

**STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR**

In the matter of:

Sports Creek Acquisitions, Inc., d/b/a Sports Creek Raceway

Application for a 2015 Race Meeting License
and 2015 Simulcast Permit.

**ORDER GRANTING SPORTS CREEK ACQUISITIONS, INC.,
D/B/A SPORTS CREEK RACEWAY
A 2015 RACE MEETING LICENSE
AND 2015 SIMULCAST PERMIT**

Sports Creek Acquisitions, Inc., d/b/a Sports Creek Raceway, filed applications for a 2015 Race Meeting License and a 2015 Simulcast Permit with the Executive Director of the Michigan Gaming Control Board. The applications were filed under the Horse Racing Law of 1995, Public Act 279 of 1995; MCL 431.301 *et seq.*, as amended (the Act), and the administrative rules promulgated thereto.

Under Executive Order No. 2009-45 the powers and duties of the Office of Racing Commissioner were transferred to the Executive Director of the Michigan Gaming Control Board, including regulating pari-mutuel wagering, licensing, issuing final agency decisions on all contested case hearings, and the promulgation of agency rules. The Executive Director may also delegate his powers in writing to another.

The Executive Director, through the Michigan Gaming Control Board, has investigated and evaluated the applicant and its application in this matter. The Executive Director has determined and concluded that applicant complies with the standards and the requirements for granting a Race Meeting License and Simulcast Permit under the Act and the administrative rules. The Race Meeting License and Simulcast Permit are subject to the terms and conditions set forth below.

IT IS ORDERED, as follows:

- 1) The Executive Director hereby grants the application of Sports Creek Acquisitions, Inc., d/b/a Sports Creek Raceway (licensee) for a 2015 Race Meeting License to be conducted at Sports Creek Raceway. The 2015 Race Meeting License granted and

issued hereunder shall be valid and continue in full force and effect from January 1, 2015, through December 31, 2015, unless hereafter suspended or revoked by order of the Executive Director. The 2015 Race Meeting License is conditioned upon the licensee's compliance with the Act, administrative rules, and orders of the Executive Director, as well as all other applicable local, state and federal laws. In particular, but not limiting licensee's responsibility to comply with all laws, administrative rules and orders of the Executive Director, licensee should take note of the following:

- (a) Licensee shall immediately inform the Executive Director in writing of any changes or amendments in the licensee's ownership, including but not limited to:
 - Affiliates, stockholders, shareholders;
 - Partners, members, officers, directors;
 - Officials, and employees participating in, involved in, or otherwise having to do with horse racing, pari-mutuel wagering or simulcasting;
 - Any person who has significant control over the horse racing, pari-mutuel wagering, or simulcasting at licensee's race meeting.

Any change in the holders of the Race Meeting License must be first approved by the Executive Director in accordance with the Act and administrative rules.

- (b) In accordance with § 7(4) of the Act, all proposed extensions, additions, modifications or improvements to the racecourse, roadways, parking lots, buildings, stables, lighting and electrical service, plumbing, public utilities, drainage, totalisator system and equipment, hardware and software for all approved methods of conducting pari-mutuel wagering, and security on the grounds of the licensed racetrack where the licensee is conducting its race meeting shall be submitted in writing for approval to the Executive Director by the licensee prior to the initiation or commencement of any such proposal.
- (c) In accordance with administrative rule 1095(29), the names and addresses of proposed racing officials shall be submitted in writing to the Executive Director, not less than 30 days before the start of the licensee's 2015 race meeting and shall thereafter be approved or disapproved by the Executive Director. For the duration of the 2015 Race Meeting License, the licensee shall promptly notify the Executive Director in writing of all changes in status of approved racing officials and of proposed new racing officials.
- (d) The licensee shall maintain a restricted area log. In accordance with administrative rule 1095(4), the licensee shall ensure that only authorized persons enter restricted areas. In accordance with administrative rule 1105, the licensee shall ensure that licensed persons entering restricted areas of racetracks during other than normal racing and training hours shall sign in prior to entering any restricted area and shall sign out upon departure. The person's name, occupation and vehicle license plate number shall be recorded. In addition, exempt persons, as defined in administrative rule 1101(4), other than police and fire personnel in the performance of their duties, shall sign in and out at all times during the

