

NEW MEXICO HORSE RACING COMMISSION

MINUTES OF THE MEETING

Date: January 18, 2018 at 9:30 AM

Place: Downs at Albuquerque VIP Room, 201 California NE, Albuquerque, NM 87108

Members Present: Chairman Ray Willis; Vice-Chairman Gayla McCulloch; Commissioner Jerry Cosper, DVM; Commissioner Leonard Blach, DVM; Commissioner Ken Corazza.

NMRC Staff Participating: NMRC Executive Director Ismael Trejo; NMRC Manager Rosemary Garley; NMRC Paralegal Tina Marie Arce

Others Present/Participating: Assistant Attorney General Marlo Aragon

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
Call to Order and Roll Call	00:17 to 00:27	Meeting called to order by Chairman Willis. Roll call was taken by NMRC Paralegal Tina Arce. Assistant Attorney General Marlo Aragon the NMRC General Counsel was present.	No Action Taken.
Approval of Agenda	00:52 to 00:1:34	Chairman Willis asked Executive Director Ismael Trejo if there were any changes to the Agenda. Executive Director Ismael Trejo asked for the Agenda to be modified by moving 6G to 6C so that Ruidoso Downs could be heard earlier in the day due to travel plans.	Motion to approve by Vice-Chairman McCulloch; Second Commissioner Cosper. Motion carried without objections or abstentions.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
Minutes- November 16, 2017	00:1:34 to 00:2:00	Chairman Willis requested a motion to approve the minutes of the November 16, 2017 Regular Commission Meeting.	Motion to approve by Commissioner Blach; Second by Vice-Chairman McCulloch. Motion carried without objections or abstentions.
Chairman's Agenda	02:08 to 03:28	Chairman Willis stated there were no Committee meetings in the month of December or January. There was a meeting prior to the Regular Commission meeting to discuss efficient ways to handle health certificates. Commissioner Cosper will be following up on this meeting.	No Action Taken
NMHBA Report Breeders Report	03:29 to 07:58	Anna Fay Davis, Executive Director of the New Mexico Horse Breeders started with the race a day report as follows: Zia Park through Tuesday, November 7, 2017: 148 NM Bred Races in 36 days with 93 TB overnight; 33 QH overnight, 10 QH trials, 8 TB stakes, 4 QH stakes for an average of 4.11 % per day. New Mexico Breds in open overnight races: Downs at Albuquerque; in 22 days, 145 NM breds ran in open overnight; Out of these 145, 50 NM Breds came in 1 st , 2 nd and 3 rd , 18 TB and 32 QH 34%, wire transferred \$46,832.00.	No Action Taken
Jockey's Guild Report	07:59 to 08:57	John Beech, of the Jockey's Guild started by thanking NMRC Executive Director for his initiative to meet with the riders at Sunland Park. The Jockey's at Sunland Park are happy with the track after some adjustments and were happy with the end of	No Action Taken

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
NMHA Horsemen's Report	08:58 to 015:15	<p>Zia Park.</p> <p>Pat Bingham, Executive Director of the NMHA started by wishing everyone a Happy New Year. The Economic Impact Study is in, done by the University of NM. The horse racing industry contributed 549 million to the NM economic output and supported eight thousand jobs. The Pari-mutuel activity in the state contributed another \$279 million to the NM economic output and supported another four thousand jobs. This Economic impact study shows a shrinkage of the industry of about 24%. The shrinkage is consistent with what the Jockey's Guild had put out in 2011. The shrinkage may be because of the Tax Reform Act of 1986 which disallowed certain deductions. Also the recession in 2006, 2007 and 2008 contributed to the shrinkage, where the 4.9% of net income for entertainment went down during the recession. Mr. Bingham also commented that in order to be positive the industry has to speak positive over the industry. The NMHA took an ad out in a magazine that is being promoted by the Department of Agriculture.</p>	No Action Taken
NMRC Executive Director Report	015:23 to 019:10	<p>Ismael Trejo, Executive Director for NMRC opened by thanking Don Cook, Beth McKinney and the Downs at Albuquerque for hosting the meeting at their facility. Mr. Trejo went to Tucson for the Global Symposium on Racing and feels that progress is being made regarding the NM industry. Mr. Trejo has been spending some time in Sunland Park. Handle is very good at Sunland Park with a couple of million dollar days. Chairman asked for the percentages of decline in horse drug positives from 2016 to 2017. Mr. Trejo responded by saying that at Zia</p>	No Action Taken

