

MINUTES

OREGON RACING COMMISSION

June 17, 2005

The Oregon Racing Commission met on Friday, June 17, 2005, at 2:00 p.m. for their regular meeting in the Arts and Crafts Building at Josephine County Fairgrounds in Grants Pass, OR. Commissioners in attendance were Steve Walters, Chair, Jeff Gilmour, Todd Thorne and Julianne Davis. Commissioner Lisa Metcalf was excused. After calling the meeting to order Chair Walters thanked Josephine County Fair and the Southern Oregon Horse Racing Association for hosting the commission for their annual June meeting in Grants Pass. Agenda items were discussed in the following order with resulting actions:

1. Approval of May 19, 2005, Minutes

Chair Walters had a couple of corrections. Throughout the action on the hub applications that were considered there were references to Jodi Hanson recommending approval of the operating plan and the commission voting to approve the operating plan. Wanted those statements to say approve the license application and the operating plan.

ACTION: MOTION (Thorne) Approve minutes as amended.

VOTE: 4 Aye, 0 Nay, 1 Excused

2. Youbet.com, Inc. 2005-2006 Application for Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub License

Jeff True stated that they tried to put application in as it reflects their current operations. Since the time of the application the makeup of the board has changed. Guy Chipparoni is no longer a member of the board of directors, and Doug Donn of Gulfstream Park and F. Jack Liebau of Bay Meadows have been added. Information on the new members will be forthcoming. Chair Walters stated there was no letter of credit and that the Players' Trust is used in lieu of a letter of credit and that this has been approved in the past after a thorough review had been conducted that resulted in assurance that there were enough funds in the trust to act as security. Other issues discussed related to insuring wagering integrity by employing third party security companies create a more stringent security net around Youbet.com's system so people are less able to watch what's going on in their system; posting velocity limits on wagers they will accept; source marketing and payment of higher host fee in lieu of source market fees; in order to fulfill our regulatory responsibilities, information needs to be made available in Oregon and not in Woodland Hills as stated in the application; and election on the tax under the new rule. Mr. True stated they have decided to use Paragraph 3b under the rule. Commissioner Gilmour asked Mr. True to comment on anything about off-shore and how it works in Youbet.com's business plan. Mr. True confirmed they have completed acquisition of International Racing Group as a subsidiary of Youbet.com which is based in Curacao and will continue to operate as a wholly-owned subsidiary. Jodi Hanson recommended approval of the application and operating plan subject to the conditions and changes raised by Chair Walters and Commissioner Gilmour.

ACTION: MOTION(Davis) Approve the license application and operating plan subject to the additional information indicated as necessary during the course of discussion on the application.

VOTE: 4 Aye, 0 Nay, 1 Excused

3. ODS Technologies, L.P. dba TVG 2005-2006 Application for Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub License

Roger Nyquist summarized that they will continue the \$250,000 financial guarantee bond that they have provided in the past; they have in place agreements with all the tracks listed; they do pay source market fees to all the tracks listed in 1.5 in the application; they have elected to use Paragraph 3b as outlined in the new rule for payment of tax to the State of Oregon; highlights of the AWARE Program in the application are the same as in previous applications. Chair Walters stated the commission has previously approved a minimum age requirement of 18 at the request of some hubs, however, a variety of the hubs have chosen to remain at 21. Regarding the dispute resolution provision, Chair Walters wanted to be clear that the commission on approving the application is not suggesting that the arbitration provision is enforceable. Jodi Hanson recommended approval of the license application and operating plan.

ACTION: MOTION(Thorne) Approve the license application and operating plan.

VOTE: 4 Aye, 0 Nay, 1 Excused

4. XpressBet 2005-2006 Application for Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub License

Ron Luniewski stated last year they had submitted an application and for various business reasons they never really turned to hub up, however, they do plan on commencing business in late July and early August timeframe. Chair Walters reminded Mr. Luniewski that the commission needs an election of tax status that XpressBet has chosen under the new regulation. Chair Walters also pointed out that Oregon is not a commonwealth, and the commission needs to receive the certificate of XpressBet's status to conduct business in Oregon. Jodi Hanson recommended approval of the license application and operating plan.

