racing Commission and provide a safe environment for the licensees and patrons.
- That Arapahoe Park revisits its stable gate staffing to ensure proper coverage. The Division recommends that it adopt a 'Stable Area Rules' document to distribute to the horseman concerning the security of the backside and posted hours of entry. The Division recommends that the

Colorado Racing Commission review and approve the stable gate staffing and stable area rules during the renewal application review process.

- That Arapahoe Park provide a second video security camera at the stable gate and relocate the other camera so that the video coverage captures the vehicle occupants and the make and license plates of the vehicle entering the stable area.
- That Arapahoe Park continues to provide a copy machine in the stable gate office for the purpose of making photocopies of all health documents that are presented for admittance. All copies are to be filed in a filing cabinet located in the Stable Gate guard shack for the Arapahoe Park Vet staff.
- That Arapahoe Park continues to employ an off-duty sheriff deputy during live race days.

Mr. Mann expressed his appreciation to Mr. Seymore, Mr. Powers, Mr. Sean Beirne, Director of Simulcast Operations and Mr. Shannon Rushton, Executive Director of the Colorado Horse-Racing Association, as well as all of the breed organizations for their cooperation during Arapahoe Park's 2006 race meet. Mr. Seymore observed that, despite differing viewpoints, he has been encouraged by the healthy relationship that has developed between the Association, the Division of Racing Events and all sectors of the horse racing community. Mr. Rushton concurred with Mr. Seymore and reflected that the pre-meet discussion had helped in fostering this rapport, noting that each contingent involved in racing at Arapahoe Park this year was committed to the best interests of the racing community as a whole.

A motion was made by Commissioner Grant, seconded by Commissioner Pretti and unanimously carried to accept the end of meet report for Arapahoe Park's 2006 live racing season as presented.

Introduction of Newly Appointed Division Auditor, Ms. Naomi Smith – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, introduced Ms. Naomi Smith, newly appointed Division Auditor, to the Commission. He observed that Ms. Smith was previously employed by the State of Colorado Department of Regulatory Agencies. Mr. Hartman stated that Mr. Greg Lamb, the Division's former Auditor, is currently instructing Ms. Smith in the performance of her new duties. He commented that Ms. Smith is a great addition to the Division staff. The Commission congratulated Ms. Smith on her new position and welcomed her to the Division.

Discussion of Race Meet Status Reports – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, apprised the Commission that Commissioner Alkire had requested that this matter be brought forward for discussion, but, in her absence, he asked for comments and observations regarding it. He stated that he had distributed copies of an updated injury report prepared by Dr. Earl Carlson for Commission review.

Mr. Hartman then offered his justification for discontinuing the presentation of oral reports by the Racing Coordinators and the Commission Veterinarian at each Commission meeting. He stated that, frequently, the reports are generic rather than substantive in nature and do not warrant inclusion on a meeting agenda. He explained that he intends to continue to provide updated injury data and any other reports concerning noteworthy topics to the Commission as adjuncts to their agenda packets. Additionally, Mr. Hartman advised that anything of significance would be raised for consideration and discussion at a meeting. The Commission expressed its approval of the new approach to status reports and updates.

Discussion ensued during which Mr. Tony Gasich, President of the Rocky Mountain Quarter Horse Association, voiced his discontent with the twelve-day advance time frame for requesting time on a Commission meeting agenda and

objected to being refused access to documents/reports to be presented at upcoming Commission meetings. Mr. Hartman explained to Mr. Gasich that the Division was merely asking that twelve days' prior notification of an intention to make a presentation to the Commission be given in order to ensure that there is sufficient time for a matter(s) to be properly addressed and, if necessary, for any designated Division staff member to be adequately prepared to discuss a given topic(s). Mr. Hartman informed Mr. Gasich that, until such time as a document/report is provided to the Commission, it is not considered an "open record" and, therefore, is not subject to release to the public. Mr. Hartman assured those in attendance that all that the Division would ask of anyone wishing to make a presentation at a Commission meeting is to notify him and if an item is raised after publication and issuance of the meeting agenda, it would still be possible for it to be presented at the meeting. Mr. Hartman stated that the Division does not seek to prevent anyone from speaking at a meeting and would make every effort to accommodate anyone wishing to address the Commission. He noted that the twelve-day time frame is merely a guideline for the Division staff in its preparation of a meeting agenda.

