

NORTH DAKOTA RACING COMMISSION
Live and Telephone Meeting
Bismarck Public Library, 515 N 5th Street, Room A, Bismarck, ND
Tuesday, May 3, 2011 – 10:30 a.m. (central time)

Call to Order: Chairman Jim Ozbun called the meeting to order at 10:35 a.m.

Present: Chairman Jim Ozbun, Commissioner Clarence Frederick, Sr., Commissioner Tom Senftner and Commissioner Steve Hartman. Also present were Director of Racing, Winston E. Satran and Administrative Staff Officer, Helen Tessmann.

Present By phone: Commissioner Andy Maragos and David Bernson.

Others Present: Janelle Mitzel, L.J. Harsche, Leon Glasser, Jad Breiner, Wes Heinert, Connie Schriock, Blaine Malaterre, Ron Klein, Tracy Potter, Darrell Dorgan, John Bubel, Avery Erfle, Roger Thompson and Gail Hrdlicka.

Chairman Ozbun announced that Commissioner Clarence Frederick's term will be fulfilled on June 30th. Chairman Ozbun thanked Clarence for his service to the Commission and presented a plaque recognizing his 8 years of serving the Commission, the state and the North Dakota horsemen. Director Winston Satran also expressed his thanks to Commissioner Frederick and stated it had been a pleasure working with Clarence on the Commission. Those in attendance applauded Clarence showing their thanks.

AGENDA

1. **Approval of Minutes** - February 15th, 2011 Meeting
2. **Totalizator Providers**
 - a. AmTote International, Inc. – Change in ownership structure
 - b. Media and Gaming Pty Ltd – Name change
 - c. United Tote – New License Application
3. **Consideration of Simulcast Site Operator's (Charity) - License Application**
 - a. ND Cowboy Hall of Fame
 - b. Fort Abraham Lincoln Foundation
4. **Thoroughbred Racing Protective Bureau** – Background Investigations Proposal
5. **ND Harness Racing Association** - Consideration of 2011 out-of-state Breeders' awards
6. **Purse Fund Applications**
 - ND Thoroughbred Association – Additional request \$ 5,000
7. **Promotion Fund Applications**
 - ND Thoroughbred Owners and Breeders \$ 5,000
8. **Director's Reports**

- a. 2011 Legislative Update
- b. Proposed Rule Changes Update
- c. Transfer of monies from General Fund to Special Funds
- d. Authorization to request & review ORDA's race meet issues
 - (1) To submit electrical & fire safety reports
 - (2) Proof of Insurance, Bond
 - (3) Track Officials
 - (4) Condition Book
- e. Turtle Mountain Band of Chippewa Indians – Attorney General's Opinion
- f. ND Horse Park Foundation – Request for NDRC Member to serve on Board
- g. New Companies (ADWs) Auditing Reimbursement – Thompson Financial Services

9. **ND Horsemen's Council Issues or Recommendations**

10. **Any other business which may PROPERLY come before the commission**

11. **Adjournment**

MINUTES

1. **Approval of Minutes**

Previously all Commissioners received the February 15th, 2011 meeting minutes for review.

A motion was made by Commissioner Frederick and seconded by Commissioner Maragos to accept the minutes of the February 15th, 2011 meeting as presented. All Commissioners voted aye and hearing no negative vote the motion passed.

2. **Totalizator Providers**

- a. AmTote International, Inc. – Change in ownership structure

AmTote International, Inc. informed the Commission that the ownership structure of AmTote has changed and will be in control of Mr. Frank Stronach by June 30, 2011. No changes in officers and directors will result in this transaction.

A motion was made by Commissioner Maragos and seconded by Commissioner Senftner to allow temporary approval of the change in ownership for AmTote International, Inc. until a list of the current officers is received by the Commission, at which time final approval will be given. Roll call was taken: Maragos Y, Senftner Y, Hartman Y, Frederick Y, and Ozbun Y. Motion passed.

- b. Media and Gaming Pty Ltd – Name change

Media and Gaming Pty Ltd submitted a letter advising the Commission that they have changed the name of the company to "Typhoon Gaming Pty Ltd". No changes are made in management or location.

