



STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD
DETROIT

RICK SYNDER
GOVERNOR

RICHARD S. KALM
EXECUTIVE DIRECTOR

In the matter of:

HORSEMEN'S SIMULCAST
PURSE POOL ACCOUNT

**ORDER GRANTING PRIZE MONEY DISTRIBUTIONS FROM THE
THOROUGHBRED SIMULCAST PURSE POOL ACCOUNT**

On May 4, 2011 the Executive Director issued an Order accepting the voluntary surrender by Post It Stables, Inc., d/b/a Pinnacle Race Course, of its 2011 Thoroughbred Race Meeting License and its 2011 Simulcast Permit for the remainder of the 2011 horse race meet season. Subsequently, on June 10, 2011 the Executive Director issued an Order freezing distributions from the thoroughbred simulcast purse pool account until further order. The stated intent was to preserve and to protect the accumulated purse pool monies as future prize money for thoroughbred races.

Under § 19a of the Horse Racing Law of 1995, Public Act 279 of 1995 ("the Act"), the Legislature provided the statutory authority for how monies, designated by the Act to be paid into the horsemen's simulcast purse pool, are to be handled in the event that a *thoroughbred track license* is surrendered, revoked, or escrowed or if a *thoroughbred track* is closed. In such an event, the Executive Director shall order the deposit of horsemen's purse pool money, deposited and distributed pursuant to § 19, to a depository.

The Executive Director finds the following:

- Post It Stables, Inc., d/b/a Pinnacle Race Course surrendered its license, effective May 4, 2011;
- The Michigan Horsemen's Benevolent and Protective Association (MHBPA) began to seek contractual options on where to race thoroughbreds. Discussions were held with Hazel Park Racing Association, Inc., d/b/a Hazel Park Harness Raceway and Oil Capital Race Venture, Inc., a/k/a Mount Pleasant Meadows;
- Mount Pleasant Meadows was issued a 2011 Mixed Breed Race Meeting license and a 2011 Simulcast Permit. Under such a license, it can conduct racing of more than one breed of horse;
- Prior to racing under its 2011 Mixed Breed Race Meeting license and a 2011 Simulcast Permit, Mount Pleasant Meadows had to meet certain licensing conditions imposed by the Executive Director. The Executive Director recently cleared Mount Pleasant Meadows to commence its race meet;
- Mount Pleasant Meadows has maintained an annual contract with the Great Lakes Quarter Horse Association (GLQGA) for the supply of horses at its racetrack; and

- Mount Pleasant Meadows recently entered into a contract with the Michigan Horsemen's Benevolent and Protective Association (MHBPA) to supply thoroughbred horses.

Since the Horsemen's Simulcast Purse Pool 2011 Deposit Order and the Horsemen's Simulcast Purse Pool 2011 Distribution Order issued by the Executive Director on February 22, 2011 remain in effect, the Executive Director reiterates the following (all sectional citations contained in this Order refer to the Act):

- Purse pool monies are expressly to be used only for purses and administrative costs as provided for under Rule 431.2061(3). Operating expenses and loans are not administrative costs;
- The Act does not authorize direct distributions from the purse pool to pay for race meeting licensee obligations, race meeting licensee debt obligations, or racetrack operational expenses;
- Improper distributions will result in sanctions including, but not limited to, revocation or suspension of a license, exclusion from racetrack grounds, and a fine of up to \$25,000 for each violation of the act or administrative rule promulgated under the Act. Additionally, improper withdrawals will be required to be refunded to the Purse Pool Account(s).

IT IS ORDERED:

- This Order supercedes the June 10, 2011.
- The June 10, 2011 Order is rescinded.
- Distributions for prize money for thoroughbred horse racing to be conducted at Mount Pleasant Meadows are to be taken from horsemen's purse pool, PNC account no. 3670000088;
- As previously agreed to by the horsemens associations, a member of the Michigan Harness Horsemen's Association (MHHA) is designated by the horsemen associations in the State of Michigan to oversee the thoroughbred horsemen's purse pool, PNC account no. 3670000088.

IT IS SO ORDERED

Dated: July 22, 2011



Richard S. Kalm, Executive Director
Michigan Gaming Control Board