ACTION: MOTION (Gilmour) Approve the license application and operating plan subject to the conditions expressed by Chair Walters.

VOTE: 4 Aye, 0 Nay, 1 Excused

5. MBCS, LLC dba eDowns.com 2005-2006 Application for Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub License

Tim Connor stated the tax fee was omitted in the application and he has already submitted a letter indicating which option they want. It was also noted that in the application there was a reference to old rule which required \$250 deposit for Oregon residents, and he has requested that that sentence be eliminated. Regarding the section on wagering into the system they incorrectly stated that Oregon had tested and approved their hardware and software and wants to change the wording so that it reads that "both the hardware and software systems being used by eDowns.com to offer an internet wagering system which will be available to be tested and approved by the Oregon Racing Commission". Chair Walters requested more detail on their responsible wagering program as well as what eDowns.com's plan is regarding market mitigation efforts, stating approval of those conditions could be delegated to the executive director. Jodi Hanson recommended approval of the license application and operating plan subject to the conditions outlined by Chair Walters.

ACTION: MOTION(Gilmour) Approve the license application and operating plan subject to the conditions and delegation cited during the discussion.

VOTE:

4 Aye, 0 Nay, 1 Excused

6. Request for 2nd Tier Hub Funds for the Greyhound Adoption Kennel

Dick Gage, president of the OGA, and Julie Delkamp, past director of racing at MGP, presented the request for Tier 2 hub funds plus the four year exit plan in response to request from Commissioner Gilmour. The funds are being requested for the continuation of the Greyhound Adoption Program. The total request for operation for the kennel for one year is \$145,000. In response to a question from Chair Walters, Mr. Gage stated \$1,620 is currently available for the adoption program. To continue through June 30, 2005, it is anticipated operational expenses will be \$6,650. To continue to cover these costs through the end of June the OGA would have to borrow from another account and that account would be the Stakes Account, which is no longer needed to pay purses. The account was initially started with money out of the OGA Operational Account, and there currently money in the account in the amount of \$7,312.

In response to another question from Chair Walters, Ms. Delkamp provided an overview of the four year exit plan. With the four year exit plan she took into account the number of litters that have been whelped up through May of this year and dogs that have gone out to other racetracks. She also took into consideration the fact Oregon kennels will be forming alliances with adoption kennels at the racetracks where they are currently racing. By 2009 there should be only about 70 dogs remaining that would be eligible to be placed into the Adoption Program. Currently the OGA is renting space from a greyhound farm that has only 28 crates compared to the adoption kennel at MGP had 70, and right now there is a backup of close to 38 dogs waiting for space to become available in the new adoption kennel. The projections don't go down until 2008. In clarification, Ms. Delkamp confirmed that these figures are a projection of pups that had already been bred, so that the last whelpings would have been in May. It is estimated the cost estimate of \$145,000 per year would be pretty stable through 2007 and would probably decrease by about one-third. There are farms that are continuing to breed but that is because they have bookings at tracks in other states and not because they are planning on racing in Oregon.

Commissioner Gilmour asked as to whether or not the cost projections were based on the fifty percent match, to which the response was no. The reason for that is because the sources used in the past for the fifty percent match no longer exist. The manner in which they received money to operate the adoption kennel in the past was money the OGA received from the 4% of the horse simulcast which they got when MGP was running live. The money they earned in 2004 has carried them through to this point in June, however, they have no other source for generating income to support the Adoption Program. The breeders pay \$20 per dog when they place a dog in the adoption kennel. Ms. Delkamp stated that at a previous commission meeting the OGBA requested that a portion of the Training Track fees to which they were entitled be directed to the OGA to help defray operating expenses for the adoption kennel. In response to a question regarding what the projected costs would be from now through 2009 Ms. Delkamp stated they have not projected past the first year because they don't know how many dogs will actually be coming back to Oregon.

