



TEXAS RACING COMMISSION
P. O. BOX 12080
AUSTIN, TEXAS 78711-2080
(512) 833-6699
FAX (512) 833-6907

Texas Racing Commission
Monday, May 14, 2007
10:30 a.m.
Texas Department of Public Safety
6100 Guadalupe
Criminal Law Enforcement, Building E
First Floor Auditorium
Austin, Texas 78752

AGENDA

I. CALL TO ORDER

Roll Call

II. PUBLIC COMMENT

III. GENERAL BUSINESS

Discussion, consideration and possible action on the following matters:

- A. Budget and Finance Update Tab 1
- B. Report on Racetrack Inspections Tab 2
- C. Report on RCI Annual Conference

IV. PROCEEDINGS ON RACETRACKS

Discussion, consideration and possible action on the following matters:

- A. Allocation by the Texas Greyhound Association of Tab 3
interstate cross-species purse money for the period of
May 1, 2007 through April 30, 2008.

Persons with disabilities planning to attend this meeting who may need auxiliary aids or services, such as sign language interpreters or large print agendas, should contact Gloria Giberson no later than three days before the scheduled meeting time, by phone at (512) 833-6699, by fax at (512) 833-6907, or through RELAY Texas at 1-800-735-2989.

- B. Request by Gillespie County Fair Association for Approval of Addendum to Totalisator Contract with United Tote Company Tab 4
- C. Request by Retama Park for Approval of an Amendment to Totalisator Contract with AmTote International, Inc. Tab 5
- D. Request by Sam Houston Race Park for Approval of Change in Board of Directors Tab 6
- E. In the Matter of an Application for a Class 2 Horse Racetrack License in Webb County Tab 7
 - 1) Motion of LRP Group, LTD., to Withdraw as a Party
 - 2) Motion of Laredo Race Park, LLC, to Withdraw as a Party
- F. Request by Valley Race Park for Approval of Change in Ownership
- G. Request by Valley Race Park for Approval of Management Agreement
- H. Application by Laredo Race Park for a Class 2 Horse Racetrack License in Webb County
- I. Approval of Security Bond for Laredo Race Park Tab 8
- J. Approval of Security Bond for LRP Group, Inc. Tab 8
- K. Approval of Security Bond for Valle de los Tesoros Tab 8
- L. Request by Retama Park for Approval of Thoroughbred Race Dates for 2007 Tab 9
- M. Request by Sam Houston Race Park for a Change in 2007 Race Dates Tab 9
- N. Update by Sam Houston Race Park
- O. Update by Austin Jockey Club on Longhorn Downs
- P. Update by Saddle Brook Park

V. PROCEEDINGS ON RULEMAKING

Discussion, consideration and possible action on the following rules:

Proposals

- A. Proposal of Amendment to § 309.6, Security for Compliance Tab 10
- B. Proposal of Amendment to § 303.41, Allocation of Race Dates Tab 11

Adoptions

C. Adoption of Chapter 301, Definitions, with Amendments Tab 12

§ 301.1, Definitions

D. Adoption of Chapter 319, Veterinary Practices and Drug Testing, with Amendments Tab 13

- 1) § 319.102, Veterinarian's List
- 2) § 319.108, Extracorporeal Shock Wave Therapy
- 3) § 319.111, Bleeders and Furosemide Program
- 4) § 319.202, Veterinarian's List
- 5) § 319.203, Condition of Greyhounds and Inspection of Kennels
- 6) § 319.204, Vaccination Requirements

E. Adoption of Rules Relating to Pari-Mutuel Wagering Tab 14

- 1) § 321.2, Odds Manipulation
- 2) § 321.29, Mutuel Tickets
- 3) § 321.33, Expiration Date
- 4) § 321.43, Cancellation of Win Wagers
- 5) § 321.313, Distribution of Pari-Mutuel Pools

VI. EXECUTIVE SESSION

Under Govt. Code § 551.071, the Commission may open an executive session to confer with its attorney regarding pending or contemplated litigation on any matter listed in this agenda.

Under Texas Racing Act, Art. 179e, Sec. 6.03, Vernon's Texas Civil Statutes, the Commission may open an executive session to review a plan for the security of a racetrack facility, or a copy of a management, concession, or totalisator contract.

VII. OLD/NEW BUSINESS

Schedule next Commission Meeting

VIII. ADJOURN

Texas Racing Commission

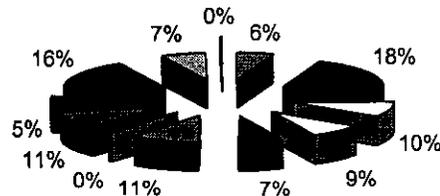
FYE 08/31/2007
 Cumulative Operating Budget Status
 by LBB Expenditure Object/Codes

Strategy	Description	FY 2007 Annual Budget	FY 2007 Expended Thru 3/31/2007	FY 2007 Unexpended Bal 3/31/2007	With 58.33% of Year Lapsed % of Budget Expended
\$ 0	FTE's = 76.40				
	<u>Sum Of All Strategies other than A.2.1</u>				
	1001 Salaries and Wages	3,706,873	2,032,995	1,673,878	54.84%
	1002 Other Personnel Cost	144,762	51,168	93,594	35.35%
	2001 Prof Fees and Services	86,593	24,589	62,004	28.40%
	2003 Consumables	29,695	9,550	20,145	32.16%
	2004 Utilities	22,500	10,635	11,865	47.27%
	2005 Travel	197,390	100,293	97,097	50.81%
	2006 Rent Building	105,314	72,451	32,863	68.80%
	2007 Rent Machine	13,500	7,985	5,515	59.14%
	2009 Other Operating Cost	293,346	121,372	171,975	41.37%
	CB Computer Equipment	32,250	30,103	2,147	93.34%
\$ 4,632,223	Total Operating Budget	4,632,223	2,461,139	2,171,083	53.13%
\$ 5,418,494	Strategy A.2.1. TX Bred Incentive	5,418,494	2,726,080	2,692,414	50.31%
\$10,050,717	Total All Strategies	10,050,717	5,187,219	4,863,497	51.61%

Expended Operational Budget By Strategy

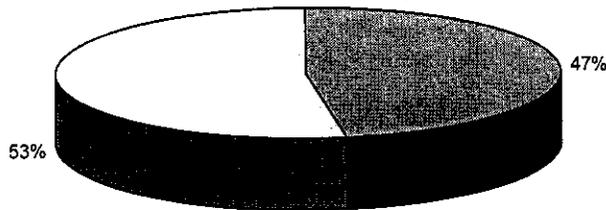
Regulate Racetrack Owners	\$	141,620
Supervise Racing	\$	465,963
Monitor Licensee Activities	\$	236,948
Inspect & Provide Emergency Care	\$	212,311
Administer Drug Test	\$	178,974
Occupational Licensing Program	\$	270,908
Texas On-Line Program	\$	9,492
Monitor Pari-Mutuel Wagering	\$	260,016
Wagering & Compliance Inspection	\$	114,134
Central Administration	\$	394,653
Information Resources	\$	166,530
Other Support Services	\$	9,592