Adjournment

There being no further business to consider, the meeting was adjourned at 12:25 p.m.

Subsequent to adjournment, the Commission visited and toured both the Gail Holmes Equine Orthopedic Research Center and the Equine Reproduction Laboratory at the Foothills Research Campus of Colorado State University.

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on Tuesday, December 12, 2006 in Conference Room 110 (Gaming Conference Room), 1881 Pierce Street, Lakewood, Colorado.

GENE O. NAUGLE, DVM, CHAIRMAN

The undersigned hereby approve the foregoing Minutes.

DAVID LYNN HOFFMAN, VICE-CHAIR

(EXCUSED)
MARILYN ALKIRE, MEMBER

C. DREW GRANT, MEMBER

JACK PRETTI, MEMBER

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, December 12, 2006 at 1881 Pierce Street in Conference Room 110 (Gaming Conference Room), Lakewood, Colorado. The meeting was called to order by Chairman Gene Naugle at 9:33 a.m.

Members Present

Gene Naugle, DVM, Chairman
David Lynn Hoffman, Vice-Chair
Marilyn Alkire, Member
C. Drew Grant, Member
Jack Pretti, Member

Staff Present

Dan Hartman, Director, Division of Racing Events
Richard Mattson, Greyhound Racing Coordinator
Robert "Duke" Mann, Horse Racing Coordinator
Earl Carlson, Commission Veterinarian
Mark Brown, Division Enforcement Coordinator
Naomi Smith, Division Auditor
Leland BeBee, Division Legal Assistant
Sherry Gunnell, Assistant to the Director

Also Present

An attendance sheet is attached hereto and made a part of these minutes.

Approval of Minutes of November 14, 2006

A motion was made by Commissioner Pretti, seconded by Commissioner Grant and unanimously carried to approve the minutes of November 14, 2006 as submitted.

Scheduled Appearance -- JUSTIN "BRONC" GLEASON

At 9:35 a.m., the Commission entertained the request of Mr. Justin "Bronc" Gleason to be heard on the matter of his status as not being in good standing in Colorado. Mr. Gleason was present, but was not represented by legal counsel. Mr. Dan Hartman, Division Director, advised the Commission that the Division's Assistant Attorney General Tina Bowman was unable to attend today's meeting. Mr. Robert "Duke" Mann, the Division's Horse Racing Coordinator, appeared on behalf of the Division of Racing Events.

Mr. Mann introduced Mr. Gleason to the members of the Commission. He provided a synopsis of Mr. Gleason's history of licensure in Colorado. Mr. Mann also explained that the Commission had ordered that, prior to being restored to good standing in Colorado and, thereby, allowed to re-apply for licensure, Mr. Gleason had to appear before the Commission. Mr. Mann observed that Mr. Gleason had requested to appear before the Commission at its June 13, 2006 meeting, but had failed to appear or notify the Division of his inability to be present and, therefore, his request to appear had been considered abandoned.

The Commission afforded Mr. Gleason the opportunity to speak on his own behalf. Mr. Gleason informed the Commission that he desires to be restored to good standing in Colorado in order to pursue licensure in another racing jurisdiction.

The Commission inquired about Mr. Gleason's history of violations of Commission rules, noting that nine administrative rulings had been issued against him. The Commission focused attention upon those rulings reflecting a pattern of abusive actions and violent and/or threatening behavior by Mr. Gleason. The Commission took

into consideration that disciplinary orders had been issued for various forms of misconduct, impropriety, inebriation and/or substance abuse, verbal and/or physical abusiveness, all of which reflect upon Mr. Gleason's character, reputation and fitness to hold a racing license. Additionally, as part of its review, the Commission entertained the comments of Mr. R. D. Ring, a Colorado horse trainer, who expressed his belief that Mr. Gleason had failed to handle his personal and financial obligations in a responsible manner and, therefore, should not be restored to good standing in Colorado. In response to Commissioner Hoffman's query, Mr. Gleason stated that he had not undertaken or undergone any type of counseling, behavior modification or rehabilitation since revocation of his racing license.

