



THOROUGHBRED RACING ASSOCIATION OF OKLAHOMA

Racing Commission Rules New Simulcast Splits

Debate over the distribution of simulcast revenue at Oklahoma racetracks has been the center of attention at the Oklahoma Horse Racing Commission meetings over the last few months. This focus was the result of the TRAO/OHBPA's pursuit of its long standing goal of attaining a more equitable percentage for the improvement of Thoroughbred racing and breeding in Oklahoma. After efforts to reach a mutual agreement in changing the existing, outdated formulas had failed, the Association sent letters to all four racetracks and to the OHRC requesting an adjustment to the simulcast formulas used in Oklahoma.

The goal was for the "formula" to be more reflective of the revenue each breed generates, which according to the State Auditor, in 2006 was primarily from wagering on Thoroughbreds (93%).

Since 1996, when full-card simulcasting was first instituted in Oklahoma, a variety of formulas have been utilized by the racetracks, but all shared a common denominator – Thoroughbred racing and breeding was being "shortchanged" in Oklahoma. All of these contrived formulas have ignored the popularity of Thoroughbred racing with the betting public; and, disproportionately enriched the "other breeds" at the expense of Oklahoma's Thoroughbred industry. The TRAO feels the Thoroughbred industry should not be required to subsidize the other breeds' purses and breeder funds – especially since the passage of electronic gaming at racetracks which took place in 2004. *"Other breeds" now receive more than half of the statewide electronic gaming revenue (approximately \$15 million/year) and 65% of the state's simulcast revenue.*

Initial results of TRAO/OHPBA letters sent to racetracks and OHRC:

- **Blue Ribbon Downs** 2007 license application stated its proposed split would be 45% for Thoroughbreds and 55% for the "other breeds". BRD refused to adjust their formula for 2007.
- **Fair Meadows** 2007 license application only indicated the number of races for each of the breeds and did not address a specific formula it planned to use in distributing its simulcast revenue. FMT did not respond to the TRAO/OHBPA request to adjust its simulcast revenue until March.
- **Will Rogers Downs** and **Remington Park** each have notified the OHRC that their adjusted formulas to distribute interstate simulcast revenue for 2007 would be 90% for Thoroughbreds and 10% for the "other breeds".

OHRC rulings:

- In March, the OQHRA challenged the authority of **Remington Park** to adjust simulcast revenue distribution for 2007. The OQHRA's challenge was ruled to lack standing by the OHRC and at the April 10 Commission meeting, the Commission adopted an order that describes support of their earlier determination through findings of fact and conclusions of law.
Result: The commission ruled that Remington Park can divide its simulcast revenue using the formula 90% to Thoroughbreds and 10% to the "other breeds" in 2007.
- In April, the OHRC also considered **Fair Meadows** proposed purse structure and the distribution of its simulcast revenue for 2007. During questioning by OHRC members, FMT General Manager Ron Shotts acknowledged that the split formula indicated in a letter he had sent to the commission in early March (50% TB, 45% QH, 5% P&A) was based on the percentages used in 2006, but that the Tulsa County Public Facilities Authority's board of trustees had not voted to support that particular split for 2007. Mr. Shotts agreed that the OHRC had authority to adjust those percentages in the best interest of racing and breeding in the state. As such, Mr. Shotts said that FMT was seeking a ruling by the OHRC on simulcast revenue splits for 2007 and that FMT would base its purses according to their ruling.
Result: Following an executive session, the OHRC voted to adjust the proposed simulcast split at FMT to 80% for Thoroughbreds and 20% for "other breeds."

Pending actions:

Will Rogers Downs announced in March that it would adjust its simulcast revenue distribution to 90/10 formula, which is more reflective of breed generated revenue percentages. Immediately after this announcement, the OQHRA notified WRD that it would no longer grant "permission" for that track to offer fewer Quarter Horse, Paint and Appaloosa races than the statute requires and has asked the OHRC to rule on the matter. WRD's license application stated the number of races all breeds would be offered and condition books had long been made public — without any objection from the OQHRA - even after the meet began. Reason: Both horsemen's organizations had previously agreed to conduct "mirrored" race meets at WRD and BRD in 2006 and 2007. The idea behind this concept was to reduce the number of "overlap" races for all breeds and better utilize the available revenue for all horsemen. Apparently the OQHRA's decision to no longer stand behind what had previously been agreed to was in response to WRD's simulcast distribution. **Regardless of what action the OQHRA takes against WRD (and/or tracks) and even though BRD has refused to adjust its simulcast formula to a more equitable split for 2007, the TRAO/OHBPA will honor its agreement with BRD regarding the number of Thoroughbred races the track "must" run in 2007.**

Additional discussions and actions regarding simulcast revenue splits are expected to continue over the next few months before this essential component of Oklahoma's Thoroughbred industry is finalized. The TRAO/OHBPA will continue in its efforts to ensure a thriving future for Thoroughbreds in Oklahoma.