In light of the information provided in this discussion, Commissioner Gilmour suggested the commission advance funding for a period of two months so that commission members have an adequate time to review all of the material presented today and also give Mr. Gage the opportunity to look at possible ways they can come up with some sort of money or services match. Chair Walters agreed with Commissioner Gilmour's suggestion and stated clearly this commission is going to support greyhound adoption efforts. Jodi Hanson added that her concern was that dogs were just going other places and they weren't coming back to Oregon. She stated we have always prided ourselves in Oregon in the manner in which we take care of the dogs. As far as the match is concerned, she was really amazed to hear of the amount of donations that were coming in in terms of spay/neutering services provided by veterinarians and food provided by pet supply warehouses. Commissioner Thorne said it would be helpful to the commission if the OGA could provide a monthly report which would include information on the donation amounts they are receiving and the costs incurred so they can see how things are trending.

ACTION: MOTION(Gilmour) Approve allocation by staff of funds necessary to cover the two month period of July and August 2005.

VOTE: 4 Aye, 0 Nay, 1 Excused

7. Request for 2nd Tier Hub Funds for the Greyhound Oregon Bred Registry

Dick Gage stated the registry program, which began in 1993, was intended to provide detailed tracking of every greyhound that was bred and whelped in the state of Oregon. Procedures were established for an Oregon-bred program at the request of former executive director Steve Barham and presiding judge Tom Weaver because of the bonus award money. The purpose of this program was to monitor every greyhound so that they could be tracked and insure that appropriate breedings were being done and monies were being paid out correctly. The monitor documents each breeding and ultimate whelping, inspects each litter for tattoos, a random visit to the farm, and the last time is when the dogs are a year old and observes the one year vaccinations to make sure all dogs receive them. In answer to a question from Commissioner Gilmour, \$17,000 is the total for maintaining the Registry Program for one year.

ACTION: MOTION(Gilmour) Approve one half of their request, or \$8,500, from the hub funds for the twelve month period.

During the discussion period, Chair Walters stated he was going to vote against the motion because as of today there is no greyhound racing in Oregon. Even if someone came in and said they were going to build a greyhound track, it would be years before the track could get built. This is a program primarily for the enhancement of actual greyhound racing in Oregon and qualifying for the bonus money.

VOTE: 3 Aye, 1 Nay, 1 Excused

8. Race Meet Application from MEC Oregon Racing, Inc. dba Portland Meadows for Period June 1, 2005 through June 30, 2006

Chris Dragone, general manager, and Dwayne Yuzik, assistant general manager, presented the race meet application for the period June 1, 2005 through June 30, 2006. Following is a transcript for this agenda item:

Walters: We have received your application that was sent by email. Obviously there are a number of holes in it right now. Do you have any presentation or statement you would like to make with respect to this application?

Dragone: Not particularly. As you are aware we're in the middle of ongoing negotiations with the horsemen for a new agreement. I think most of the missing items that you spoke of should be cleared up fairly soon. There's really nothing new. We still haven't determined the dates. We'd like to get together with our partners in racing, the horsemen, and talk about some possible things we might do differently. As you know dates are October 15th through April 30th of 2006, but we're still planning on running on a Saturday, Sunday, Monday schedule. There is a small possibility of taking a small break maybe around the month of December. Some of those things are still out on the table to discuss with the horsemen. I assume as the contract negotiations go forth further we'll probably clarify that, but we'd like them to be more of a partner in determining what days we'll be running and things of that nature.

Walters: As I understand it we have a bond in place that expires. Is that October 1st or 15th?

Dragone: My understanding was that the surety bond, if that's what you're referring to, goes until June of 2006.

Walters: Has that been...

Hanson: We just got that.

Walters: Great. So that's currently in effect. Again, obviously there are holes in this application, but I had a couple of questions and comments. There are statements in here, for example on page 5, where you're talking about wager cancellation policy and posting the current policy and you say new wager cancellation policy will be forwarded to the Racing Commission at a later date for approval. There's also a request for approval to furnish your signal for distribution by others. I just want to be clear that where we talk about these things that you're going to submit later on obviously those are subject to the approval of the Racing Commission we wouldn't be giving you advance approval to do it just by notifying us. We would need to approve it as those things occurred. Similarly on page 8 when you're talking about simulcasting contracts, the language here is that when the contracts have been executed all details will be filed with the commission, the commission has to approve the simulcast contracts.