The Commission discussed Mr. Gleason's prior record of offenses and deliberated upon the information presented during the hearing prior to rendering its decision in this matter. Commissioner Alkire stated that she did not have confidence that Mr. Gleason would refrain from becoming a problem in another racing jurisdiction/state and, based upon his pattern of abusive behavior, questioned whether Mr. Gleason should be working in any phase of the racing industry. The Commission acknowledged Mr. Gleason's need for gainful employment, but was not inclined to grant approval of his request absent evidence of positive change.

A motion was then made by Commissioner Alkire, seconded by Commissioner Grant and unanimously carried to deny the request of Mr. Justin "Bronc" Gleason to be restored to good standing in Colorado. Mr. Gleason's status under prior Board, Commission and Division Rulings was left unchanged.

Informational Update – Cloverleaf Kennel Club's 2007 Racing Envelope – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, informed the Commission that, approximately two weeks ago, he had been given verbal notification that Cloverleaf Kennel Club did not intend to conduct a live race meet in 2007. He advised that he has since received formal written confirmation of Cloverleaf's decision to forego live racing next year. Mr. Hartman explained that, in light of this circumstance, the envelope of days reserved for Cloverleaf has been vacated.

Mr. Hartman stated that a letter sent to him by Cloverleaf's Attorney, Mr. Gregory Kanan advised that Cloverleaf would like a two-year hiatus from live racing with the proviso that it be allowed to keep its license and racing dates following the hiatus. Mr. Hartman observed that if another entity wished to apply for Cloverleaf's vacated dates, it might not be possible for either the Commission or the Division to guarantee that they could be restored to Cloverleaf. Additionally, Mr. Hartman suggested that it might be helpful for the Commission to request that its Assistant Attorney General research this subject and provide her opinion regarding it, noting that the Racing Statute is unclear about it. The Commission directed the Division to seek guidance from its legal counsel regarding this matter and to present the information provided by the Assistant Attorney General at an upcoming Commission meeting.

Mr. Hartman apprised the Commission that, although at the present time, Cloverleaf's envelope of dates has been vacated, he is in receipt of a license application from Pueblo Greyhound Park to conduct live racing during this period. He observed that Mile High Racing & Entertainment is engaged in negotiations with Colorado kennel operators to ascertain whether they would be willing to support and participate in the meet, noting that the meet would be conducted at the Commerce City track site as an extension of the meets currently held at this facility. Mr. Hartman commented that he believes that an agreement between the Association and the greyhound racing community is close to resolution.

The Commission inquired whether there were any other entities or groups that wished to tender a request and/or application to assume the envelope of dates vacated by Cloverleaf Kennel Club. There were no responses to the Commission's query and the Commission acknowledged that Pueblo Greyhound Park is the only entity that has proposed to assume the dates vacated. Mr. Hartman recommended that the Commission endorse moving the dates formerly approved for Cloverleaf Kennel Club to Pueblo

Greyhound Park in order to afford Pueblo the opportunity to proceed with its license application process, but that a condition of this transfer should be that a legal opinion be obtained regarding whether Cloverleaf could retain any rights to the race dates in question after a two-year hiatus from racing. In response to the Commission's query regarding Cloverleaf's future plans to resume live racing, Mr. John Manning, General Manager of Cloverleaf Kennel Club, stated that the Cloverleaf Board of Directors intends to revamp its business plan and attempt to reverse the financial decline that this fifty-one year-old racecourse has experienced in recent years.

Members of the Colorado greyhound racing community expressed their concern regarding Cloverleaf's belated cessation of live racing and urged the Commission to expedite approval for Pueblo to conduct a race meet. Mr. Hartman explained that, although he has been in contact with members of Cloverleaf's Board of Directors since last summer, neither he nor the Commissioners had been apprised of the decision to forego racing until approximately two weeks prior to this date. The Commissioners observed that their actions are subject to the time frames in which decisions are made.

