



NORTH DAKOTA RACING COMMISSION

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Gunner laCour

Director

NORTH DAKOTA RACING COMMISSION

NDRC Meeting

State Capitol Building, Peace Garden Room

600 East Boulevard Avenue, Bismarck, ND

Thursday, November 15, 2018 – 10:30 a.m. (Central Time)

Minutes

Present: Chairman Mary Ann Durick, Commissioner John Hanson, Legal Counsel Allyson Hicks, Director Gunner laCour, and Administrative Officer Gail Allensworth

By Phone: Commissioner Dave Piepkorn, Commissioner Shane Martin

Not Present: Commissioner Tim Kreidt

Others Present: Blaine DeCoteau, Allison DeCoteau, John Bubel, Jon Sanstead, Doug DeMontigny, Joyce DeMontigny, Leon Glasser, Mike Schmitz, and Scott Horst

Call to Order: Chairman Durick called the meeting to order at 10:34 a.m.

AGENDA- Amended

1. **Revision to Minutes** – May 3, 2018 Meeting
2. **Approval of Minutes** – September 20, 2018 Meeting
3. **Historic Horse Racing**
4. **Dawson's Affair Complaint**
5. **New License Applications**
 1. Racebook, Inc.
 2. Team Makers Club, Inc.
 3. Colossusbets, Ltd.

6. **License Renewals for 2019**

a. **Service Providers**

1. 123Gaming, Inc.
2. eBet Technologies, Inc.
3. The Elite Turf Club, N.V.
4. Horse Racing Labs, LLC
5. I.B.N., LLC
6. Lien Games Racing, LLC
7. MegaTote, LLC
8. PariBet, LLC
9. Skyland Pacific, LLC
10. WatchandWager.com, LLC

b. **Totalizator Providers**

1. AmTote International, Inc.
2. The Global Tote Limited
3. Las Vegas Dissemination Company, Inc.
4. Sportech Racing, LLC
5. United Tote Company

c. **Site Operators**

1. American Gold Gymnastics
2. Development Homes, Inc.
3. Horse Race North Dakota
4. ND Quarter Horse Racing Association
5. ND Thoroughbred Association
6. Turtle Mountain Band of Chippewa

7. **Live Race Date Requests for 2019**

a. **Outdoor Recreation Development Association**

- Chippewa Downs – Belcourt

b. **Horse Race North Dakota**

- North Dakota Horse Park – Fargo

8. **Breeders Fund for 2019**

9. **Revisions to 2018 Race Meet Rulings**

10. **Reduced Licensing Fee Schedule for 2019**

11. **Any other business which may properly come before the Commission**

12. **Adjournment**

1. **Revision to Minutes** – May 3, 2018 Meeting

Previously, all Commissioners had received a copy of the minutes to review.

A motion was made by Commissioner Martin and seconded by Chairman Durick to accept the revision to the May 3, 2018 minutes as presented. Martin -Y, Durick -Y, Hanson -Y, and Piepkorn -Y. Motion passed.

2. **Approval of Minutes** – September 20, 2018 Meeting

Previously, all Commissioners had received a copy of the minutes to review.

A motion was made by Commissioner Hanson and seconded by Commissioner Durick to accept the minutes of September 20, 2018 as presented. Hanson -Y, Durick -Y, Martin -Y, and Piepkorn -Y. Motion passed.

Director laCour asked the Commissioners if they would be available for meeting on Thursday, November 29 or Friday, November 30 to meet the recommended Director hire. The Commissioners decided on Thursday, November 29 for the next Commission meeting to meet the recommended Director hire.

No motions needed.

3. Historic Horse Racing

Director laCour stated that there is no update yet as to the status of the historic horse racing bill that will be presented during the Legislative session.

No motions needed.

