



# North Dakota Racing Commission



511 North 9<sup>th</sup> St., Bismarck

www.ndracingcommission.com

March 2014

(701) 328-4633

Volume 2, Issue 1

## A Time of Transition

**Winston Satran, Former Director**

The ND Racing Commission Director's position has assumed new leadership. On June 1, 2013, Gunner laCour became the Director.

Gunner's background is a perfect fit for his new duties. His grandfather and father were thoroughbred farm managers in the Lexington, Kentucky area. His formative years were spent on these farms which led to a strong interest in the equine industry. To complement his early years, Gunner attended Law School at the University of Kentucky and practiced law in Florida prior to his arrival in North Dakota.

The Racing Commission has experienced significant national recognition in recent years and there is a strong need to update the statutes and regulations that will provide clear cut management of the horse racing industry within and outside of our state.

Gunner is a thoughtful, astute, and ethical addition to the Racing Commission and its supervision of the horse racing industry. North Dakota is fortunate to have his services as the new Director. Ω

## Notes from the Director

**Gunner laCour, Director**

Upon accepting the position of Director of the ND Racing Commission, I became one of many migrating to North Dakota for a new opportunity. However, my new position is very different from those in the oil industry that have commonly drawn so many to this state. My position as director has provided me with a unique perspective on North Dakota and I have been privileged to witness many of the most positive attributes of this great state come to life through the sport of horse racing.

Prior to accepting this position, I spent a great deal of time speaking with former Director Winston Satran about whether North Dakota was the kind of place I was looking for to settle my family. Our conversations involved discussions about values, integrity, honesty and a passion for the outdoors. These qualities, generally attributed to the people of North Dakota, were many of the same that I find to be important to providing a positive environment for my family. Upon my arrival in North Dakota, I was immediately reassured that my decision had been the correct one. After spending only a few days at our live meets, it became obvious that these qualities I held in such high regard were an integral part of both horse racing and the broader culture of this state.

As is discussed later in this newsletter, the importance of family and a positive family environment was displayed by both the patrons of the meets and the horsemen participating. There was also a great deal of evidence to support the importance that the members of the racing community placed on personal integrity and honesty. Prior to this past season, the Commission made efforts to disseminate information

### INSIDE THIS ISSUE

- 1** A Time of Transition
- 1** Notes from the Director
- 2** It's All About Family
- 3** Meet Our Industry Partners
- 4** State of the ND Racing Commission

regarding the appropriate use of medication on horses. The horsemen not only accepted this direction but made compliance a priority, resulting in zero positive drug tests in 2013. Moreover, the horsemen were almost universally respectful when interacting with the Commission, officials, and other members of the racing community. This level of respect is a rare commodity in the national racing culture.

Perhaps what was most obvious at the meets was a great love for racing that extends beyond the community of horsemen to the general population. This year's Chippewa Downs meet saw near record numbers in attendance and handle. Despite the short meet in Fargo, the North Dakota Horse Park far exceeded its record attendance and handle numbers. This is an obvious tribute to the love that the people of North Dakota have for outdoor sporting events and racing in particular.

I am not only pleased with my choice to settle in North Dakota, but feel privileged to live among a group of people who so readily display these positive qualities. I look forward to the opportunity to become better acquainted with the people of this state and I hope to have an opportunity to speak with many of you as we move toward the next legislative session. I believe that you will see that this is an exciting time of growth at the Racing Commission and that with the help of the people of this state and the legislature that serves them, we can overcome a difficult past and support the prosperity of our dedicated horsemen and their families. Ω

### **It's All About Family**

Just about any place you find yourself on a North Dakota race track, there seems to be one thing you can find every time. No, not a horse or a jockey. It is the foundation on which all of North Dakota horse racing is built---Family.

One only need take a step through the gate at either of the tracks in North Dakota and they will find themselves face to face with this family atmosphere. Whether it is children clinging to the fence as they cheer their father's horse down the stretch at Chippewa Downs, or a mother and daughter laid out

on a blanket at the North Dakota Horse Park, families are who they are racing for.

But it is not just the families in the stands that make North Dakota racing special. Family involvement in this great sport appears almost genetic. In every barn on the backside one can find relatives of every generation working side by side. This creates an atmosphere of support and friendly competition that is truly unique in this industry, but is perhaps the most important asset for the industry's future in North Dakota.