- licensee's race meeting. The exempt person's name, occupation, vehicle license plate number, and name and signature of the licensed person responsible for the exempt person's entry, shall be recorded. The restricted area log shall be made immediately available for inspection upon request by the Executive Director or his designee.
- (e) In accordance with § 18(2)(a) of the Act, for the duration of the 2015 Race Meeting License and Simulcast Permit, the licensee shall have a fully executed written contract with a Certified Horsemen's Organization, to be able to conduct live or simulcast horse races with pari-mutuel wagering on the results of the races in 2015. A copy of the fully executed contract must be submitted to the Executive Director no later than close of business December 30, 2014.
 - (f) In accordance with § 7(5) of the Act, as prescribed by the Executive Director, financial reports shall be submitted at least quarterly.
 - (g) In accordance with administrative rule 2070, all forms of pari-mutuel wagering conducted at the licensee's race meeting must be pre-approved by the Executive Director.
 - (h) In accordance with § 7(5) of the Act, the licensee shall immediately inform and advise the Executive Director in writing and provide copies of any notification it receives from any local, state, or federal agency other than the Michigan Gaming Control Board.
 - (i) In accordance with § 15(1) of the Act, before March 31, 2015, the licensee shall file with the Executive Director a certified statement of receipts from all sources during the previous calendar year and of all expenses and disbursements, itemized in a manner and on a standardized form as directed by the state treasurer, showing the net revenue from all sources derived by the holder of the license.
- 2) Licensee's live race meet, racetrack and simulcast facility are located at 4290 Morrish Rd., Swartz Creek, Michigan, 48473. The Executive Director maintains jurisdiction over any and all property or premises owned, leased or used by the licensee in the operation, facilitation or running of its race meeting. This includes any training facility owned, leased, or used by licensee.
 - 3) In accordance with § 17(7) of the Act, the conducting of all live race meetings and simulcasting is limited to those designated areas previously approved by the Executive Director within the designated licensed race track. Any change in those designated locations must be submitted in writing and specifically approved in writing by the Executive Director.
 - 4) In accordance with § 9a of the Act, the licensee must conspicuously post at each entrance and exit of the racetrack and at each location on the racetrack where wagers on horse races are accepted, a visually prominent sign that contains the toll-free

compulsive gaming help line number (800-270-7117). The licensee must also include the toll-free compulsive gaming help line number (800-270-7117) in a prominent manner on all advertisement and promotional materials.

- 5) The licensee shall implement the emergency preparedness plan, referenced in its 2015 Race Meeting License application, together with any additional requirements or clarifications on said plan requested of licensee by the Executive Director, throughout and for the duration of its 2015 Race Meeting License and Simulcast Permit. Any proposed changes, updates or amendments to said plan must be promptly submitted in writing to the Executive Director.

6) Standardbred Race Meet:

- (a) The Executive Director hereby allocates to licensee, the following Standardbred horse racing dates in 2015 on which live horse racing shall be conducted by the licensee during the term of its 2015 Race Meeting License:

A total of 10 Standardbred race dates, from Friday, November 27, 2015, through Thursday, December 31, 2015; Two days per week, Friday and Saturday, with the following exceptions: no racing Friday, December 25, 2015, and racing Thursday, December 31, 2015; with no less than 9 live horse races programmed per race date.

- (b) Each of the foregoing live racing dates allocated hereunder shall be utilized by licensee to conduct live Standardbred horse races with pari-mutuel wagering on the results of races, unless the date is hereafter cancelled by order of the Executive Director. The Executive Director will not cancel any live racing date allocated hereunder upon request of licensee except for good cause shown and for those reasons permissible under the Act and administrative rules, including but not limited to budgetary reductions and insufficient appropriations.
- (c) In accordance with § 10(2) of the Act, a race meeting licensee shall not conduct a live Standardbred horse race before 6:45p.m. on any day, except Sunday, without prior written approval of the Executive Director.
- (d) This grant of Standardbred horse racing dates is contingent upon licensee providing a fully executed written contract with a Standardbred Certified Horsemen's Organization to the Executive Director no later than close of business, December 30, 2014. Failure to provide an executed written contract may result in the Executive Director reallocating the granted Standardbred horse racing dates to another licensee.

7) Thoroughbred and Mixed Breed Race Meet:

- (a) The Executive Director denies the applicant's request for a Thoroughbred and Mixed Breed race meet for the following reasons:
- The applicant does not possess sufficient financial resources or purse pool allocation to conduct a Thoroughbred and Mixed Breed race meet.