4. Dawson's Affair Complaint

Director laCour stated that a complaint was filed with the Commission by Mr. David Wisdom at the end of July alleging that a horse named Dawson's Affair was ineligible to run as it was subject to a lease that had not been properly canceled with the AQHA or the track race office. Director laCour reviewed the complaint and found no legal basis on which the Commission could proceed with any action against the horse or the owner. After being contacted by Mr. Wisdom's attorney, Director laCour turned everything over to Legal Counsel Edward Erickson for his review. Mr. Erickson's conclusion was the same as Director laCour's.

Director laCour introduced Jon Sanstead, who represented Dave Wisdom. Questions were asked by the Commissioners and answered by Mr. Sanstead.

The Commissioners asked Mr. Leon Glasser questions regarding the complaint and Mr. Glasser responded.

Director laCour asked that the complaint be dismissed.

A motion was made by Commissioner Martin and seconded by Commissioner Hanson to dismiss the complaint regarding Dawson's Affair. Martin -Y, Hanson -Y, Durick -Y, and Piepkorn -Y. Motion passed.

5. New License Applications

1. Racebook, Inc.
2. Team Makers Club, Inc.
3. Colossusbets, Ltd.

Director laCour stated that Mr. Christian Lopez, President of Racebook, Inc., was unable to attend the meeting due to some flight difficulties. Director laCour provided a review of Racebook, Inc.'s application for a Service Provider/ADW license. Director laCour recommended Racebook, Inc. for licensure of a Service Provider/ADW license for 2019.

A motion was made by Commissioner Hanson and seconded by Commissioner Martin to license Racebook, Inc. as a Service Provider/ADW license for 2019. Hanson -Y, Martin -Y, Durick -Y, and Piepkorn -Y. Motion passed.

Director laCour stated that Team Makers Club, Inc. applied for a Site Operator license and provided a brief overview. Director laCour recommended Team Makers Club, Inc. as a Site Operator license for 2019.

A motion was made by Commissioner Piepkorn and seconded by Commissioner Martin to license Team Makers Club, Inc. for a Site Operator license for 2019. Piepkorn -Y, Martin -Y, Durick -Y, and Hanson -Y. Motion passed.

Director laCour indicated that Colossusbets Ltd. has applied for a Service Provider license for 2019 upon his recommendation as they provide a service to ADWs and would not be functioning as an ADW. Colossusbets Ltd. would be providing a new customer offering called Cash-Out through WatchandWager.com. The executive summary of their Thoroughbred Racing Protective Bureau background check has been received, but the final copy is still being drafted. Director laCour recommended

Colossusbets Ltd. for licensure as a Service Provider for 2019 with the condition that they provide a satisfactory, complete background check from Thoroughbred Racing Protective Bureau.

A motion was made by Commissioner Hanson and seconded by Commissioner Martin to license Colossusbets Ltd. as a Service Provider for 2019 with the condition that they provide a satisfactory, complete background check from TRPB. Hanson -Y, Martin -Y, Durick -Y, and Piepkorn -Y. Motion passed.

6. License Renewals for 2019

a. Service Providers

1. 123Gaming, Inc.
2. eBet Technologies, Inc.
3. The Elite Turf Club, N.V.
4. Horse Racing Labs, LLC
5. I.B.N., LLC
6. Lien Games Racing, LLC
7. MegaTote, LLC
8. PariBet, LLC
9. Skyland Pacific, LLC
10. WatchandWager.com, LLC

Director laCour asked that all Service Provider/ADW license renewals for 2019 be issued as a group except for I.B.N., LLC and WatchandWager.com, LLC which will be done separately.

A motion was made by Commissioner Martin and seconded by Commissioner Durick to license the following as Service Providers/ADWs: 123Gaming, Inc., eBet Technologies, Inc, the Elite Turf Club, N.V., Horse Racing Labs, LLC, Lien Games Racing, LLC, MegaTote, LLC, PariBet, LLC, and Skyland Pacific, LLC for 2019. I.B.N., LLC and WatchandWager.com, LLC will be reviewed separately. Martin -Y, Durick -Y, Hanson -Y, and Piepkorn -Y. Motion passed.