One such example of multigenerational involvement can be found in the father-daughter rivalry between Wayne and Jayde Slater of Belcourt. Jayde spent a lifetime watching her father train and race horses in North Dakota and other states. It was from this early exposure that she knew that she too wanted to train horses. Having recently graduated from high school, the 2013 North Dakota summer race meets were her first as a trainer. By the end of the meet at the North Dakota Horse Park, she was one of the winningest trainers in the state, coming in first in a quarter of all her races and placing in half. When asked about his daughter's success, Wayne only smiles and says that after spending all that time working with her she is using her skills to "kick his butt". Such an exciting freshman season leaves many wondering just how successful this 18 year old will become.

Similarly, the Haar family provides an amazing example of how family passion can touch all aspects of horse racing. For many years, the voice of both North Dakota race meets has been Bubby Haar. His excellent announcing and commentary have become a staple of North Dakota racing. Fortunately for Bubby, much of his commentary on the winning horses at the 2013 meets included his son Nathan Haar, who ended the season as the winningest jockey in North Dakota. Bubby was also fortunate to be able to announce races as he watched horses trained by his daughter, Amanda Haar, place in several races. As you might imagine, Bubby's post-race commentary was often preceded by a small celebration for his children as they racked up an impressive family record.

The North Dakota family spirit has even infected those who are not native to the state. Bruce and Trish

Soulsby of the ADW Avatar Ventures have been attending and supporting the meet at the ND Horse Park for several years. During the 2013 season, Trish took things a step further by volunteering not only her expert winner circle commentary, but also by setting up several informal seminars teaching the basics of pari-mutuel wagering. Even some of the "extended family" has become involved over the years with Avatar Managing Director Mike Weiss' volunteering management services during the 2012 and 2013 seasons.

To the North Dakota horsemen, racing and family are so intertwined it would be hard to imagine one without the other. The foregoing are just a few examples of the family connections that run deep in every part of North Dakota racing. Understanding this dynamic, the Racing Commission is committed to supporting ND horsemen and their families by ensuring a strong and well regulated racing industry that can provide the same family traditions for generations to come. Ω

## **2014 NORTH DAKOTA RACE DATES**

### **Chippewa Downs**

Hwy 5 West, Belcourt

Outdoor Recreation Development Association

Doug DeMontigny, Chairman

[sethdem@utma.com](mailto:sethdem@utma.com)

701-871-0880

### **2014 Race Meet Dates (8 Race Days)**

June 14 & 15 Saturday and Sunday

June 21 & 22 Saturday and Sunday

June 28 & 29 Saturday and Sunday

July 5 & 6 Saturday and Sunday

### **North Dakota Horse Park**

5180 19th Ave. N, Fargo

1.5 miles west of Exit 67 on I-29

Horse Race North Dakota

[www.hrnd.org](http://www.hrnd.org)

Mike Schmitz, Manager

701-527-7868

[mikes@hrnd.org](mailto:mikes@hrnd.org)

### **2014 Race Meet Dates (6 Race Days)**

July 19 & 20 Saturday and Sunday

July 26 & 27 Saturday and Sunday

August 2 & 3 Saturday and Sunday

## **Meet Our Industry Partners**

Many in the racing industry only know John Ford as Co-Founder and CEO of BAM Software and Services LLC, a technology and services company providing interactive internet platforms for pari-mutuel racing and wagering. However, the North Dakota Racing Commission has been fortunate to know John as much more than just an industry leader. John has worked extensively with both land-based and online racing and gaming operators and brings a unique perspective both sides of the industry. Throughout his partnership with Lien Games LLC, North Dakota's longest running and largest account deposit wagering company (ADW), John has gone above and beyond what is required of any typical company representative. His contributions have provided a wealth of knowledge, insight and guidance to the Commission stemming from his 20 plus years of legal and racing experience.

An attorney licensed by the Commonwealth of Pennsylvania, John began his career at Eckert Seamans, a 200-plus attorney law firm headquartered in Pittsburgh. Elected to partner in 1987, he worked with individuals, privately held firms, and multi-national publicly traded companies in a wide range of corporate legal matters, including joint ventures, partnerships, asset based financing, real estate development, land use and corporate governance and compliance. It was during this time that John first entered the racing industry by overseeing a number of legal matters for Ladbroke, one of the world's largest betting companies and a subsidiary of the London-based FTSE 100 Company Hilton Group PLC.