Expended Operational Budget



- Regulate Racetrack Owners
- Supervise Racing
- Monitor Licensee Activities
- Inspect & Provide Emergency Care
- Administer Drug Test
- Occupational Licensing Program
- Texas On-Line Program
- Monitor Pari-Mutuel Wagering
- Wagering & Compliance Inspection
- Central Administration
- Information Resources
- Other Support Services

Expended Appropriations



Operational Budget ATB Budget

Expended Appropriations

Operational Budget	\$	2,461,139
ATB Budget	\$	2,726,080

Texas Racing Commission

LBB-1

FYE 08/31/2007
 Cumulative Operating Budget Status
 by LBB Expenditure Object/Codes

Strategy	Description	FY 2007 Annual Budget	FY 2007 Expended Thru 3/31/2007	FY 2007 Unexpended Bal 3/31/2007	With 58.33% of Year Lapsed % of Budget Expended
	FTE's = 4.00				
A.1.1.	<u>Regulate Racetrack Owners</u>				
	1001 Salaries and Wages	229,440	133,836	95,604	58.33%
	1002 Other Personnel Cost	4,820	2,780	2,040	57.68%
	2001 Prof Fees and Services	5,000	1,172	3,828	23.44%
	2003 Consumables	250	21	229	8.38%
	2004 Utilities	-	-	-	
	2005 Travel	5,150	2,618	2,532	50.84%
52.41%	2006 Rent Building	-	-	-	
\$ 10,356	2007 Rent Machine	-	-	-	
\$ 157,718	2009 Other Operating Cost	6,075	1,193	4,882	19.64%
\$ 82,661	CB Computer Equipment	-	-	-	
\$ 250,735	Total Strategy A.1.1.	250,735	141,620	109,115	56.48%
	FTE's = 0				
A.2.1.	<u>Texas Bred Incentive</u>				
	ATB Money Expended	5,418,494	2,726,080	2,692,414	50.31%
\$ 5,418,494	Total Strategy A.2.1.	5,418,494	2,726,080	2,692,414	50.31%
	FTE's = 12.90				
A.3.1.	<u>Supervise Racing and Licensees</u>				
	1001 Salaries and Wages	752,765	394,204	358,561	52.37%
	1002 Other Personnel Cost	20,752	5,160	15,592	24.87%
	2001 Prof Fees and Services	13,593	5,782	7,811	42.53%
	2003 Consumables	-	-	-	
	2004 Utilities	-	-	-	
	2005 Travel	36,875	27,767	9,108	75.30%
5.58%	2006 Rent Building	-	-	-	
\$ 42,500	2007 Rent Machine	-	-	-	
\$ 775,378	2009 Other Operating Cost	4,875	2,997	1,878	61.48%
\$ 43,232	CB Computer Equipment	32,250	30,053	2,197	93.19%
\$ 861,110	Total Strategy A.3.1.	861,110	465,963	395,147	54.11%
	FTE's = 7.00				
A.3.2.	<u>Monitor Occupational Licensee Act.</u>				
	1001 Salaries and Wages	382,062	216,643	165,419	56.70%
	1002 Other Personnel Cost	9,690	4,340	5,350	44.79%
	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	-	5	(5)	
	2004 Utilities	-	-	-	
	2005 Travel	24,450	13,206	11,244	54.01%
-3.66%	2006 Rent Building	-	-	-	
\$ 23,299	2007 Rent Machine	-	-	-	
\$ 411,845	2009 Other Operating Cost	3,875	2,754	1,121	71.08%
\$ (15,067)	CB Computer Equipment	-	-	-	
\$ 420,077	Total Strategy A.3.2.	420,077	236,948	183,129	56.41%
	FTE's = 6.80				
A.4.1.	<u>Inspect and Provide Emerg. Care</u>				
	1001 Salaries and Wages	381,897	182,211	199,685	47.71%
	1002 Other Personnel Cost	9,980	5,890	4,090	59.02%
	2001 Prof Fees and Services	23,000	10,475	12,525	45.54%
	2003 Consumables	-	-	-	
	2004 Utilities	-	-	-	
	2005 Travel	14,100	7,790	6,310	55.25%
-10.39%	2006 Rent Building	-	-	-	
\$ 21,807	2007 Rent Machine	-	-	-	
\$ 462,355	2009 Other Operating Cost	7,125	5,944	1,181	83.43%
\$ (48,061)	CB Computer Equipment	-	-	-	
\$ 436,102	Total Strategy A.4.1.	436,102	212,311	223,791	48.68%

Texas Racing Commission

LBB-2

FYE 08/31/2007
 Cumulative Operating Budget Status
 by LBB Expenditure Object/Codes

Strategy	Description	FY 2007 Annual Budget	FY 2007 Expended Thru 3/31/2007	FY 2007 Unexpended Bal 3/31/2007	With 58.33% of Year Lapsed % of Budget Expended
A.4.2.	FTE's = 6.50 <u>Administer Drug Testing</u>				
	1001 Salaries and Wages	283,898	162,278	121,620	57.16%
	1002 Other Personnel Cost	11,580	3,180	8,400	27.46%
	2001 Prof Fees and Services	-	210	(210)	
	2003 Consumables	-	-	-	
	2004 Utilities	-	-	-	
	2005 Travel	23,190	9,190	14,000	39.63%
5.36%	2006 Rent Building	-	-	-	
\$ 15,850	2007 Rent Machine	-	-	-	
\$ 293,465	2009 Other Operating Cost	6,375	4,115	2,260	64.55%
\$ 15,728	CB Computer Equipment	-	-	-	
\$ 325,043	Total Strategy A.4.2.	325,043	178,974	146,069	55.06%
B.1.1.	FTE's = 12.80 <u>Occupational Licensing</u>				
	1001 Salaries and Wages	421,920	227,777	194,143	53.99%
	1002 Other Personnel Cost	32,880	6,940	25,940	21.11%
	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	2,500	298	2,202	11.91%
	2004 Utilities	-	-	-	
	2005 Travel	29,250	17,564	11,686	60.05%
3.18%	2006 Rent Building	-	-	-	
\$ 34,121	2007 Rent Machine	11,000	6,925	4,075	62.96%
\$ 484,646	2009 Other Operating Cost	36,625	11,404	25,221	31.14%
\$ 15,408	CB Computer Equipment	-	-	-	
\$ 534,175	Total Strategy B.1.1.	534,175	270,908	263,267	50.72%
B.1.2.	FTE's = - <u>Texas OnLine</u>				
	1001 Salaries and Wages	-	-	-	
	1002 Other Personnel Cost	-	-	-	
	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	-	-	-	
	2004 Utilities	-	-	-	
	2005 Travel	-	-	-	
	2006 Rent Building	-	-	-	
\$ 23,250	2007 Rent Machine	-	-	-	
\$ -	2009 Other Operating Cost	23,250	9,492	13,758	40.83%
\$ -	CB Computer Equipment	-	-	-	
\$ 23,250	Total Strategy B.1.2.	23,250	9,492	13,758	40.83%
C.1.1.	FTE's = 9.00 <u>Monitor Wagering and Audit</u>				
	1001 Salaries and Wages	404,259	235,818	168,441	58.33%
	1002 Other Personnel Cost	10,740	5,980	4,760	55.68%
	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	-	-	-	
	2004 Utilities	-	-	-	
	2005 Travel	21,944	11,226	10,718	51.16%
-7.76%	2006 Rent Building	-	-	-	
\$ 28,160	2007 Rent Machine	-	-	-	
\$ 464,031	2009 Other Operating Cost	19,235	6,992	12,243	36.35%
\$ (36,013)	CB Computer Equipment	-	-	-	
\$ 456,178	Total Strategy C.1.1.	456,178	260,016	196,162	57.00%
C.1.2.	FTE's = 4.00 <u>Wagering & Compliance Inspections</u>				
	1001 Salaries and Wages	173,527	101,224	72,303	58.33%
	1002 Other Personnel Cost	5,800	3,320	2,480	57.24%
	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	-	21	(21)	
	2004 Utilities	-	-	-	
	2005 Travel	16,431	5,694	10,737	34.66%
-11.00%	2006 Rent Building	-	-	-	
\$ 11,457	2007 Rent Machine	-	-	-	
\$ 211,710	2009 Other Operating Cost	4,125	3,874	251	93.92%
\$ (23,284)	CB Computer Equipment	-	-	-	
\$ 199,883	Total Strategy C.1.2.	199,883	114,134	85,749	57.10%