Dragone: Understood, obviously.

Walters: On page 9 you have the state license fee and have said the check will be forwarded by June 3rd. Do we have that check?

Hanson: Yes.

Walters: Subject to discussion among members of the commission what I would propose we do is approve this race meet application subject to the submission of these various approvals and most particularly the purse agreement by a date certain. While a license would be granted, if the deadline weren't met to submit, for example, a purse agreement then the license would disappear at that point and with it the approval to simulcast.

Dragone: Understood.

Walters: So, that would be my proposal. I'd be interested in hearing other comments or observations by members of the commission.

Thorne: Mr. Chairman.

Walters: Mr. Thorne.

Thorne: Just a quick thought. There's been some simulcasting going on since the previous license expired, so there was no agreement with the horsemen at that point. I assume that in discussions with the horsemen that that will be accounted for when the purse structure, etc., is brought to us. Is that correct?

Dragone: Yes, I believe that is the case. I would imagine that a resolution of that matter should occur within the next week.

Thorne: Okay. Thank you.

Walters: Just so we're clear, I think this application, if we granted the license somewhat along the lines I discussed, it would be effective as of June 1, 2005.

Thorne: Excellent. I just kind of for my own clarification and have it on the record it is certainly an issue that obviously I think all know needs to be attended to.

Walters: Right. Other questions or comments?

Gilmour: Yes, I have one.

Walters: Commissioner Gilmour.

Gilmour: Actually, it's to you, Mr. Chair. I have a ponderly (sic). Under the current status of ORS 462 with the passage of SB 929 it states that a license must race 720 races over the period of the license, and yet what it doesn't literally speak to, the way I've read it and maybe I'm wrong, is the issue of simulcast be awarded to the licensee. I'm making a hypothetical. I'm hoping that Magna is going to race in Portland and I'm hoping they are going to fulfill the 720 days (sic) [sb - races]. What happens, Mr. Chair, if they don't start or what happens if they race 400 races. Do they continue getting the simulcast, the benefit of that simulcast, when they did not comply with the license of 720 days [races]?

Walters: What do you mean by get the benefits of the simulcast?

Gilmour: When you license, in this example, if we approve this license then Portland Meadows will receive the right to send and receive simulcast for the full 364 days. Is that correct?

Walters: Yes.

Gilmour: Okay.

Thorne: Can I make a quick Question? This is based on the new legislation, right?

Gilmour: That's correct. So I'm asking the ponderly if Portland does not race or if Portland does not do 720 races, is there any penalty or is there any withdraw of that simulcast right under that license?

Walters: I guess the difficulty that I have with your question is if you had a situation where a licensee, for example, planned to run... This is a license application to run 80 days live and simulcast year round, and so there's no problem whatsoever under the statute. I guess your question is directed to the issue of what happens if someone says I going to run 720 races but doesn't. I suppose my reaction to that would be we're not going to get there because if, for example, they never start running when they said they were going to run, then their simulcast rights would go away. Or, if they say they're going to run 80 race days and by May 28th or middle of June they have run 15 race days, we will monitor their compliance with their license application as we would with anybody. I don't see us ever getting to a situation where we're at the end of a year and someone has run 420 races and we have been sitting there fat and happy and not asking any questions about that.

Gilmour: That's exactly what I hoped you'd say. Let me take it one more step. Portland Meadows and Magna has been receiving simulcast since the end of their last live race and will receive simulcast, the rights to it, under this license until their first race. Is that correct?

Walters: Uh, sure.

Gilmour: Okay. So, if they don't run in October it's a matter of six months that they have had the right for simulcast and they don't run and we say you do not have the right to simulcast, you no longer have a license because you're not running. Correct?

Walters: Sure.

Gilmour: What happens to the simulcast....