In 1983, John was appointed as General Counsel and Executive Vice President at Ladbroke/USA, the U.S.-based subsidiary of Ladbroke. During his tenure, Ladbroke/USA and Youbet (now Churchill Downs' Twinpires platform) launched the first licensed and regulated pari-mutuel wagering website in the United States, a project with which John was intimately involved, working to define the legal boundaries of wagering and the internet.

In 2007, John's work in technology-oriented business initiatives, both from a legal and business standpoint, prompted him to co-found BAM Software and Services LLC. At BAM he has worked extensively with Lien

continued on page 4

Games on licensing and regulatory issues related to pari-mutuel wagering as well as providing their operational platforms. By shaping and responding to the ever-evolving landscape of pari-mutuel wagering, John is an integral part of ensuring that Lien Games meets or exceeds the highest industry standards.

John is a member of the Association of Corporate Counsel, the American Bar Association and the Pennsylvania Bar Association. In addition, he is BAM Software's representative in the American Gaming Association and the National Indian Gaming Association.

Needless to say, as a pioneer in the ADW industry, John's efforts on the Commission's behalf have been invaluable. His legal and practical insights have provided key support to many of the Commission's decisions. John has engaged the Commission on a number of levels, ranging from commentary on proposed rules to strategic guidance on attracting move ADW business to support our racing industry. Without a doubt, many of the Commission's recent successes supporting North Dakota's racing industry can be attributed to John's consistent support. Ω

### State of the ND Racing Commission

Over the last four years the North Dakota Racing Commission has gone from having only one licensed Account Deposit Wagering ADW company to a current total of eleven (11). In the 2012-2013 fiscal year, our ADWs produced \$195 million in handle and are currently on track to reach a projected \$250 million in the 2013-2014 fiscal year due in part to a significant increase in international wagering. While many of these companies initially began operations in North Dakota, we have now also begun to see ADW companies licensed in other jurisdictions moving to North Dakota. These positive signs, in addition to a number of current initiatives by the ADWS supported by the Commission, make us confident that we will be able to increase our total handle to at least \$300 million in the next fiscal year.