Discussion ensued during which the Commission, members of the greyhound racing community and Mr. Hartman offered views and observations regarding the negative consequences that would result from the lack of a greyhound race meet between the months of February and June. Concerns were voiced regarding such matters as: 1) the financial impact on Colorado kennel owners and their families; 2) the inability to support the volume of greyhounds that would not be actively racing; 3) the inability of kennel operators to obtain contracts at other racing venues and make arrangements and provision for their animals due to timing constraints; 4) the uncertainty surrounding Pueblo Greyhound Park's proposal to hold a race meet and the possibility that, if approved to do so, Pueblo would subsequently rescind its application. Mr. Hartman commented that, although Pueblo might ultimately elect not to conduct a live meet, he is hopeful that there will be live racing and appreciates the efforts put forth by Mile High Racing & Entertainment to proceed with the licensing process. A suggestion was entertained that a rule or rules be adopted that would 1) mandate a finite period of time during which a meet could be canceled or 2) require the posting of a performance bond to prevent recurrence of a similar situation.

Additionally, the impact of cash funding was raised by representatives of the greyhound community, who expressed their collective belief that cash funding and the take-out rates applied by the Associations to accommodate their payments to the State of Colorado were detrimental to the survival of greyhound racing. Mr. Gary Bryan, President of the Colorado Greyhound Kennel Association, inquired about the feasibility of reapportioning the fee structure and Mr. Hartman replied that this matter may be reassessed in 2007. He commented that when there is an overage in fee payments, the Division reverts that money to the Associations.

A motion was made by Commissioner Alkire, seconded by Commissioner Naugle and unanimously carried to give the greyhound envelope of race dates from January 30, 2007 through May 29, 2007 to Pueblo Greyhound Park. Notice was taken that consideration of Pueblo Greyhound Park's license application will be placed on the January 9, 2007 Commission meeting agenda.

Consideration of Distribution of 2007 Greyhound Simulcast Dates – Dan Hartman

Mr. Dan Hartman, Manager of Racing Operations, stated that, for the 2007 calendar year, full equitable distribution of the quota of days is statutorily mandated. In 2006, the Commission approved allotment of 83 simulcast days to each racetrack. The Mile High Racing & Entertainment racetracks (Interstate Kennel Club and Mile High Greyhound Park) received the additional day for a total of 167 simulcast days.

Mr. Hartman recommended that the Commission approve apportionment of the entire complement of 250 simulcast days among the Mile High Racing & Entertainment greyhound racetracks (Interstate Kennel Club, Interstate Kennel Club, Mile High Greyhound Park and Pueblo Greyhound Park, if it conducts a live race meet) for use during its live meet on weeks that meet statutory requirements during calendar year 2007.

In this way, an equitable distribution of simulcast days among all active racetracks is assured. Mr. Hartman noted that the Mile High Racing & Entertainment racetracks would not be able to use simulcast days when no race meet is being conducted. Further, Mr. Hartman reiterated the recommendation of the Division of Racing Events that the Commission delegate authority to the Division of Racing Events to approve the actual schedule of days during the season.

Based upon Mr. Hartman's recommendation, a motion was made by Commissioner Alkire, seconded by Commissioner Grant and unanimously carried to allocate the full complement of 250 simulcast days to the active Mile High Racing & Entertainment race meets for the live seasons and, further, to delegate to the Division of Racing Events the ability to approve the actual schedule of days during the season subject to submission of each racing association's racing schedule. Notice was taken that Mile High Racing & Entertainment has complied with the Commission's directive and provided its 2007 simulcast schedule to the Division.

Budget Presentation – Overview of Fiscal Year 2007 and Fiscal Year 2008 Request – Pam Keller and Debbie Allen

Mr. Dan Hartman, Director of the Division of Racing Events, introduced Ms. Pam Keller, Chief Budget Officer for the Enforcement Line of Business and Ms. Debbie Allen, Budget Analyst for the Division of Racing Events, to the Commission. Ms. Allen explained to the Commission that the annual budget preparation for State agencies begins approximately one year prior to the effective date of the budget. She stated that during this phase, the budget is developed based upon a particular agency's assumptions about its fiscal needs and usage levels.