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
Open Meetings Resolution Act	019:12 to 026:24	Park in 2016 there were 50 drug positives in 56 days of racing. In 2017 that number has decreased into the 20's, down 42%. Chairman Willis called for the Open Meetings Resolution Act to be read by NMRC General Counsel Marlo Aragon. Marlo Aragon read the Act into the record.	Motion to approve by Commissioner Blach, Second Vice-Chairman McCulloch. Motions carried with no objections and abstentions.
Ratification of Approval of Change of Regular Commission Meeting Start time	026:25 to 026:50	Chairman Willis called for approval of changing the starting time on the NMRC Regular Commission Meetings.	Motion to approve by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion carried with no objections and abstentions.
Approval for Ruidoso Downs Ratification of 2017 Simulcast License Simulcast Imports for February 1, through December 31, 2018 2018 Stakes Schedule 2018 Stall Application 2018 Condition Book Post Times Gaming and Breakage	026:51 to 044:21	Jeff True, President and GM of Ruidoso Downs Racetrack and Casino thanked everyone for the time change on the agenda. Ruidoso presented and asked for approval for their 2017 Simulcast License, Simulcast Imports, 2018 Stakes Schedule, 2018 Stall Application, 2018 Condition Book, Post Times and Gaming and Breakage. Mr. True stated that Ruidoso has reduced the number of live racing days in the last couple of years and that has partly caused a surplus of purses. Consequently, Ruidoso Downs is increasing their overnight purses, their NM bred payouts so that their daily averages will be higher. Ruidoso's open stakes schedule has added some new stakes race, one of them called "The Dash for Speed" stakes and they also added a Ruidoso Sprint Handicap for Thoroughbreds. Ruidoso Downs will be asking for approval in the future for a \$2 million cash bonus for the horse that can win all three Futurities and a \$1 million cash bonus for the horse that can win all three Derbies. Ruidoso Downs has also raised the trial purses for the triple crown races. There is a change in the purse distribution that was requested by the Horsemen, paying 6th place. Horses 1-6 will be paid 60, 20, 10, 5, 3, 2 percentage points. Pat Bingham of the Horsemen, requested	Motion to ratify approval of 2017 Simulcast by Vice-Chairman McCulloch; Second by Commissioner Blach. Motion to approve Simulcast imports Commissioner Cosper; Second Commissioner Blach. Motion to approve Stakes Schedule by Commissioner Blach; Second Commissioner Cosper. Motion to approve Stall Application by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion to table condition book by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion to approve Post times and Gaming and Breakage by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motions carried with no objections and abstentions.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		<p>that the Condition book and Post times be ratified as there are a few changes that the Horsemen would like. Rosemary Garley of the NMRC asked if there will be a change and if the Commission should wait before approving the condition book if there will be a change. Ismael Trejo asked if the Commission wanted to table the Condition Book and he would ratify it in February. Commissioner Corazza would like Ruidoso Downs to require their gate crew to wear helmets. Mr. True will take that under advisement.</p>	
<p>Approval of SunRay Park Simulcast Imports for February 1 through December 31, 2018 Ratification of Approval to add South Korea Racing to approved import list Condition Book and Officials Revised Nomination Blanks Amendment to Primary Application, Revised Racing Dates in June Gaming and Breakage</p>	<p>044:26 to 01:14:17</p>	<p>Lonnie Barber, Director of Racing for SunRay Park asked for approval of Simulcast Imports, Ratification of Approval to add South Korea Racing to approval import list, Condition book and Officials, Revised Nomination Blanks, Amendment to Primary Application, Revised Race Dates in June and Gaming and Breakage. The Horsemen are opposed to the thoroughbred overnight races adding 20% if they have 8 or more starters. Mr. Barber explained that they did this to entice larger fields and increase handle. The Horsemen would like to sit down with Mr. Barber and come to an agreement before the condition book is approved by the Commission. Mr. Bingham stated that the state board has not approved this 20%. Vice-Chairman McCulloch asked Marlo Aragon if the Commission has the last say. Marlo Aragon researched the rule and allowed for the Commission to vote. Mr. Barber explained that SunRay would like to change the last two weekends of their meet to run on Friday instead of Monday.