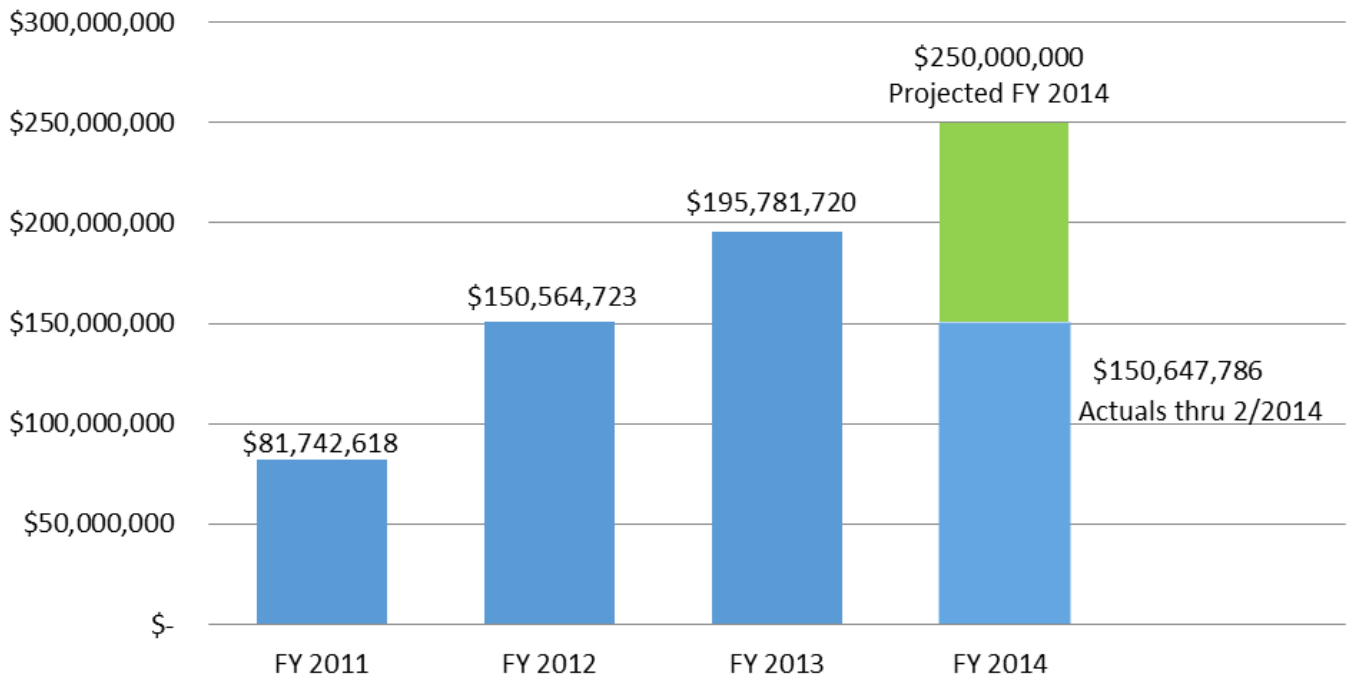
continued on page 5

The ND Racing Commission is a Member of the **Racing Commissioners International.**

Check out their model rules for racing regulation, medication policy, and pari-mutuel wagering at:

[www.arci.com](http://www.arci.com)

### ADW Handle in ND by Fiscal Year



The Commission prides itself on access to all levels of government and the mutually beneficial relationship we enjoy with our ADWs. However, the primary reason for the significant increase in ADW activity is the regulatory standards imposed on our ADWs. The legitimacy of this regulatory system is the foundation on which each ADW has decided to become licensed in North Dakota. Perhaps the most compelling example of the legitimacy provided by a North Dakota license is the recent approval by the Hong Kong Jockey Club for our ADW WatchandWager.com to directly wager into Hong Kong pools, something never before permitted. In fact, we have been told the licensure of WatchandWager.com in North Dakota was a significant factor in the Hong Kong Jockey Club's decision.

To that end, substantial steps have been taken by the Commission to ensure that our ADWs are held to a high standard of regulatory compliance and transparency in all aspects of their operations. By way of example, the following represent some of the Commission's current processes and procedures which require our ADWs to meet or exceed industry standards.

- The Commission has put in place a memorandum of agreement with the Thoroughbred Racing Protective Bureau (TRPB) under which the TRPB conducts a background check on prospective ADWs and their principals prior to taking any action on an application. No license will be issued to an ADW whose business practices do not represent the highest industry standards.
- After receiving Commission approval, ADW applications are reviewed and approved by the North Dakota Attorney General to ensure full compliance with state and federal law.
- All ADW employees are required to submit to an FBI national background check through the North Dakota Bureau of Criminal Investigation before they may begin their employment.
- The Commission has contracted with CHRIMS to provide independent monthly auditing of all ADW activity. Every CHRIMS report is reconciled with those provided by the ADWs. Without exception, it is the responsibility of each ADW to provide us with accurate reporting and to fully comply with Commission inquiries into any discrepancy.

- Though not mandatory, the Commission is currently working toward adopting the Racing Commissioners International Model Rules in an effort to ensure that North Dakota follows current industry standards in all aspects of racing including the regulation of ADWs.

The Commission understands that the integrity of pari-mutuel wagering within the state is the responsibility of both us as regulators and of the industry as a whole. It is therefore necessary for us to cooperate in protecting the public and ensuring that they have the ability to trust industry participants. To that end, it is imperative that any ADW company licensed in North Dakota be absolutely transparent as to the identity of those placing wagers and the methods employed in such wagering.

While a great deal of the time and focus of the Commission relates to the operations of ADWs, the true purpose of the Commission is not the proliferation of gambling, but rather the welfare of the North Dakota horsemen and their families. In fact, the statutory tax structure of the Commission requires that all income resulting from ADW operations directly or indirectly returns to the horsemen. The Commission taxes .0025 of the total ADW handle. That tax is in turn split equally into four funds; the General Fund which offsets Commission funding for the following years, the Promotion Fund which is directed to supporting race meets in the state, the Purse Fund which provides the vast majority of purse funding for our races, and the Breed Fund which promotes the breeding of horses in North Dakota through performance awards. Additionally, all breakage (remaining pennies from pari-mutuel payoffs rounded out to a nickel or dime) from the ADWs retained by the Commission is put directly into the Promotion Fund. As is evident from this tax structure, the Commission is by necessity an organization which must assess every action it takes in terms of the preservation and improvement of the horse racing in this state.

We hope that you find this to be a helpful discussion of the current state of the ADW industry in North Dakota. In the event there are any questions with regard to the foregoing, please do not hesitate to contact the Director of the Racing Commission. Ω