The recent rulings by the OHRC that allow the breed(s) responsible for generating simulcast income to prosper from its investments and labors is to be commended by Thoroughbred horsemen everywhere. Horse racing and breeding in Oklahoma will be better for it.

Leading Owners at Remington Park, 2006

Owner	No. Starts	Total Purses	Rank	Order	Owner	No. Starts	No. Wins
Richter Family Trust	27	\$417,710	1		Gary Owens	149	29
Gary Owens	149	\$375,335	2		Richter Family Trust	27	16
Iiona Whetstone	19	\$279,450	3		Frontier Stables, LLC	50	15
Frontier Stables, LLC	50	\$256,370	4		Tom R. Durant	36	12
Vinery Stables	9	\$196,680	5		Scott Blasi Stables	25	12
Don S. Nutt	28	\$177,310	6		Maggi Moss	50	9
Pin Oak Stable	21	\$155,780	7		Michael Langford	29	8
Pamela Halter	42	\$134,730	8		Don S. Nutt	28	7
John/Barbara Smicklas	11	\$127,040	9		Sandy/Jerry Heflin	25	7
Tom R. Durant	36	\$125,995	10		Justforfun Stables	31	7
Scott Blasi Stables	25	\$122,990	11		Pamela Halter	42	6
C.R. Trout	30	\$109,250	12		Pin Oak Stable	21	5
Michael Langford	29	\$106,090	13		Iiona Whetstone	19	5
Frank F. Jedlicki	2	\$101,100	14		Paul Horton	23	5
James M. Messineo	2	\$ 90,000	15		Dusty Rose Ranch, LLC	19	5
Mona Motz	11	\$ 89,580	16		C.R. Trout	30	4
Sandy/Jerry Heflin	25	\$ 85,310	17		Vinery Stables	9	4
Van/Margie French	4	\$ 84,900	18		Rachel Lynn Miller	30	4
Michael/Mary Kindred	6	\$ 81,710	19		Mona Motz	11	4
Mr./Mrs. Billy Burress, Sr.	27	\$ 81,440	20		Tim Hoese	12	4
Maggi Moss	50	\$ 78,325	21		John/Barbara Smicklas	11	4
Wayne Sanders/Larry Hirsch	37	\$ 76,380	22		Edward Knell, Jr.	8	4

•• Denotes owners who "opted-out" of OKHBPA

Leading Trainers at Remington Park, 2006

Trainer	No. Starts	Total Purses	Rank	Order	Trainer	No. Starts	Win %
Donnie Von Hemel	176	\$1,047,475	1		Donnie Von Hemel	40	22.7%
Scott Blasi	180	\$869,390	2		Scott Blasi	39	21.7%
Joseph Patalino	84	\$550,545	3		Martin Lozano	27	19.4%
W. Bret Calhoun	117	\$447,435	4		W. Bret Calhoun	23	19.7%
Chris A. Hartman	81	\$365,530	5		Chris Hartman	21	25.9%
Martin Lozano	139	\$339,225	6		Joe Offolter	16	11.3%
John Locke	155	\$328,550	7		Cody Autrey	15	17.9%
Joe Offolter	142	\$307,840	8		Randy Morse	15	16.5%
Cody Autrey	84	\$244,840	9		Joseph Petalino	14	16.7%
Joe Lucas	111	\$229,240	10		Jack Bruner	12	33.3%
Bernell B. Rhone	56	\$218,180	11		John Locke	12	7.7%
Randy Morse	91	\$216,705	12		Jody Pruitt	11	13.9%
Richard Harper	135	\$209,495	13		Randy Oberlander	10	17.5%
Roger Engel	49	\$183,550	14		Joe Lucas	10	9.0%
Randy Oberlander	57	\$169,450	15		Jory Ferrell	9	16.7%
Kenneth Nolan	81	\$166,420	16		Clinton Stuart	9	11.7%
Kelly Von Hemel	43	\$163,520	17		Allen Milligan	9	11.3%
Kari Craddock	57	\$151,505	18		Richard Harper	9	6.7%
Clinton Stuart	77	\$143,130	19		Roger Engel	8	16.3%
Jody Pruitt	79	\$135,150	20		Bernell Rhone	8	14.3%
Jack Bruner	36	\$125,995	21		Kari Craddock	8	14.0%
Allen Milligan	80	\$125,585	22		Tim Padilla	8	12.9%

•• Denotes Trainers who trained for owners who "opted-out of OKHBPA

Not only did owners and trainers realize significant increases to purses from the first full year of electronic gaming at racetracks, the amount of benevolence that OKHBPA/TRAO was able to provide to members is illustrated by the charts.