Texas Racing Commission

LBB-3

FYE 08/31/2007
 Cumulative Operating Budget Status
 by LBB Expenditure Object/Codes

Strategy	Description	FY 2007 Annual Budget	FY 2007 Expended Thru 3/31/2007	FY 2007 Unexpended Bal 3/31/2007	With 58.33% of Year Lapsed % of Budget Expended
D.1.1.	FTE's = 7.00 Central Administration				
	1001 Salaries and Wages	375,004	212,869	162,135	56.76%
	1002 Other Personnel Cost	29,320	8,270	21,050	28.21%
	2001 Prof Fees and Services	25,000	6,950	18,050	27.80%
	2003 Consumables	26,945	9,187	17,758	34.09%
	2004 Utilities	22,500	9,580	12,920	42.58%
	2005 Travel	23,000	4,419	18,581	19.21%
-0.67%	2006 Rent Building	105,314	69,751	35,563	66.23%
\$ 19,647	2007 Rent Machine	2,500	1,059	1,441	42.38%
\$ 768,354	2009 Other Operating Cost	173,286	72,568	100,719	41.88%
\$ (5,132)	CB Computer Equipment	-	-	-	
\$ 782,869	Total Strategy D.1.1.	782,869	394,653	388,216	50.41%
D.2.1.	FTE's = 5.00 Information Resources				
	1001 Salaries and Wages	278,618	158,390	120,227	56.85%
	1002 Other Personnel Cost	5,780	3,460	2,320	59.86%
	2001 Prof Fees and Services	20,000	-	20,000	0.00%
	2003 Consumables	-	19	(19)	
	2004 Utilities	-	1,055	(1,055)	
	2005 Travel	3,000	819	2,181	27.28%
-2.04%	2006 Rent Building	-	2,700	(2,700)	
\$ 16,829	2007 Rent Machine	-	-	-	
\$ 305,291	2009 Other Operating Cost	8,500	37	8,463	0.44%
\$ (6,222)	CB Computer Equipment	-	50	(50)	
\$ 315,898	Total Strategy D.1.2.	315,898	166,530	149,368	52.72%
D.1.3.	FTE's = 1.00 Other Support Services				
	1001 Salaries and Wages	23,484	7,744	15,740	32.98%
	1002 Other Personnel Cost	3,420	1,848	1,572	54.04%
	2001 Prof Fees and Services	-	-	-	
	2003 Consumables	-	-	-	
	2004 Utilities	-	-	-	
	2005 Travel	-	-	-	
0.00%	2006 Rent Building	-	-	-	
\$ 1,884	2007 Rent Machine	-	-	-	
\$ 25,020	2009 Other Operating Cost	-	-	-	
\$ -	CB Computer Equipment	-	-	-	
\$ 26,904	Total Strategy D.1.3.	26,904	9,592	17,312	35.65%
\$ 249,159	Estimated 4% & 3% appropriation rider				
\$ 4,383,063	Operating Budget regular appropriations	4,632,223	2,461,139	1,742,378	53.13%
\$ 5,418,494	Strategy A.2.1. TX Bred Incentive	5,418,494	2,726,080	2,692,414	50.31%
\$10,050,716	Total M.O.F.				
\$10,050,717	Total All Strategies	10,050,717	5,187,219	4,434,792	51.61%

Texas Racing Commission
Report on Racetrack Inspection Activities
 May 14, 2007

Date of Inspection	Track	Type of Inspection	Number of Unsatisfactory Items	Track Remediation Complete	Inspection resolved
6/15/06	Sam Houston	Pari-mutuel	1 (from 6/15/06)	-1 resolved 12/1/06	
11/7/06			2 (from 11/7/06)-		
11/21/06	Valley	Pari-mutuel	3 (1 remains)	2 resolved 12/1/06	
1/15/07	Valley	Veterinary	2	2 resolved 3/15/07	3/15/07
1/31/07	Gulf	Veterinary	3	3 resolved 3/14/07	3/14/07
2/13/07	Gulf	Pari-mutuel	1		
2/28/07	Corpus Christi	Racing-Judges	1	1 resolved 4/28/07	4/28/07
2/28/07	Corpus Christi	Veterinary	3		
4/4/07	Lone Star	Pari-mutuel	0		
4/5/07	Valley	Executive	0		
4/5/07	Lone Star	Enforcement	1		
4/10/07	Lone Star	Racing Stewards	0		
4/11/07	Lone Star	Veterinary	0		
4/12/07	Manor	Executive	4		
4/25/07	Retama	Racing Stewards	0		
4/27/07	Retama	Enforcement	0		
5/1/07	Retama	Veterinary	0		



TEXAS RACING COMMISSION

**P. O. Box 12080
Austin, TX 78711-2080
(512) 833-6699
Fax (512) 833-6907**

April 17, 2007

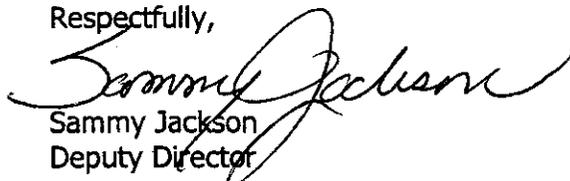
Diane Whiteley
Executive Director
Texas Greyhound Association
P.O. Box 40
Lorena, TX 76655-0040

Dear Ms. Whiteley:

Commission rule §303.102. (d) (2) states, annually the Executive Secretary shall establish a deadline by which the proposed allocation of the TGA cross-species purse money must be submitted for approval. Pursuant to the authority of the Executive Secretary under that rule, a deadline of 12:00pm, Monday, April 30, 2007 has been set for filing a proposed allocation of the TGA cross-species purse money collected for the period of May 1, 2007 thru April 30, 2008. The proposed allocation shall be added to the May 14, 2007 Commission Agenda for consideration and approval.