Director laCour stated that I.B.N., LLC has applied for a Service Provider/ADW license and indicated that they had a change of ownership to include Pick Six Partners. The new OTB at Barcode Bar and Grill in Fargo will be affiliated with them. Director laCour recommended I.B.N., LLC for licensure of a Service Provider/ADW on the condition that the Commission receive a completed background check from TRPB.

A motion was made by Commissioner Hanson and seconded by Chairman Durick to license I.B.N., LLC as a Service Provider/ADW for 2019 on the condition that they completed a background check from TRPB. Hanson -Y, Durick -Y, Martin -Y, and Piepkorn -Y. Motion passed.

Director laCour indicated that WatchandWager.com, LLC applied for Service Provider/ADW license for 2019. As a condition of licensure Director laCour states that they ring fence client funds and submit quarterly reports from CHRIMS to the Racing Commission for a year.

A motion was made by Commissioner Hanson and seconded by Commissioner Martin to license WatchandWager.com as a Service Provider/ADW for 2019 with the condition that they ring fence client funds and submit quarterly reports from CHRIMS to the Racing Commission for a year. Hanson -Y, Martin -Y, Durick -Y, and Piepkorn -Y. Motion passed.

b. Totalizator Providers

1. AmTote International, Inc.
2. The Global Tote Limited
3. Las Vegas Dissemination Company, Inc.
4. Sportech Racing, LLC
5. United Tote Company

Director laCour asked that the Totalizator Provider license renewals be done as a group and recommended licensure for 2019.

A motion was made by Chairman Durick and seconded by Commissioner Piepkorn to license all Totalizator Provider licensees: AmTote International, Inc., the Global Tote Limited, Las Vegas Dissemination Company, Inc., Sportech Racing, LLC, and United Tote Company for 2019. Durick -Y, Piepkorn -Y, Hanson -Y, and Martin -Y. Motion passed.

c. **Site Operators**

1. American Gold Gymnastics
2. Development Homes, Inc.
3. Horse Race North Dakota
4. ND Quarter Horse Racing Association
5. ND Thoroughbred Association
6. Turtle Mountain Band of Chippewa

Director laCour asked that all Site Operator licensees be done as a group and recommended licensure for 2019.

A motion was made by Commissioner Martin and seconded by Chairman Durick to license American Gold Gymnastics, Development Homes, Inc., Horse Race North Dakota, ND Quarter Horse Racing Association, ND Thoroughbred Association, and Turtle Mountain Band of Chippewa as Site Operators for 2019. Martin -Y, Durick -Y, Piepkorn -Y, and Hanson -Y. Motion passed.

7. **Live Race Date Requests for 2019**

a. **Outdoor Recreation Development Association**

- Chippewa Downs – Belcourt

Director laCour stated that Chippewa Downs requested 8 days (4 weekends) for 2019 with the following dates: June 8 & 9, June 15 & 16, June 22 & 23, and June 29 & 30. Director laCour asked for one additional day to be allotted as the track requires to be used only if a day of racing must be cancelled due to weather.

A motion was made by Commissioner Hanson and seconded by Chairman Durick to approve the following dates to Chippewa Downs for 2019: June 8 & 9, June 15 & 16, June 22 & 23, and June 29 & 30 with an extra day allotted as the track requires to be used only if a day of racing must be cancelled due to weather. Hanson -Y, Durick -Y, Martin -Y, and Piepkorn -Y. Motion passed.

b. **Horse Race North Dakota**

- North Dakota Horse Park – Fargo

Director laCour stated the Horse Race North Dakota requested 7 days (3 weekends) with the following dates: July 13 & 14, July 19, 20 & 21, and July 27 & 28. There would only be 2 days of racing of the 3 days requested during the second weekend.