Dragone: That is actually being negotiated right now. I believe that is the matter I referred to will be resolved I believe by next week. I had a discussion with Dave Benson from the HBPA. We're in the middle of discussions and I think pretty close to coming to an answer for that. The bottom line is that at some point a certain amount is going to be put away to make sure that, obviously, the horsemen are not left totally in the bag. But I think along the lines of your commentary I'd like to try and reassure this Racing Commission and the horsemen that Magna is committed to Oregon racing and quite frankly the loose talk that I have heard in the last two months that we've got a moving van outside the front of the track and we're going to be gone in the middle of the night is just malarkey. We're here, we're committed and I think no one knows more than the chairman himself how much we have paid to the environmental practices and the like to keep a going concern at Portland Meadows and we're not going anywhere without a fight. So, quite frankly, the idea that somebody else is going to be running that racetrack in October is about the farthest thing from my mind right now.

Walters: I wasn't going to state it quite that adamantly and I didn't know about the details of the negotiations, but at least in my view in reviewing this application is that I'm looking at an application to run 80 days starting the middle of October and to continue to simulcast from an entity that has run a live race meet out there and invested millions of dollars in order to continue that live race meet for the past number of years. When I get an application from someone with that

track record saying that's what they're going to do, unless I have a really strong indication that they're lying to me, and I don't, I'm just going to take their application at face value and act on the application. Now if something happened at the end of that period and they didn't do what they said they were going to do, I would want to know why and we would investigate it. I certainly don't see a reason not to take them at their word on that right now or to try to devise in passing on a license application from someone who is has run a race meet out there and invested the money that has been invested to say well but we're going to make you do this, if you don't run we're going to make you do that if you don't run. I don't see a reason to do that right now. I know there are rumors and concerns but I think they have a pretty strong record of having invested a whole lot of money and we have a race meet application saying this is what they're going to do.

Dragone: If the circumstances ever arose that we would have to move out of Oregon, and as you know with the EPA and things like that, I don't know, I don't foresee that happening. But if that ever did occur obviously we would be sitting down with Dave Benson of the HBPA to make sure that we left them in the best possible situation so that racing would continue in Oregon. But as I say, and I want to go back to my first statement, that is not in the plans and I think we're planning on being here and working hopefully with this commission and the HBPA to make Oregon racing better. These rumors that I'm hearing there's really absolutely no validity to them whatsoever.

Gilmour: Well, Mr. Chair, as I stated I hope you and Magna and Portland Meadows is open. That's the first thing I said. I think that if I didn't ask the questions I asked then I wouldn't be doing my role as a member of this commission because if something does happen and leaves the horsemen and the racing future of Oregon in a circumstance that, who knows, then somebody's going to ask me a lot of questions about the safeguards and the legality of everything that happened with the process under Oregon Revised Statutes. That's why I am raising this issue. I would move their application...

Walters: Okay, subject to...

Gilmour: ...subject to...

Walters: What is an appropriate date for completion of the submissions including the purse agreement and the other submissions that they need to... Interestingly, the thing we usually have to approve for race meet applicants is they've got a full list of officials.

Yuzik: On the conditions of anything that is incomplete you could just report subject to the agreement itself we are talking, you know, getting the concerns of... (unintelligible). All those are going to be addressed in the agreement with the Oregon HBPA, stakes schedules, purse schedules, race officials, you know. There will be many changes and we would (unintelligible) all these other items and (unintelligible)they have to happen eight weeks or 60 days out...

Gilmour: I would assume that you'd have part of that... part of that would be the day you start racing, correct?

Yuzik: Correct. But if you were going to your concern of condition upon granting this license subject to Exhibit....

Walters: Eighty days, August 1st?

Yuzik: Absolutely.

Walters: Okay.

Gilmour: You'll have race dates to us August 1st? That's what I ask.

Dragone: That's fine. We'd like a little more time than that maybe...

Gilmour: Well, I'd give you more time. I'm just asking...

Walters: I was just working off of Dwayne's comment that 60 to 80 days and August 1st would be 75.

Yuzik: If you're talking about...

Dragone: August 1st it is.

Walters: Okay. Great.