Should you have any questions or need any assistance with this issue, please call me at (512)-833-6699.

Respectfully,


Sammy Jackson
Deputy Director

Cc: Charla Ann King, Executive Secretary
Mark Fenner, General Counsel
John Ferrara, Director of Racing
Carol Olewin, Compliance Audit Administrator
Sally Briggs, Gulf Greyhound Park
Jacques Triplett, Corpus Christi Greyhound Race Track
Mike Vitek, Valley Race Park
Racetrack Files & Reading File



Texas Greyhound Association

Representing the Greyhound Breeding and Racing Industry in Texas

Mr. Sammy Jackson
Texas Racing Commission
PO Box 12080
Austin, Tx 78711-2080

May 2, 2007

Dear Sammy:

The Texas Racing Commission, pursuant to rule Sec. 303.102(d)(2), requested the Texas Greyhound Association to submit the proposed formula for allocation of interstate cross-species simulcasting purses received under §6.091(d)(2) of the Texas Racing Act for consideration by the Commissioners on the May 14 agenda.

As you know, we are in a critical period of the 2007 Texas legislative session which may involve greyhound racing. Also, Florida is in the final days of its legislative session which involves proposed changes with far-reaching effects on the greyhound racing industry, including ours here in Texas. Both of these sessions will be ending within weeks.

The TGA has also been advised of a Race Dates meeting in May, at which time we will be more able to gauge and assess the impact of the allocation of cross-species simulcasting purses for the remainder of 2007 and the first quarter of 2008.

Accordingly, the TGA respectfully requests that the current allocation of cross-species simulcasting purses, as follows, be kept in place until the Commission meeting subsequent to May 14.

FORMULA WHILE VRP RUNNING LIVE

The formula proposed to determine the allocation of purses, after allowable TGA administrative expenses, to the three greyhound tracks is as follows:

Horse handle at Gulf Greyhound Park (GGP)	\$ xx,xxx
Horse handle at Corpus Christi Greyhound Park (CCGT)	xx,xxx
Horse handle at Valley Race Park (VRP)	<u>xx,xxx</u>
Total horse handle all tracks	<u>\$xxx,xxx</u>

Post Office Box 40; Lorena, TX 76655-0040 * (254) 857-4377 * (254) 857-4299 Fax
Email: txga@texasgreyhoundassociation.com * Website: www.texasgreyhoundassociation.com

GGP horse handle/Total horse handle	xx%
CCGT horse handle/Total horse handle	xx%
VRP horse handle/Total horse handle	<u>xx%</u>
	<u>100%</u>

FORMULA WHILE VRP NOT RUNNING LIVE

For the period beginning after the last day of VRP's Fall 2006-Spring 2007 live meet, through the day preceding the beginning date of VRP's Fall 2007-Spring 2008 Meet, VRP will receive an amount equal to 55% of its share which is determined in the formula for the distribution of purse funds generated on wagering on greyhounds at Texas horse racetracks. For the same period, the remaining 45% will be divided between GGP and CCGT in proportion to each of those greyhound racetracks' respective share of horse handle at those racetracks.

Please contact me if you have questions or comments.

Sincerely,



Diane Whiteley
Executive Director

Cc: Sally Briggs
Jacques Triplett
Mike Vitek

Post Office Box 40, Lorena, TX 76655-0040 * (254) 857-4377 * (254) 857-4299 Fax
Email: txga@texasgreyhoundassociation.com * Website: www.texasgreyhoundassociation.com

CORPUS CHRISTI GREYHOUND RACE TRACK

P.O. Box 9087 • Corpus Christi, Texas 78469 • 512/289-9333 WATTS/800-510-RACE

May 4, 2007

Mr. Sammy Jackson
Deputy Director of Finance & Regulatory Control
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

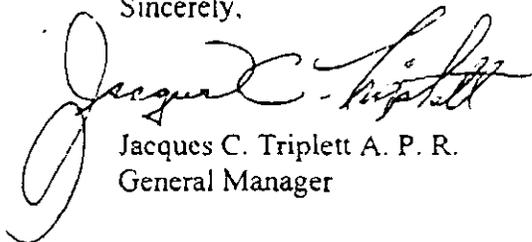
Dear Sammy,

As per your request this letter is to serve as the Corpus Christi Greyhound Race Tracks' agreement to the formula of allocation of purses of interstate cross species simulcast purses as devised by the Texas Greyhound Association (TGA).

We have always felt that the administration fee charged by the TGA of 20% is absorbent, and that the \$6000-\$7000 per week could better save the kennel purses in these racing depressed days. I have discussed this with Mrs. Whitely (Executive Director of the TGA) and she has expressed a willingness to ask her executive board to return to the 15% fee at an undisclosed date in the future.

As it now stands, Corpus Christi Greyhound Race Track agrees with the proposed formula as written in the TGA letter dated May 2, 2007.

Sincerely,



Jacques C. Triplett A. P. R.
General Manager



May 4, 2007

Sammy Jackson
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080
Fax #512-833-6907

VIA E-MAIL

Dear Mr. Jackson,

Please let this letter serve as Gulf Greyhound Park's request to follow the stipulations outlined in the letter from Diane Whitely of the Texas Greyhound Association to continue with the current formulas for the allocation of the interstate cross-species simulcasting purse funds.

Gulf Greyhound Park is in agreement that the formulas that are currently in place should be continued until the Texas Racing Commission meeting subsequent to May 14, 2007.

Thank you for your time on this matter and if you have any questions or concerns feel free to contact me at 409-986-9500 extension 2178.

Sincerely,

Scott Sherwood
Director of Pari-Mutuel Development - Gulf Greyhound Park

cc: Sally Briggs-GGP
Eric Wilson - TPM
Diane Whitely - TGA



May 3, 2007

Mr. Sammy Jackson
Deputy Director of Finance & Regulatory Control
Texas Racing Commission
P O Box 12080
Austin TX 78711-2080

Dear Sammy:

Valley Race Park is in agreement with the position of the Texas Greyhound Association expressed in Diane Whiteley's May 2, 2007 letter to you regarding the continuation of the current allocation of cross-species simulcasting purses.

Please contact me at 281.807.8809 with any questions.