Oklahoma Horsemen's Benevolent and Protective Association
dba Thoroughbred Racing Association of Oklahoma

Benevolence Provided During 2003,2004 &2005

Benevolence:	2003	2004	2005	Cumulative
Medical	\$21,049	\$12,761	\$20,605	\$54,415
Dental	\$7,193	\$6,179	\$8,401	\$21,773
Optical	\$10,207	\$12,261	\$11,060	\$33,528
Funeral	\$5,000	\$1,000	\$1,381	\$7,381
Chaplain	\$6,000	\$5,780	\$5,600	\$17,380
Walker Rent.	\$1,918	\$1,644	\$2,346	\$5,908
Backstretch	\$3,160	\$1,782	\$5,214	\$10,156 *Includes Test Barn Supplies
Awards	\$1,640	\$3,028	\$2,813	\$7,481
Gen. Benev.	\$3,391	\$2,954	\$1,109	\$7,455
Groom Elite	\$2,897	\$-	\$-	\$2,897
Misc./Other	\$1,149	\$1,378	\$1,445	\$3,972
TOTALS	\$63,604	\$48,767	\$59,975	\$172,346

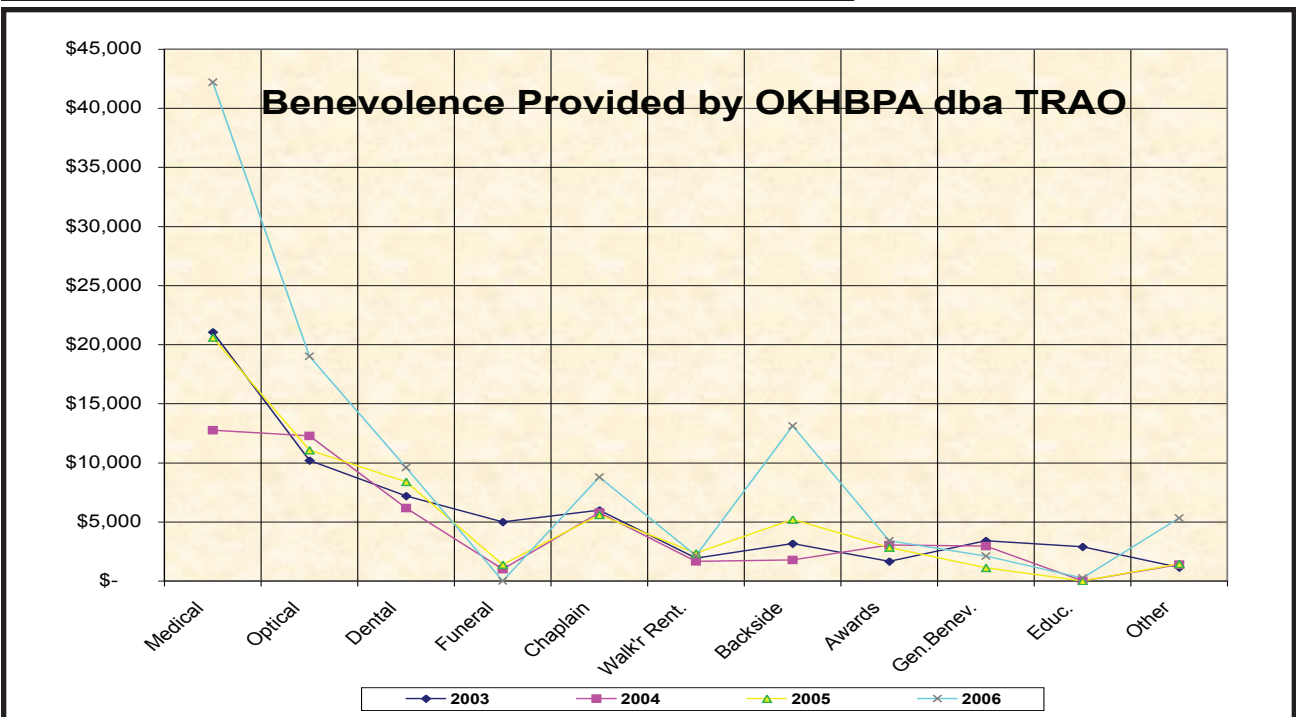
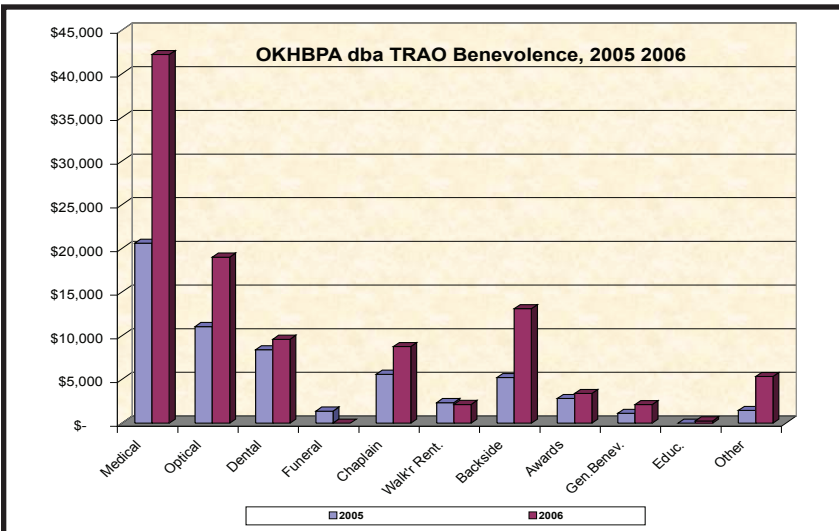
*2005: 223 Individual Recipients'