- Applicant does not have the support of a Certified Horsemen's Organization for the dates requested.
- Horse supply availability has not been verified for the dates requested.
- No information was provided concerning a track conversion plan.

8) Simulcast Permit:

- (a) Having determined that licensee is now a 2015 race meeting licensee and that licensee meets the requirements of §18 of the Act, the Executive Director hereby grants licensee a 2015 Simulcast Permit from January 1, 2015, through December 31, 2015. This permit authorizes licensee to simulcast horse races to and from its race meeting to the full extent permitted by the Act and administrative rules during the term of its 2015 Race Meeting License.
- (b) In accordance with § 18(3) of the Act, the Executive Director grants permission to licensee to combine pari-mutuel wagers made under this license on interstate simulcast races with pari-mutuel wagers made at out-of-state sending host tracks on the same races to form common pari-mutuel pools created at out-of-state sending host tracks.
- (c) In accordance with §18(6) of the Act, the Executive Director authorizes licensee to transmit simulcasts of live horse races conducted under this Race Meeting License to locations outside of this state in accordance with the Interstate Horse Racing Act of 1978, 15 U.S.C. 3001 *et seq.*, as amended, or any other applicable laws; and furthermore, permits pari-mutuel pools on such simulcast races created under the laws of the jurisdiction in which the receiving entities are located to be combined in a common pool with pari-mutuel pools on the same races created at the licensee's racetrack.
- (d) For the duration of the 2015 Race Meeting License and Simulcast Permit, the licensee shall have a fully executed written contract with a totalisator company on or before December 31, 2014, to be able to conduct live or simulcast horse races with pari-mutuel wagering on the results of the races in 2015.
- (e) The licensee shall maintain an interest bearing account for all funds due horsemen's purse pools, and shall timely deposit such funds in the account and credit all interest earned by the account to and for the horsemen's purse pools, under and in strict compliance with the requirements of §§ 14(7), 15(2), 17(3), 18(4)(5)(6) and 19 of the Act.
- (f) All simulcasts to or from the race meeting during the term of the Race Meeting License and Simulcast Permit shall at all times be conducted in compliance with the Act, administrative rules and orders of the Executive Director and applicable provisions of the Interstate Horse Racing Act of 1978, 15 U.S.C. 3001 *et seq.*, as amended.

- (g) The export simulcast wagering agreement template submitted with the licensee's 2015 Simulcast Permit application is hereby approved. Any changes to the template must be submitted in writing to the Executive Director for approval or denial not less than thirty (30) days prior to distribution of said agreement.
 - (h) The licensee shall promptly forward to the Executive Director all copies of and all summaries of all simulcast wagering agreements that it enters into to either transmit or receive simulcast race signals; all such agreements must be provided to the Executive Director prior to receiving any remuneration from said agreements.
 - (i) In accordance with § 18(2)(k) of the Act, any changes in the licensee's simulcast schedule or format shall be submitted in writing to the Executive Director for approval prior to the changes. In such cases where the change is an emergency cancellation or substitution and there is insufficient time to request and receive prior written approval from the Executive Director, the licensee shall promptly notify the Executive Director in writing of the emergency changes or substitutions.
 - (j) As directed by §§ 18(4) and (5)(b) of the Act, the licensee shall promptly deposit all money that it receives from interstate simulcasting to the horsemen's simulcast purse pool in accordance with the requirements of §§ 15(2), 18(5)(b) and 19(1)(a)(b) of the Act.
- 9) In accordance with § 15(2) of the Act, on the first day, other than Sunday, after each day of operation, the licensee shall remit all monies due and payable, including simulcast tax deposits to the State of Michigan, and all other entities, at the close of the day of operation with a detailed statement of that money in accordance with and as required by the Act, administrative rules, and as otherwise directed by the Executive Director.
- 10) In accordance with § 14(4) of the Act, if after the issuance of this Race Meeting License the Executive Director determines upon further investigation that licensee has not met or will be unable to meet the requirements of the license, the Executive Director may impose a fine or suspend or revoke the Race Meeting License, or both, for all or part of the remainder of the time period for which the 2015 Race Meeting License was granted.

IT IS SO ORDERED.

/s/

Richard Kalm, Executive Director
Michigan Gaming Control Board

Date: October 31, 2014