Sincerely,

Michael J. Vitek
General Manager

cc: Robert Bork
Milt Roth

\\srp\home\lisa\email\mings\whiteley\MVITEK\2007\Letters\0503\rcga.doc

VALLEY RACE PARK INC.
2601 SOUTH ED CAREY DRIVE, HARLINGEN, TEXAS 78552
(956) 412-3-6 FAX
ww

GILLESPIE COUNTY FAIR

RACE MEET

Received TxRC

APR 05 2007

P.O. Box 526
Fredricksburg, TX 78624
Phone: 830-997-2359

Scott Sherwood
P.O. Box 488
La Marque, TX 77568
Phone: 409-986-8563
Fax: 409-986-6840

April 3, 2007

Charla Ann King
Executive Secretary
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

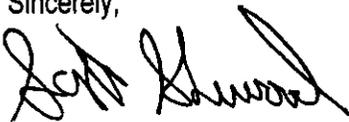
Dear Mrs. King,

Enclosed is the signed addendum between the Gillespie County Fair Association and United Tote that extends our current live meet tote contract through December 31, 2008. This addendum contains the updated language for Section 11.1 and the updated contact information for Section 11.2 that I discussed with Carol Olewin.

Please let this letter serve as our request for Texas Racing Commission approval of this addendum by having it placed on the agenda for the next Texas Racing Commission meeting.

I appreciate your time on this and please feel free to contact me at your convenience should you have any questions concerning this matter.

Sincerely,



Scott Sherwood

cc: GCFA



January 24, 2007

Received TxRC
JAN 24 2007

Ms. Charla Ann King
Executive Secretary
Texas Racing Commission
P.O. Box 12080
Austin, TX 78711-2080

Dear Ms. King:

This letter requests the addition of an agenda item for the next meeting of the Texas Racing Commission:

Request by Retama Park for approval of the amended totalizator contract between AmTote International, Inc. and Retama Development Corporation – Amendment Number 1 dated January 1, 2007.

Thank you for your consideration of this request. A copy of the above referenced amendment is enclosed. Again, thank you for your consideration.

Yours truly,

Lisa L. Medrano, CPA
Chief Financial Officer
Retama Entertainment Group, Inc. as agent for
Retama Development Corporation d.b.a. Retama Park

Enc.



May 2, 2007

Charla Ann King
Executive Director
Texas Racing Commission
P.O. Box 12080
Austin, Texas 78711-2080

Dear Charla Ann,

Pursuant to my April 13, 2007 letter, this is to request the Commission's approval to add myself to the Board of Sam Houston Race Park. This change would be effective upon approval of the Racing Commission. I have already provided all of the required information to the Commission and the Department of Public Safety. Please let me know if there is any additional information I should provide in support of this request.

Sincerely,

Robert L. Bork

RLB/jlc

6-1

Houston's Best Bet!

SAM HOUSTON RACE PARK, LTD.

7575 NORTH SAM HOUSTON PARKWAY WEST, HOUSTON, TEXAS 77064-3417, (281) 807-8700

Received TXRC
MAY 02 2007

April 30, 2007

VIA FACSIMILE: (512) 833-6907

Charla Ann King, Executive Director
Mark Fenner, General Counsel
Texas Racing Commission
8505 Cross Park Dr., Suite #110
Austin, Texas 78754

Re: In the Matter of an Application for a Class 2 Horse Racetrack License in Webb County, Texas; SOAH Docket No. 476-04-5361; TXRC 2004-R1-01

Dear Ms. King and Mr. Fenner:

Enclosed you will find Laredo Race Park LLC's Motion to Withdraw as a Party from one of the severed portions of the above-referenced case. Please note that the withdrawal relates to that portion of this contested proceeding now pending before the Texas Racing Commission relating to the Application filed by LRP Group, Ltd.

I hereby request that the attached Motion be placed on the Agenda for the Commission's May 14, 2007 meeting.

In connection with this matter, Laredo Race Park LLC states its support for the application filed by LRP Group, Ltd. Laredo Race Park LLC will not seek an appeal of the Commission's decision to issue LRP Group, Ltd. a Class 2 Horse Racetrack License in Webb County, either by filing a Motion for Rehearing relating to that decision, or by filing an appeal in any other form.

Respectfully submitted,



Rex D. VanMiddlesworth

Enclosures

cc: William J. Moltz
Jamie McNally

via fax and regular mail
via fax and regular mail

7-1

SOAH DOCKET NO. 476-04-5361

**IN THE MATTER OF AN
APPLICATION FOR A CLASS 2
HORSE RACETRACK LICENSE
IN WEBB COUNTY, TEXAS**

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*
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**TXRC 2004-R1-01
BEFORE THE TEXAS
RACING COMMISSION**

MOTION OF LAREDO RACE PARK LLC TO WITHDRAW AS A PARTY

Laredo Race Park LLC (Laredo Race Park), files this Motion to Withdraw as a Party relative to the portions of this matter relating to the Application of LRP Group, Ltd. (LRP Group), and in support thereof would respectfully show as follows:

This case consolidated consideration of the applications for a Class 2 Horse Racetrack License in Webb County, Texas as filed by LRP Group and Laredo Race Park. Both Applicants were Parties to the consolidated proceeding. On March 20, 2007, the Texas Racing Commission severed the proceeding into two proceedings with one relating to the Application of LRP Group and the other relating to the Application of Laredo Race Park.

By this Motion, Laredo Race Park seeks to withdraw as a party to that portion of this contested proceeding now pending before the Texas Racing Commission relating to the Application filed by LRP Group. Laredo Race Park supports the issuance of a Class 2 license in Webb County to LRP Group and will not appeal the issuance of a license to LRP Group in this proceeding. Laredo Race Park does not seek to withdraw as a party to that portion of this contested proceeding now pending before the Texas Racing Commission relating to its own Application.

ACCORDINGLY, Laredo Race Park prays that its request to withdraw as a Party to that portion of this contested proceeding now pending before the Texas Racing Commission relating

to the Application of LRP Group be granted, and for such further relief as it may show itself entitled.

Respectfully submitted,

ANDREWS KURTH LLP



Rex D. VanMiddlesworth
State Bar No. 20449400
Lino Mendiola III
State Bar No. 00791248
Meghan E. Griffiths
State Bar No. 24045983
111 Congress Avenue, Suite 1700
Austin, Texas 78701
(512) 320-9200
(512) 320-9292 (Fax)

ATTORNEYS FOR LAREDO RACE PARK LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded to the following counsel of record on this 30th day of April, 2007.

U.S. Mail and/or Hand Delivery:

William J. Moltz
Moltz Morton O'Toole LLP
106 East Sixth Street, Suite 700
Austin, Texas 78701

Mark Fenner
Rhonda Fritsche
Texas Racing Commission
8505 Cross Park Dr., Ste. 110
Austin, Texas 78711-2080



Rex D. VanMiddlesworth

MOLTZ | MORTON | O'TOOLE
LLP

William J. Moltz
(512) 439-2171
wmoltz@mmotlaw.com

Received TXRC
MAY 02 2007

The Littlefield Building
106 East 6th Street, Suite 700
Austin, TX 78701
(512) 439-2170
Facsimile (523) 439-2165

April 30, 2007

Charla Ann King, Commission Secretary
Mark Fenner, General Counsel
Texas Racing Commission
8505 Cross Park Dr., Suite #110
Austin, Texas 78754

Via Fax and U.S. Mail

RE: In the Matter of an Application for a Class 2 Horse Racetrack License in Webb County, Texas; SOAH Docket No. 476-04-5361; TXRC 2004-R1-01

Dear Ms. King and Mr. Fenner:

Enclosed you will find LRP Group, Ltd.'s Motion to Withdraw as a Party from one of the severed portions the above-referenced case. Please note that the withdrawal relates to that portion of this contested proceeding now pending before the Texas Racing Commission relating to the Application filed by Laredo Race Park, LLC.