Gilmour: Now just because this, just that I'm clear. August 1st we will have a start date of when you are going to race.

Dragone: I think we already have that.

Gilmour: That's fine. Yes or no.

Dragone: Yes. I can tell you right now. October 15th we're starting and we're running through April 30th and it's three days a week, Saturday, Sunday and Monday and new post time is 12:35 p.m.

Walters: So, Commissioner Gilmour's motion is that we approve this license application, that we expect the completion of these submissions by August 1st or the license including the simulcast rights that go with it disappear, and this would be actually granting of a race meet license. Further discussion? All those in favor signify by saying Aye.

Thorne: Aye

Gilmour: Aye

Davis: Aye

Walters: Aye. It's approved. Thank you very much, gentlemen. One comment I would make is that you as well or better than we the importance of having certainty in racing in Oregon which has been an issue in the past, less so since Magna has been here. I think that getting this application when we got it was a great step for adding to that certainty, and allowing us to take the action that we've taken today is a great step to make certain that there will be racing in Oregon starting next fall. I also would commend you that when we asked you to acknowledge that you remain subject to the jurisdiction's commission, we got the response promptly, we got the bond that originally was into October and then has been renewed, and I would commend you on the timeliness of your submissions. You gave us everything we asked for as promptly as it could be done, and we look forward to another racing season at Portland Meadows and hope that it will be a successful one. Thank you very much.

9. Request by OQHRA to Distribute Oregon Bred Breeder and 1% Owners Bonus Funds From 2004-2005 Portland Meadows Race Meet

Leah Nelson was present to make the request for the OQHRA to pay out their bonus and breeder awards after the Portland Meadows race meet. Jodi Hanson recommended approval.

ACTION: MOTION(Davis) Approve request to distribute bonus and breeder awards.
VOTE: 4 Aye, 0 Nay, 1 Excused

10. OTOBA Requests

a. Payment of Oregon Bred Thoroughbred Owners' Bonus and Breeder Awards Earned During 2004-2005 Portland Meadows Race Meet

Ursula Gibbons requested approval to distribute owners' bonus and breeder awards. Jodi Hanson recommended approval.

ACTION: MOTION(Thorne) Approve the request.
VOTE: 4 Aye, 0 Nay, 1 Excused

b. Emergency Request for Tier 2 Hub Funds for Payment of Breeder Awards Earned During 2004-2005 Portland Meadows Race Meet

Ursula Gibbons began by referring back to their request in April where they made a second request for hub funds in which they prioritized their projects. This is the first one by calendar order to come due. It amount has been adjusted downward as they are receiving extra funds as a result of the passage of SB 929. This request is for half of the amount for the breeder awards which the commission just approved in the first OTOBA request. As a result of discussion regarding other possible sources of income which may be forthcoming, there was no action taken on the request at this time.

(The commission took a five minute break)

11. Grants Pass Race Meet Report

Al Westhoff reported the first nine days the meet is up 9.2%. This is the largest amount of horses they've had on the grounds for the past five years. Regarding the mules brought a lot of enthusiasm and large crowds as well as great TV and news coverage. There are thirteen jockeys at the meet this year.

12. Confirmation of Next Commission Meeting – July 21, 2005

Raul Ramirez stated he would not be present but that he would get coverage. Jodi Hanson stated that she had asked the Chair to put on the agenda of the July meeting addressing the uniform medication rules adopted by the Joint Rules Committee of NAPRA/RCI so Oregon can get moving on them. They need to be reviewed to see if they contain any rules that are totally inappropriate for Oregon.

13. Final Legislative Update

Commissioner Gilmour stated he thought he had almost covered that. They're still in session and no sign of getting out. The Racing Commission budget has been approved by both the House and Senate Budget Committees. SB 929 was passed and signed by the governor. All other racing related bills have had no movement up to this time.