A motion was made by Commissioner Frederick and seconded by Commissioner Hartman to approve Mr. Plowman's request to change their company name from Media and Gaming Pty, Ltd to Typhoon Gaming Pty Ltd. with no changes in management or location. Roll was taken: Frederick Y, Hartman Y, Maragos Y, Senftner Y and Ozbun Y. Motion passed.

- c. United Tote – New License Application

United Tote Company from Louisville, KY submitted an application for a simulcast totalizator license in North Dakota. The application has been completed and requirements have been satisfied.

A motion was made by Commissioner Maragos and seconded by Commissioner Frederick to approve the application submitted by United Tote Company to operate as a licensed Simulcast Totalizator Provider in North Dakota. Roll call was taken: Maragos Y, Frederick Y, Hartman Y, Senftner Y and Ozbun Y. Motion passed.

3. Consideration of Simulcast Site Operator's (Charity) - License Application

a. ND Cowboy Hall of Fame

An application was submitted requesting to be licensed as a simulcast site operator in North Dakota. The application has been completed and requirements have been satisfied. Mr. Darrell Dorgan, Executive Director for ND Cowboy Hall of Fame was in attendance and answered questions concerning the application by the Commission.

A motion was made by Commissioner Senftner and seconded by Commissioner Hartman to approve the application submitted by the North Dakota Cowboy Hall of Fame to operate as a licensed Simulcast Site Operator (charity) in North Dakota. Roll call was taken: Senftner Y, Hartman Y, Frederick Y, Maragos Y and Ozbun Y. Motion passed.

b. Fort Abraham Lincoln Foundation

An application was submitted requesting to be licensed as a simulcast site operator in North Dakota. The application has been completed and requirements have been satisfied. Mr. Tracy Potter, Executive Director for Fort Abraham Lincoln Foundation was in attendance and answered questions concerning the application by the Commission.

A motion was made by Commissioner Maragos and seconded by Commissioner Senftner to approve the application submitted by the Fort Abraham Lincoln Foundation to operate as a licensed Simulcast Site Operator (charity) in North Dakota. Roll call was taken: Maragos Y, Senftner Y, Hartman Y, Frederick Y, and Ozbun Y. Motion passed.

Commissioner Maragos stated that in the future other charities in North Dakota should also have the opportunity to apply for simulcast site operators and have access to negotiate with MTPBets Limited to develop simulcast sites.

4. Thoroughbred Racing Protective Bureau - Background Investigations Proposal

The Thoroughbred Racing Protective Bureau is interested in conducting background checks of account deposit wagering applicants on behalf of the ND Racing Commission. TRPB's fee is \$6,000 fixed through December 2015. The turn-around time in receiving the results from TRPB would be approximately 2-3 weeks.

A motion was made by Commissioner Maragos and seconded by Commissioner Frederick to approve the proposal and application from Thoroughbred Racing Protective Bureau to conduct background investigation services of account deposit wagering applicants on behalf of the ND Racing Commission. Roll call was taken: Maragos Y, Frederick Y, Hartman Y, Senftner Y and Ozbun Y. Motion passed.

5. ND Harness Racing Association - Consideration of 2011 out-of-state Breeders' awards

Director Satran reported that North Dakota harness racers should be allowed to receive breeder's points for out-of-state races this year since there is no racing in North Dakota. The owner must submit their winning results from two (2) races held during July 21st – July 31st, 2011. Races held in Canada or Minnesota qualify for the breeder's awards.

A motion was made by Commissioner Maragos and seconded by Commissioner Senftner to approve breeder's awards for harness racing held in Canada or Minnesota during July 21st through July 31st, 2011. Roll call was taken: Maragos Y, Senftner Y, Frederick Y, Hartman Y and Ozbun Y. Motion passed.

6. Purse Fund Applications

- ND Thoroughbred Association – Additional request \$ 5,000

A request for additional Purse Fund money in the amount of \$5,000 was submitted by the NDTBA.