I hereby request that the attached Motion be placed on the Agenda for the Commission's May 14, 2007 meeting.

In connection with this matter, LRP Group, Ltd. states its support for the application filed by Laredo Race Park, LLC. LRP Group, Ltd. will not seek an appeal of the Commission's decision to issue Laredo Race Park, LLC. a Class 2 Horse Racetrack License in Webb County, either by filing a Motion for Rehearing relating to that decision, or by filing an appeal in any other form.

Sincerely,



William J. Moltz
Counsel for LRP Group, Ltd.

Enclosures

cc: Rex Van Middlesworth (via fax and regular mail)
Rhonda Fritsche (via fax and regular mail)
Suzanne Marshall (via fax and regular mail)
Kerry Sullivan (via fax and regular mail)

SOAH DOCKET NO. 476-04-5361

**IN THE MATTER OF AN
APPLICATION FOR A CLASS 2
HORSE RACETRACK LICENSE
IN WEBB COUNTY, TEXAS
BY LRP GROUP, LTD.**

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**TXRC 2004-R1-01
BEFORE THE TEXAS
RACING COMMISSION**

MOTION OF LRP GROUP, LTD. TO WITHDRAW AS A PARTY

NOW COMES LRP Group, Ltd. and files this, its Motion to Withdraw as a Party relative to the portions of this matter relating to the Application of Laredo Race Park, LLC. and in support thereof would respectfully show as follows:

This case consolidated consideration of the applications for a Class 2 Horse Racetrack License in Webb County, Texas as filed by LRP Group, Ltd. and Laredo Race Park, LLC. Both Applicants were Parties to the consolidated proceeding. On March 20, 2007, the Texas Racing Commission severed the proceeding into two proceedings with one relating to the Application of LRP Group, Ltd and the other relating to the Application of Laredo Race Park, LLC .

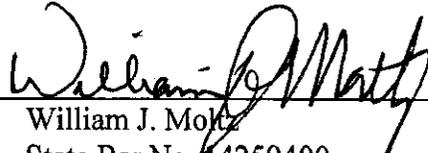
By this Motion, LRP Group, Ltd. seeks to withdraw as a party to that portion of this contested proceeding now pending before the Texas Racing Commission relating to the Application filed by Laredo Race Park, LLC. LRP Group, Ltd. supports the issuance of a Class 2 license in Webb County to Laredo Race Park, LLC and will not appeal the issuance of a license to Laredo Race Park, LLC in this proceeding. LRP Group, Ltd. does not seek to withdraw as a party to that portion of this contested proceeding now pending before the Texas Racing Commission relating to its own Application.

ACCORDINGLY, LRP Group, Ltd. prays that its request to withdraw as a Party to that portion of this contested proceeding now pending before the Texas Racing Commission relating to the Application of Laredo Race Park, LLC. be granted, and for such further relief as it may show itself entitled.

Respectfully submitted,

MOLTZ MORTON O'TOOLE L.L.P.
106 East Sixth Street, Suite 700
Austin, Texas 78701

(512) 439-2174 wk
(512) 439-2165 fax

By: 
William J. Moltz
State Bar No. 14259400
Janessa M. Glenn
State Bar No. 50511631

ATTORNEYS FOR APPLICANT,
LRP GROUP, LTD.

CERTIFICATE OF SERVICE

I hereby certify that on the 30th day of April, 2007, the foregoing was forwarded via the method specified to the following:

Charla Ann King, Executive Secretary *via fax and regular mail*
Mark Fenner, General Counsel
Rhonda Fritsche, Legal Counsel
Texas Racing Commission
8505 Cross Park Drive, Suite #110
Austin, Texas 78754
Facsimile: (512) 833-6907

Rex Van Middlesworth *via fax and regular mail*
Meghan Griffiths
Andrews Kurth
111 Congress Avenue, Suite 1700
Austin, Texas 78701
Facsimile: (512) 542-5218

The Honorable Suzanne Marshall *via fax and regular mail*
The Honorable Kerry D. Sullivan
Administrative Law Judges
State Office of Administrative Hearings
300 W. 15th Street, Suite 502
Austin, Texas 78701
Facsimile: (512) 475-4994

Note: Pages 7 – 14 of the Security Decisions are not included in this packet, as they contain only signature pages.

DRAFT

SOAH DOCKET NO. 476-04-5361

IN THE MATTER OF AN	§	TXRC 2004-R1-01
APPLICATION FOR A CLASS 2	§	
HORSE RACETRACK LICENSE	§	BEFORE THE
IN WEBB COUNTY, TEXAS	§	
BY LAREDO RACE PARK, LLC	§	TEXAS RACING COMMISSION

DECISION OF THE COMMISSION

On May 14, 2007, the Texas Racing Commission met in open meeting and considered the issue of security requirements of Laredo Race Park, LLC, pursuant to § 6.04 of the Texas Racing Act, Tex. Rev. Civ. Stat. Art. 179e, and Commission Rule 309.6. The Staff of the Texas Racing Commission and representatives of Laredo Race Park, LLC, presented this Order for the submission of adequate security to ensure compliance with the Act and the rules of the Commission. After considering the Staff's recommendations and the comments of Laredo Race Park, LLC, the Commission enters the following Findings of Fact, Conclusions of Law, and Order:

FINDINGS OF FACT

1. § 6.04 of the Texas Racing Act requires each association to post security in an amount determined by the Commission to adequately ensure the association's compliance with the Act and rules of the Commission. The security is to be returned to the association when the conditions of the security have been satisfied.

2. Commission Rule 309.6 requires an applicant for a racetrack license to post security in an amount determined by the Commission to adequately ensure the association's compliance with the Act and the Rules and the association's completion of the racetrack facilities and the start of racing on the date approved by the Commission. The amount of the

security must be reasonable in relation to the amount of revenue that will be lost if the association fails to start racing on the date approved by the Commission.

3. Commission Rule 309.6 requires that security be posted no later than 10 business days after the Commission's order issuing a racetrack license to an applicant becomes final and unappealable.

4. The Commission finds that the opening of the association's racetrack and simulcast facility by the scheduled opening days are conditions the security is intended to secure.

5. Adequate funding for the construction of the Laredo Race Park racetrack and simulcast facility is available to Laredo Race Park, LLC.

6. The date on which Laredo Race Park's racetrack will be ready for live racing may be reasonably estimated to be no later than July 1, 2009.

7. Laredo Race Park, LLC, has proposed to conduct live racing 30 days per year.

8. Laredo Race Park, LLC, has proposed that the annual live handle at Laredo Race Park will be approximately \$4,950,000.