</p>	<p>Motion to approve Simulcasts Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion to approve the condition book by Commissioner Cosper; Second by Vice-Chairman McCulloch. Motion to approve Revised Nom Blanks by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion to approve amendment to primary app and race dates by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion to approve gaming and breakage by Commissioner Blach; Second by Vice-Chairman McCulloch. Motions carried with no objections and abstentions.</p>
<p>Approval of Sunland Park Simulcast Imports for February 1 through December 31, 2018 Ratification of Approval to Add Australia and Korea to approved import list Ratification of Approval to add Miami</p>	<p>01:14:25 to 01:19:50</p>	<p>Dustin Dix, of Sunland Park requested approval of Simulcast Imports, Ratification of Approval to Add Australia and Korea to Import list, Ratification of Approval to add Miami Valley to the Improved Import list, Ratification of approval to use method 1 for Pick (n) Wagers, Ratification of approval to adjust overnight</p>	<p>Motion to approve Simulcast Imports by Commissioner Blach; Second by Vice-Chairman McCulloch. Motion to ratify approval to add Australia and Korea by Vice-Chairman</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
<p>Valley to approved import list Ratification of Approval to utilize Method 1 for Pick (n) wagers Ratification of Approval to cut overnight purses 5%, adjust purse distribution and 2017-2018 Jockey-Exercise Rider Insurance</p>		<p>purses 5% and adjust purse distribution and 2017-2018 Jockey Exercise Rider Insurance. It is actually 2018 because the insurance company switched to calendar year. Sunland Park had a very good year and their insurance premiums were reduced for 2018. Sunland Park had a tequila and margarita festival and it sold out, Mr. Dix thinks that the festival concept is really working towards promoting the racetrack. Mr. Dix also informed the Commission that the track surface was very fast two weeks into the meet. Mr. Dix met with the local committee and he had his track man add a lot of sand. Mr. Dix met with the Jockey's guild and they were happy with the track. Field size is very steady and so far the meet is doing well.</p>	<p>McCulloch; Second by Commissioner Cosper. Motion to ratify approval to add Miami Valley by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion to ratify approval for Method 1 by Vice-Chairman McCulloch; Second by Commissioner Blach. Motion to ratify approval to adjust purses by 5% by Chairman Willits; Second by Commissioner Blach. Motion to approve Jockey-Exercise Rider by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motions carried with no objections and abstentions.</p>
<p>Approval for Zia Park Simulcast Imports for February 1, through December 31, 2018</p>	<p>01:23:23 to 01:24:00</p>	<p>Izzy Trejo commented that Matt Crawford was not in attendance, the Chairman called for a Motion to approve the Simulcast Imports for 2018.</p>	<p>Motion to approve by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion carried with no objections and abstentions.</p>