As a member of the National HBPA's Executive Committee, OKHBPA/TRAO President Joe Lucas was in Lexington, Kentucky April 17 and 18 to participate in meetings that addressed issues highlighted by:

- * The debate over advance deposit wagering (ADW) companies and exclusivity agreements;
- * Current immigration reform efforts in Washington, D.C., and;
- * The formation of TrackNet Media Group, and its possible effect on National HBPA member horsemen.

Racing at Fair Meadows at Tulsa starts June 7. There will be an average of 5 Thoroughbred races each night.

National HBPA web address
<http://www.hbpa.org/>



Another Service to Horsemen Yields Results

Early in 2007, the TRAO/OHBPA began an effort to provide direct assistance to our members as they went through the complicated process of obtaining renewals of H2B work visas for their employees.

In the past, we were only able to give referrals to immigration lawyers who specialized in racetrack and farm-related cases, but new immigration laws have made this process even more difficult for employers to understand and comply. Last fall, Oklahoma City attorney Michael Brooks-Jimenez began meeting with dozens of trainers and over one hundred workers based at Remington Park.

This resulted in the submittal of the necessary application documents prior to the deadline of November 1, 2006. This was, of course, a significant component of the application process and allows Oklahoma to be one of only two states in the U.S. to be granted permission to petition for a group worker force (Arizona was the other). The savings for the collective applicants, because of the group certification, was substantial and reduced the individual costs for those who applied for assistance.

Upon acceptance of the labor certification, the Mexican Consulate notified our applicants that their interviews were set to begin April 17, 2007. Mr. Brooks-Jimenez and two members of his staff met with those applicants and immigration agents in Mexico, and were able to successfully gain approval for temporary visas for nearly 90% of the workers who applied.

Shortly after the interview date, a large number of these individuals had returned to work for Oklahoma-based trainers stabled at Will Rogers Downs, Lone Star Park, Prairie Meadows, etc. Another dozen workers have interview dates pending and they could easily push the total number of approved workers approved for Oklahoma based trainers to over 80. In addition, over 40 more "unnamed" renewal openings were listed on the petition to allow for additional H2B visa issues should more individuals be identified and sponsored by TRAO/OHBPA member employers.

We'd like to thank Michael for all the hard work in making possible the return of such a significant portion of the work force our members so desperately need. With federal "caps" being lowered and with increased competition from the landscaping and entertainment sectors, immigrant labor is becoming more and more difficult to retain for our industry.

Certainly the quality of work furnished to the racing and breeding industry by these individuals is of great importance to their employers and to our industry. The TRAO/OHBPA assistance this year was described by one trainer as being "as important as anything you've ever done"; however, new immigration laws are pending that will change the current procedures in acquiring temporary work visas. The TRAO/OHBPA will continue working with government agencies to make assistance available to our member employers and their employees, to maintain a qualified work force for our industry.



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OKHBPA Officers/Directors



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