9. If Laredo Race Park, LLC, fails to conduct live racing on the scheduled opening date as subsequently approved by the Commission, \$983 in revenue to the Accredited Texas Bred Incentive Program will be lost for each day of live racing that is not conducted due to the failure to open timely.

10. The live racing fee for a Class 2 horse racing association is established under Commission Rule 309.8, and is currently set at \$2,075 per day.

11. The opening date for Laredo Race Park's simulcast facility may be reasonably estimated to be no later than January 1, 2009.

12. Laredo Race Park, LLC, has proposed to conduct simulcast racing 364 days per year.

13. Laredo Race Park, LLC, has proposed that the annual simulcast handle at Laredo Race Park will be approximately \$24,224,200.

14. If Laredo Race Park, LLC, fails to begin conducting simulcast racing on the scheduled opening date, \$468 in revenue to the Accredited Texas Bred Incentive Program will be lost for each day of simulcasting that is not conducted due to the failure to open timely.

15. If Laredo Race Park, LLC, fails to begin conducting simulcast racing on the scheduled opening date, \$665 in revenue to the state's general revenue fund will be lost for each day of simulcasting that is not conducted due to the failure to open timely.

16. The simulcast fee for a Class 2 horse racetrack is established under Commission Rule 309.8, and is currently set at \$410 per day.

17. The Texas Racing Commission will incur costs in reviewing the construction plans, monitoring the construction, and inspecting the completed facilities of Laredo Race Park.

CONCLUSIONS OF LAW

1. The Texas Racing Commission has jurisdiction over this matter under § 3.02 and § 6.04 of the Texas Racing Act, Tex. Rev. Civ. Stat. Art. 179e. All notice and hearing requirements have been met.

2. Because Laredo Race Park, LLC, has adequate funding to construct Laredo Race Park, the Commission and Laredo Race Park, LLC, may reasonably estimate the dates by which Laredo Race Park will begin conducting simulcast racing and be capable of conducting live racing.

3. It is in the best interest of racing to require Laredo Race Park, LLC to provide the security required by § 6.04 of the Texas Racing Act and Commission Rule 309.6.

It is the intent of the Commission that Findings of Fact that are properly Conclusions of Law and Conclusions of Law that are properly Findings of Fact be so construed.

ORDER

It is therefore ORDERED that on or before June 18, 2007, Laredo Race Park, LLC, must submit \$140,000 in approved security to the Commission in any form authorized by § 6.04 of the Texas Racing Act, Tex. Rev. Civ. Stat. Art. 179e.

It is further ORDERED that on or before July 1, 2008, Laredo Race Park, LLC, shall request live race dates for calendar year 2009 in accordance with Commission Rule 303.41.

The first live race date granted by the Commission shall constitute the Opening Day for Live Racing for purposes of this Order.

It is further ORDERED that if Laredo Race Park, LLC, fails to open on the scheduled Opening Day for Live Racing, \$1,190.50 of the security shall be forfeited for each live race date that is not run due to the failure to open timely, with \$983 of that amount to be deposited in the Commission's General Revenue Dedicated Account for live wagering pools and breakage for the Accredited Texas Bred Incentive Programs, and \$207.50, constituting ten percent (10%) of the live racing fee, to be deposited in the Texas Racing Commission Fund to compensate for costs incurred by the Commission.

It is further ORDERED that if Laredo Race Park, LLC, fails to begin conducting simulcast racing by January 1, 2009, \$1,174 of the security shall be forfeited for each simulcast race date that is not run due to the failure to open timely, with \$468 of that amount to be deposited in the Commission's General Revenue Dedicated Account for simulcast wagering pools and breakage for the Accredited Texas Bred Incentive Programs, \$665 of that amount to be deposited in the State of Texas' General Revenue Fund as lost revenue to the state, and \$41, constituting ten percent (10%) of the simulcast fee, to be deposited in the Texas Racing Commission Fund to compensate for costs incurred by the Commission.

It is further ORDERED that the required security shall not be subject to forfeiture under this Order if the delay in performing is caused by conditions such as, but not limited to, natural disasters, war, riots, crime, or any other emergency beyond the control of Laredo Race Park, LLC.

It is further ORDERED that after Laredo Race Park, LLC, completes its initial live race meeting, the Commission shall return the remaining security to the association.

It is further ORDERED that the Commission expressly retains jurisdiction over this matter until such time as Laredo Race Park, LLC, completes its initial live race meeting.

This Order takes effect on the date it is entered.

Signed the _____ day of _____, 2007.

R. Dyke Rogers, Chair
Texas Racing Commission

ENTERED AND FILED THIS _____ day of _____, 2007.

DRAFT

SOAH DOCKET NO. 476-04-5361

**IN THE MATTER OF AN
APPLICATION FOR A CLASS 2
HORSE RACETRACK LICENSE
IN WEBB COUNTY, TEXAS
BY LRP GROUP, LTD.**

§
§
§
§
§

**TXRC 2004-R1-01
BEFORE THE
TEXAS RACING COMMISSION**

DECISION OF THE COMMISSION

On May 14, 2007, the Texas Racing Commission met in open meeting and considered the issue of security requirements of LRP Group, Ltd., pursuant to § 6.04 of the Texas Racing Act, Tex. Rev. Civ. Stat. Art. 179e, and Commission Rule 309.6. The Staff of the Texas Racing Commission and representatives of LRP Group, Ltd., presented this Order for the submission of adequate security to ensure compliance with the Act and the rules of the Commission. After considering the Staff's recommendations and the comments of LRP Group, Ltd., the Commission enters the following Findings of Fact, Conclusions of Law, and Order:

FINDINGS OF FACT

1. § 6.04 of the Texas Racing Act requires each association to post security in an amount determined by the Commission to adequately ensure the association's compliance with the Act and rules of the Commission. The security is to be returned to the association when the conditions of the security have been satisfied.

2. Commission Rule 309.6 requires an applicant for a racetrack license to post security in an amount determined by the Commission to adequately ensure the association's compliance with the Act and the Rules and the association's completion of the racetrack facilities and the start of racing on the date approved by the Commission. The amount of the

security must be reasonable in relation to the amount of revenue that will be lost if the association fails to start racing on the date approved by the Commission.

3. Commission Rule 309.6 requires that security be posted no later than 10 business days after the Commission's order issuing a racetrack license to an applicant becomes final and unappealable.

4. The Commission finds that the opening of the association's racetrack and simulcast facility by the scheduled opening days are conditions the security is intended to secure.

5. Adequate funding for the construction of the Laredo Downs racetrack and simulcast facility is available to LRP Group, Ltd.

6. The date on which Laredo Downs' racetrack will be ready for live racing may be reasonably estimated to be no later than July 1, 2009.