<p>Approval for Downs at Albuquerque Simulcast Imports for February 1 through December 31, 2018 Ratification of Approval to add Oak lawn, Dubai and Louisiana Downs to approved import list</p>	<p>01:24:05 to 01:24:40</p>	<p>Don Cook, of the Downs at Albuquerque commented that the Downs will always give a room to the NMRC for any meetings in the future. Mr. Cook requested approval of the Simulcast Imports and ratification of approval to add Oak lawn, Dubai and Louisiana Downs to approved import list. Pat Bingham, of the Horsemen's Association thanked Don Cook for allowing horses on the backside when the Downs is not running.</p>	<p>Motion for approval of Simulcast Imports by Vice-Chairman McCulloch; Second by Commissioner Blach. Motion to ratify approval to add tracks to import list by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motions carried with no objections and abstentions.</p>
<p>Public Comment</p>	<p>01:25:56 to 01:49:20</p>	<p>Marlo Aragon, General Counsel for the NMRC asked the Commissioners to go back to item 6C SunRay Park "Condition Book" Ms. Aragon researched state statute and the rule and it</p>	<p>No Action Taken.</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		<p>was decided that the Commission's vote on the issue was correct.</p> <p>Jay Radar made a comment regarding paying down to the 6 spot. He would like all the tracks to be the same.</p> <p>Commissioner Corazza commented that clenbuterol is going before the Board of Pharmacy and he assumes that it will become a Class 3 controlled substance. Mr. Corazza also commented that he thinks the horse owners should take control of the industry.</p> <p>Larry Strain asked a question regarding the RFP for drug labs.</p> <p>Rosemary Garley, of the NMRC commented that as a courtesy if someone called regarding the RFP she would direct them to the website.</p> <p>Leslie Fincher commented that she doesn't think the amount of the purse distribution was correct. Anna Fay Davis commented that it varies from race track to race track and that a lot goes into the formula.</p>	
Licensing/Pending Litigation/Appeals/Hearing Officer Reports (May be Closed pursuant to NMSA 1978, Sections 10-15-1(H)-(1),(3) and (7) and 10-15-1-(I))	01:49:23 to 01:50:47	<p>Chairman Willis called for a motion to go into Closed Executive Session to discuss items 7A, 7B, 7C, 7D, 7E, 7F, 7G, 7H, 7I, 7J and 7K. Roll call was taken with all present. Executive Director Trejo was asked to remain in Executive Session.</p> <p>A five minute break was taken before Executive Session started.</p>	<p>Motion to go into Executive Session by Chairman Willis; Second by Commissioner Cosper. Motion carried without objections or abstentions.</p>
Licensing/Pending Litigation/Appeals/Hearing Officer Reports (May be Closed pursuant to NMSA 1978, Sections 10-15-1(H)-(1),(3) and	<u>Track 2</u> 00:00 to 00:33	<p>Chairman Willis called to come out of closed session with the only matters discussed being 7A, 7B, 7C, 7D, 7E, 7F, 7G, 7H, 7I, 7J and 7K.</p>	<p>Motion to come out of Closed Session by Chairman Willis.</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
(7) and 10-15-1-(I)			
In the Matter of Miguel Castillo, Shirley Grisham and John T.L. Jones Jr. Settlement Agreement	00:34 to 002:24	Marlo Aragon, General counsel to the NMRC stated that the Commission would like to accept the settlement agreement. The agreement requires a \$25,000 fine, 1 year suspension starting on the day the settlement is publically approved, loss of purse for the race, loss of all prizes, Trainer has to take and pass the trainer's test, and respondent shall come before the Commission before he receives his license.	Motion to approve by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion carried without objections or abstentions.
In the Matter of Tony Sedillo Settlement Agreement	02:26 to 03:00	Marlo Aragon, General counsel to the NMRC stated that the Commission would like to accept the settlement agreement. The agreement requires a \$500 fine, and the horse must take and pass a Commission approved exam.	Motion to approve by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion carried without objections or abstentions.
In the Matter of Cody Reynolds Settlement Agreement	03:02 to 04:13	Marlo Aragon, General counsel to the NMRC stated that the Commission would like to accept the settlement agreement. The agreement requires a 180 day suspension to be served from August 8 to February 4, 2018.	Motion to approve by Commissioner Cosper; Second by Vice-Chairman McCulloch. Motion carried without objections or abstentions.