14. Eastern Oregon Livestock Show Race Meet Report

Carol Morgan reported the race meet in Union last weekend had great weather during the times racing was conducted. The wagering handle was higher all three days than it was last year. Improvements made in spite of the lack of hub funds: four video monitors installed under the grandstands for the benefit of the patrons, a new test barn complete with sink and running water and a place for the freezer in the testing area, a wagering terminal installed near the rodeo arena inside the racetrack oval for the rodeo participants (next year there will be two terminals). The lowest purse was \$2000 with most races having added money. The biggest concern for both EOLS management and from ORC staff had to do with the overlap with Grants Pass on the same weekend. While we had an ample number of jockeys available for Friday racing, a number of horses had to be scratched on Saturday and Sunday because jockeys left to return to ride in Grants Pass even though they would have earned higher bonus points had they stayed in Union. EOLS provided special travel allowances for jockeys for one day rides and all three day rides. These incentives were not enough to keep the riders in Union for the full race meet. With the reduction in staff due to budgetary constraints, the ORC staff was stretched to the max trying to cover their regulatory responsibilities for both meets. Jodi Hanson confirmed that staff's ability to regulate the meets effectively had been hampered as a result of the overlap of Union and Grants Pass. The contracted racing secretary for the summer meets, who could not be in both places at the same time, worked the EOLS meet and, as a result, Grants Pass did not have a racing secretary in the race office during racing to deal with issues as they came up. The ORC licensing person was in the same situation. Ms. Hanson stated she really hoped that we would not have an overlap in the future if our staffing issues remain the same as well as the needs that were expressed by EOLS in a letter that was received following their race meet.

Chair Walters stated that clearly this is an issue that has become more acute. The commission has probably erred in the past by allowing overlap to

happen which has resulted in the staffing and jockey issues expressed. He said he didn't think the commission had properly given credit to the requirements of the statute on that subject. He was grateful for having those issues highlighted for the commission this year. Chair Walters stated he felt it was plain that in all the planning for next year's race meets the commission is going to have to address that issue because the status quo just doesn't appear to work for lots of reasons.

15. High Desert Racing Application for Live Race Meet

Walters: I've been told there is someone here is going to make a statement with respect to this application.

Gilmour, S: Chair Walters and members of the Oregon Racing Commission. My name is Sue Gilmour, secretary of High Desert Racing Co. As many people in Oregon are aware I have been involved with horse racing for a long time. Over the years I have watched horse racing at Portland Meadows and know that it has been a rough go at best. We believe that it is only a matter of time when conditions will force a closure. High Desert Racing wants to offer a different direction both in terms of geography and in design. We have found a willing and excited community and believe strongly that we are qualified to receive a license. With this in mind, we have placed before you our license application. We are also aware that Magna Entertainment has a license application which would place them at Portland Meadows in the 2005-2006 season. At this time we would ask that you, the commission, not act on our license request but keep it before you in the event that Magna Entertainment changes their mind or defaults on license requirements. Thank you for your consideration.

Walters: Thank you, Sue. Sir, did you have...?

Creighton: I'm Rob Creighton. I'm the vice president of High Desert Racing and I'm just here to answer any questions you may have.

Walters: Thanks. Any questions or comments by members of the commission? Thank you very much, and we have your application and obviously... I just received it today. I understand the commission got it on Tuesday, and obviously I will look at it for informational purposes, but I understand your statement, Sue, is that it's a back-up type of application in case something happens to the race meet at Portland Meadows.

Gilmour, S: Yes.

Walters: Thank you very much. Appreciate it.

16. Draft Final Order for William White

Not addressed at this meeting and will be carried over to the July 21, 2005, meeting.

17. Draft Final Order for Kevin Murray

Not addressed at this meeting and will be carried over to the July 21, 2005, meeting.

18. Proposed Order for Roger Stolp

Chair Walters announced that the commission was going into executive session to deliberate on the final order. Upon returning from executive session, Chair Walters stated the commission took no action during the session. Further, the commission is not going to take any action at this time and will place it on the agenda for the July 21, 2005, meeting. The commission has given some directions to counsel for issues on which to focus with respect to this order and commissioners are going to review the evidentiary record and consider at the next meeting whether to adopt this order or adopt a revised order.

There being no further business, the meeting was adjourned.