Ms. Allen provided a slide overview depicting the Division of Racing Events' actual Fiscal Year 2006/07 appropriation breakout and its Fiscal Year 2007/08 request, including the following budget line items: personal services, (health, life and dental benefits, short term disability), operating expenses, capital outlay, laboratory services, Commission meeting costs, legal services, vehicle costs, miscellaneous "POTS" (funds appropriated in the Executive Director's budget and designated for the Divisions), racetrack applications and purses and breeders awards. Ms. Allen explained that, as a cash-funded agency, the Division of Racing Events is assessed direct and indirect expenses that did not have to be reflected in appropriations when the Division was general-funded.

A motion was made by Commissioner Hoffman, seconded by Commissioner Alkire and unanimously carried to approve the budget for Fiscal Year 2007 and the budget request for Fiscal Year 2008 as presented.

The Commission thanked Ms. Keller and Ms. Allen for the informative presentation.

Mr. Hartman responded to a query regarding budgetary adjustments in the event that Pueblo Greyhound Park does not conduct a live race meet in 2007. He stated that it would be necessary to revise the budget to reflect a new level of staffing and reapportionment of fees among the operating racecourses. Mr. Hartman observed that, although there would be savings in the operating and personal services line items due to staffing and other reductions, the indirect costs would not be reduced.

Update – Animal Welfare and Medication Issues – Dr. Earl Carlson

Dr. Earl Carlson, Commission Veterinarian, reported that the injury level during the current Interstate Kennel Club race meet has remained stable and is basically much lower than in the past. He stated that he has been observing times of races and has noted variations in times. Despite this, he assured the Commission that he is pleased with the overall injury levels and believes that continued proper maintenance of the racing surface is essential to preventing problems from arising. He commented that Interstate's modified racing schedule has created challenges for the racetrack maintenance crew, but the surface has been maintained efficiently during the meet.

Dr. Carlson advised that, although there have been reported outbreaks of kennel cough in both Wisconsin and Florida, there have not been any problems in other parts of the country, including Colorado. He emphasized that Colorado's policy of requiring a twenty-four hour health certificate for entry into or departure from the state is and will continue to be maintained at all greyhound racetracks and, when applicable, at Arapahoe Park.

Commissioner Alkire inquired about the requirements for vaccinations, including quarantine, for Equine Viral Arteritis ("EVA"). Dr. Carlson replied that he would continue to research this subject and provide additional information regarding it at an upcoming meeting.

The Commission accepted Dr. Carlson's report as presented.

Report – University of Arizona Symposium on Racing – Commissioner Drew Grant

Commissioner Drew Grant reported that he and Division Director Dan Hartman had recently attended the University of Arizona Symposium on Racing held in Tucson, Arizona. Commissioner Grant stated that he had appreciated the opportunity to meet with regulators from other racing jurisdictions and become exposed to the various political issues impacting them. He had ascertained from these encounters that other racing jurisdictions were affected by the availability of other forms of gambling, especially by the presence of different types of gambling at racetrack venues, noting that these "racinos" were becoming increasingly prevalent. Commissioner Grant advised that he had previewed some excellent commercials for racing venues. He commented that, although many racetracks are floundering, the Kentucky Derby at Churchill Downs reportedly had its highest level of wagering as well as remarkably high attendance this past season. Commissioner Grant expressed his appreciation for the opportunity to attend and participate in the Symposium.

Announcement Regarding Rule Review Workshop – Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, announced that, following today's meeting, the rule review workshop would be conducted. He invited all interested parties to remain and participate in it.

Adjournment

There being no further business to consider, the meeting was adjourned at 10:55 a.m.

Next Regularly Scheduled Meeting

The next regularly scheduled meeting of the Colorado Racing Commission will be held on Tuesday, January 9, 2007 in Conference Room 110 (Gaming Conference Room), 1881 Pierce Street, Lakewood, Colorado.

GENE O. NAUGLE, DVM, CHAIRMAN

The undersigned hereby approve the foregoing Minutes.

DAVID LYNN HOFFMAN, VICE-CHAIR

MARILYN ALKIRE, MEMBER

C. DREW GRANT, MEMBER

JACK PRETTI, MEMBER