In the Matter of Juan Torres and Juan Esquivel Settlement Agreement	04:14 to 04:45	Marlo Aragon, General counsel to the NMRC stated that the Commission wanted to reject the proposed stipulated settlement agreement as presented.	Motion to reject by Commissioner Cosper; Second by Vice-Chairman McCulloch. Motion carried without objections or abstentions.
In the Matter of Toby Keeton Settlement Agreement	04:47 to 05:09	Marlo Aragon, General counsel to the NMRC stated that the Commission wanted to reject the proposed stipulated settlement agreement as presented.	Motion to reject by Commissioner Cosper; Second by Vice-Chairman McCulloch. Motion carried without objections or abstentions.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
In the Matter of Oscar Morales and Ebelyn Rojas Hearing Officer Report	05:10 to 07:28	Marlo Aragon, General counsel to the NMRC stated that this case is a positive Zilpaterol, first offense, the recommended penalties are 1 year suspension, \$25,000 fine, as to the trainer Morales and as to the Owner Rojas it's recommended disqualification, loss of purse, horse to be placed on the vet list for 90 days and must pass a Commission approved exam before becoming eligible to be entered, the trainer must come before the Commission before the license is reinstated and take and pass a trainers test.	Motion to approve with additional requirements by Commissioner Cosper; Second by Vice-Chairman McCulloch. Motion carried without objections or abstentions.
In the Matter of Jose Gonzalez Sr. and Roberto Marquez Hearing Officer Report	07:30 to 08:10	Marlo Aragon, General counsel to the NMRC stated that the Commission wanted the case to be remanded to a different hearing officer for consideration of evidence.	Motion to remand by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion carried without objections or abstentions.
In the Matter of Carolina Gaytan, Roberto Marquez, Elizar A. Canava, Jesus Zubia and Andrea Gaytan Hearing Officer Report	08:11 to 08:54	Marlo Aragon, General counsel to the NMRC stated that the Commission wanted the case to be remanded to a different hearing officer for consideration of evidence.	Motion to remand by Commissioner Cosper; Second by Vice-Chairman McCulloch. Motion carried without objections or abstentions.
In the Matter of Albert Franco and Roy Sanchez Hearing Officer Report	08:57 to 09:40	Marlo Aragon, General counsel to the NMRC stated that the Commission adopted the Hearing Officer Report and this appeal is dismissed due to owner Roy Sanchez not appearing for the hearing.	Motion to dismiss by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion carried without objections or abstentions.
In the Matter of Osman Iturralde Race Appeal	09:43 to 010:31	Marlo Aragon, General counsel to the NMRC stated that this case came before the Race Review Committee and that their recommendation was to uphold the Stewards decision.	Motion to adopt Race Review Committee Recommendation by Vice-Chairman McCulloch; Second by Commissioner Cosper. Motion carried without objections or abstentions.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
<p>In the Matter of Ronald Stephens Settlement Agreement</p>	<p>010:37 to</p>	<p>Marlo Aragon, General counsel to the NMRC stated that there was a proposed stipulated settlement agreement that proposed the following discipline, \$10,000 fine within 60 days of approval of Commission, if not paid within the 60 days will revert back to a fine of \$24,000, 3 year 3 month suspension with all but 1 year 6 months deferred which shall commence on the day Commission publically approves, if a Class 1, 2 or 3 violation occurs during deferral period, he will be suspended for the duration of 3 years and 3 months.</p>	<p>Motion to approve by Commissioner Cosper; Second by Vice-Chairman McCulloch. Motion carried without objections or abstentions.</p>
<p>Adjournment</p>	<p>011:58 to 012:05</p>	<p>Chairman Willis called for a motion to adjourn.</p>	<p>Motion to adjourn by Commissioner Blach; Second by Commissioner Cosper. Motion carried.</p>

Ray Willis *2-22-18*
Chairman Ray Willis Date

Ismael Trejo *2-22-18*
Executive Director Ismael Trejo Date