On April 25th a request for additional Purse Fund money in the amount of \$ 5,000 was received from the North Dakota Quarter Horse Racing Association.

A motion was made by Commissioner Maragos and seconded by Commissioner Senftner to approve the request for additional Purse Fund money in the amount of \$5,000 to the ND Thoroughbred Association and \$5,000 to the ND Quarter Horse Racing Association. Roll call was taken: Maragos Y, Senftner Y, Hartman Y, Frederick Y and Ozbun Y. Motion passed.

7. Promotion Fund Applications

- ND Thoroughbred Owners and Breeders \$ 5,000

Lee Harsche representing the ND Thoroughbred Owners and Breeders withdrew the request for Promotion Fund money. Chairman Ozbun accepted the withdrawal.

8. Director's Reports

a. 2011 Legislative Update

Director Satran reported that the appropriations for the ND Racing Commission had been approved at the end of the legislative session. Director Satran said that a new legislative strategy for the next 2 years will need to be developed.

b. Proposed Rule Changes Update

There is a May meeting scheduled on the Rule changes and if accepted the rules will go into effect July 1, 2011.

c. Transfer of monies from General Fund to Special Funds

Director Satran reported that the \$500,000 that was entered in the General Fund has been resolved and \$180,000 will be transferred to the ND Racing Commission upon a complete review of the state statutes by the Attorney General's office.

**Meeting break 12:00 PM*

**Reconvened 12:10 PM*

d. Authorization to request & review ORDA's race meet issues

- (1) To submit electrical & fire safety reports
- (2) Proof of Insurance, Bond
- (3) Track Officials
- (4) Condition Book

A letter from the Outdoor Recreation Development Association was submitted requesting additional race dates and Purse Fund money. Director Satran stated that the funds were not available.

A motion was made by Commissioner Hartman and seconded by Commissioner Senftner to deny ORDA's request for additional race dates and additional Purse Fund dollars. Roll call was taken: Hartman Y, Senftner Y, Frederick Y, Maragos Y and Ozbun Y. Motion passed.

Blaine Malaterre, representing ORDA stated that the Condition Book had not been finalized prior to the meeting due to requesting additional race dates and Purse Fund dollars. Now that the additional dates have been denied, the ORDA board would be meeting on May 6th to finalize the condition book. The final condition book would then be submitted to the Racing Commission for review.

e. Turtle Mountain Band of Chippewa Indians – Attorney General's Opinion
Director Satran stated that the Attorney General's Opinion is still pending.

f. ND Horse Park Foundation – Request for NDRC Member to serve on Board
Director Satran stated that the ND Horse Park Foundation requested a Commissioner to serve on the NDHPF Board. This position is ex-officio. There would be 2-3 meetings per year in Fargo and Commissioner's expenses would be paid by the NDRC to the Commissioner who volunteers to participate.

Director Satran reported that he and Chairman Ozbun will be meeting with Fargo city officials, the Horse Race North Dakota Board and the ND Horse Park Foundation Board on May 10th and 11th, 2011.

g. New Companies (ADWs) Auditing Reimbursement – Thompson Financial Services

Director Satran stated that Roger Thompson of Thompson Financial Services had performed audits on Silks Corporation, Source One and Mega Tote ADW's on March 1, 2011. Approval is needed from the Commission to grant payment to Mr. Thompson for reimbursement of \$300 per company per month from the Administration Fund.

A motion was made by Commissioner Hartman and seconded by Commissioner Frederick to approve to grant payment to Thompson Financial Services for audits performed on March 1, 2011 in the amount of \$300 per company per month from the Administration Fund. Roll call was taken: Hartman Y, Frederick Y, Senftner Y, Maragos Y and Ozbun Y. Motion passed.

9. ND Horsemen's Council Issues or Recommendations
No report presented.

10. Any other business which may PROPERLY come before the commission
No additional business presented.

11. Adjournment
Meeting adjourned 12:35 p.m.

A motion was made by Commissioner Senftner and seconded by Commissioner Frederick to adjourn the meeting at 12:35 p.m. All Commissioners voted aye and hearing no negative vote the motion passed.