A motion was made by Commissioner Piepkorn and seconded by Chairman Durick to approve the following dates to Horse Race North Dakota for 2019: July 13 & 14, July 19, 20 & 21, and July 27 & 28 with only 2 days of racing during the second weekend. Piepkorn -Y, Durick -Y, Hanson -Y, and Martin -Y. Motion passed.

8. **Breeders Fund for 2019**

Director laCour stated that the Breed Fund program implemented over the last few years has been successful and without significant objection, it was determined by the Racing Industry (Horseman's) Advisory Committee that it was unnecessary to host a meeting and to simply bring the 2018 program forward another year. Director laCour recommended the following:

- In-State Racing
 - \$225,000 available to provide breeders awards for 2019 in-state racing;
 - The in-state minimum guaranteed Breed Fund pool of \$150,000 extended an additional year through 2022.
- Standardbreds
 - Due to the lack of racing opportunities in North Dakota, Standardbreds have been awarded the following eligible in-state dates for 2019: March 15 through March 30 (Cal Expo in California) and July 13 through August 5 (Running Aces in Minnesota).

- **Out-of-State Racing**
 - \$50,000 available from the ND Breed Fund to provide breeders awards for ND-breds racing in out-of-state races. The following rules apply:
 - Points will be awarded January 1 through June 7 and July 29 through December 31, 2019;
 - No out-of-state points will be awarded for races held June 8 through July 28, 2019;
 - Distributions shall be in accordance with current in-state rules;
 - It is the responsibility of the foal/mare/stallion owner to provide the Commission with out-of-state race results;
 - Only official race results from Equibase, Daily Racing Form, or Trueform Racing Services will be accepted and must be sent to the ND Racing Commission Office;
 - All results must be postmarked no later than January 2, 2020.
- **Double and Triple Points**
 - Historically the Racing Commission has offered double breed fund points to those races worth \$10,000 or more and triple breed fund points to those races worth \$25,000 or more. This will be the same for 2019.
- **Eligibility for "Back to Back" Racing**
 - Any horse that is eligible for breed fund points in a race may not again be eligible to receive points for a period of four (4) days from that race. For example, horses racing Saturday would not again be eligible until Thursday. This is an equine welfare rule implemented by the Commission to dis-incentivize "back to back" racing. This rule is applicable to in-state and out-of-state racing for all breeds.

A motion was made by Commissioner Hanson and seconded by Commissioner Martin to establish the 2019 Breeders Fund as outlined. Hanson -Y, Martin -Y, Durick -Y, and Piepkorn -Y. Motion passed.

9. Revisions to 2018 Race Meet Rulings

Director laCour asked to modify the following changes regarding the Stewards' Ruling for Race 2 on June 17, 2018:

- The ruling against David Gorneau be modified to remove loss of purse.
- The Commission moves, based on the presence of Hydrocortisone Hydrogen Succinate (serum sample E265784 at approx. 12.6 ng/ml), to file a Complaint with the Office of Administrative Hearings requesting loss of purse in Race 2 on June 17, 2018 against the owner, Scott Horst.

A motion was made by Commissioner Hanson and seconded by Chairman Durick to modify the Steward's Ruling for Race 2 on June 17, 2018 as explained. Hanson - Y, Durick -Y, Piepkorn -Y, and Martin -Y. Motion passed.

10. Reduced Licensing Fee Schedule for 2019

Director laCour asked for approval as a variance the reduced licensing fee schedule for 2019.

A motion was made by Commissioner Hanson and seconded by Chairman Durick to approve as a variance the reduced licensing fee schedule for 2019. Hanson -Y, Durick -Y, Martin -Y, and Piepkorn -Y. Motion passed.

11. Any other business which may properly come before the Commission

Scott Horst presented a thank you gift to Director laCour from the North Dakota Thoroughbred Association.

12. Adjournment

A Motion was made by Commissioner Hanson and seconded by Chairman Durick to adjourn the meeting. All voted aye and hearing no negative vote the motion passed.

Meeting was adjourned at 12:04 p.m.