7. LRP Group, Ltd., has proposed to conduct live racing 27 days per year.

8. LRP Group, Ltd., has proposed that the annual live handle at Laredo Downs will be approximately \$3,442,250.

9. If LRP Group, Ltd., fails to conduct live racing on the scheduled opening date as subsequently approved by the Commission, \$760 in revenue to the Accredited Texas Bred Incentive Program will be lost for each day of live racing that is not conducted due to the failure to open timely.

10. The live racing fee for a Class 2 horse racing association is established under Commission Rule 309.8, and is currently set at \$2,075 per day.

11. The opening date for Laredo Downs' simulcast facility may be reasonably estimated to be no later than January 1, 2009.

12. LRP Group, Ltd., has proposed to conduct simulcast racing 364 days per year.

13. LRP Group, Ltd., has proposed that the annual simulcast handle at Laredo Downs will be approximately \$25,225,200.

14. If LRP Group, Ltd., fails to begin conducting simulcast racing on the scheduled opening date, \$503 in revenue to the Accredited Texas Bred Incentive Program will be lost for each day of simulcasting that is not conducted due to the failure to open timely.

15. If LRP Group, Ltd., fails to begin conducting simulcast racing on the scheduled opening date, \$693 in revenue to the state's general revenue fund will be lost for each day of simulcasting that is not conducted due to the failure to open timely.

16. The simulcast fee for a Class 2 horse racetrack is established under Commission Rule 309.8, and is currently set at \$410 per day.

17. The Texas Racing Commission will incur costs in reviewing the construction plans, monitoring the construction, and inspecting the completed facilities of Laredo Downs.

CONCLUSIONS OF LAW

1. The Texas Racing Commission has jurisdiction over this matter under § 3.02 and § 6.04 of the Texas Racing Act, Tex. Rev. Civ. Stat. Art. 179e. All notice and hearing requirements have been met.

2. Because LRP Group, Ltd., has adequate funding to construct Laredo Downs, the Commission and LRP Group, Ltd., may reasonably estimate the dates by which Laredo Downs will begin conducting simulcast racing and be capable of conducting live racing.

3. It is in the best interest of racing to require LRP Group, Ltd. to provide the security required by § 6.04 of the Texas Racing Act and Commission Rule 309.6.

It is the intent of the Commission that Findings of Fact that are properly Conclusions of Law and Conclusions of Law that are properly Findings of Fact be so construed.

ORDER

It is therefore ORDERED that on or before May 28, 2007, LRP Group, Ltd., must submit \$140,000 in approved security to the Commission in any form authorized by § 6.04 of the Texas Racing Act, Tex. Rev. Civ. Stat. Art. 179e.

It is further ORDERED that on or before July 1, 2008, LRP Group, Ltd., shall request live race dates for calendar year 2009 in accordance with Commission Rule 303.41. The first live race date granted by the Commission shall constitute the Opening Day for Live Racing for purposes of this Order.

It is further ORDERED that if LRP Group, Ltd., fails to open on the scheduled Opening Day for Live Racing, \$967.50 of the security shall be forfeited for each live race date that is not run due to the failure to open timely, with \$760 of that amount to be deposited in the Commission's General Revenue Dedicated Account for live wagering pools and breakage for the Accredited Texas Bred Incentive Programs, and \$207.50, constituting ten percent (10%) of the live racing fee, to be deposited in the Texas Racing Commission Fund to compensate for costs incurred by the Commission.

It is further ORDERED that if LRP Group, Ltd., fails to begin conducting simulcast racing by January 1, 2009, \$1,237 of the security shall be forfeited for each simulcast race date that is not run due to the failure to open timely, with \$503 of that amount to be deposited in the Commission's General Revenue Dedicated Account for simulcast wagering pools and breakage for the Accredited Texas Bred Incentive Programs, \$693 of that amount to be deposited in the State of Texas' General Revenue Fund as lost revenue to the state, and \$41, constituting ten percent (10%) of the simulcast fee, to be deposited in the Texas Racing Commission Fund to compensate for costs incurred by the Commission.

It is further ORDERED that the required security shall not be subject to forfeiture under this Order if the delay in performing is caused by conditions such as, but not limited to, natural disasters, war, riots, crime, or any other emergency beyond the control of LRP Group, Ltd.

It is further ORDERED that after LRP Group, Ltd., completes its initial live race meeting, the Commission shall return the remaining security to the association.

It is further ORDERED that the Commission expressly retains jurisdiction over this matter until such time as LRP Group, Ltd., completes its initial live race meeting.

This Order takes effect on the date it is entered.

Signed the _____ day of _____, 2007.

R. Dyke Rogers, Chair
Texas Racing Commission

ENTERED AND FILED THIS _____ day of _____, 2007.

DRAFT

**IN THE MATTER OF AN
APPLICATION FOR A CLASS 2
HORSE RACETRACK LICENSE
IN HIDALGO COUNTY, TEXAS
BY VALLE DE LOS TESOROS, LTD.**

§
§
§
§
§

**BEFORE THE
TEXAS RACING COMMISSION**

DECISION OF THE COMMISSION

On May 14, 2007, the Texas Racing Commission met in open meeting and considered the issue of security requirements of Valle de los Tesoros, Ltd., pursuant to § 6.04 of the Texas Racing Act, Tex. Rev. Civ. Stat. Art. 179e, and Commission Rule 309.6. The Staff of the Texas Racing Commission and representatives of Valle de los Tesoros, Ltd., presented this Order for the submission of adequate security to ensure compliance with the Act and the rules of the Commission. After considering the Staff's recommendations and the comments of Valle de los Tesoros, Ltd., the Commission enters the following Findings of Fact, Conclusions of Law, and Order:

FINDINGS OF FACT

1. § 6.04 of the Texas Racing Act requires each association to post security in an amount determined by the Commission to adequately ensure the association's compliance with the Act and rules of the Commission. The security is to be returned to the association when the conditions of the security have been satisfied.

2. Commission Rule 309.6 requires an applicant for a racetrack license to post security in an amount determined by the Commission to adequately ensure the association's compliance with the Act and the Rules and the association's completion of the racetrack facilities and the start of racing on the date approved by the Commission. The amount of the

security must be reasonable in relation to the amount of revenue that will be lost if the association fails to start racing on the date approved by the Commission.

3. Commission Rule 309.6 requires that security be posted no later than 10 business days after the Commission's order issuing a racetrack license to an applicant becomes final and unappealable.

4. The Commission finds that the opening of the association's racetrack and simulcast facility by the scheduled opening days are conditions the security is intended to secure.

5. Adequate funding for the construction of the Valle de los Tesoros racetrack and simulcast facility is available to Valle de los Tesoros, Ltd.

6. The date on which Valle de los Tesoros' racetrack will be ready for live racing may be reasonably estimated to be no later than July 1, 2009.

7. Valle de los Tesoros, Ltd., has proposed to conduct live racing 18 days per year.

8. Valle de los Tesoros, Ltd., has proposed that the annual live handle at Valle de los Tesoros will be approximately \$2,247,500.

9. If Valle de los Tesoros, Ltd., fails to conduct live racing on the scheduled opening date as subsequently approved by the Commission, \$744 in revenue to the Accredited Texas Bred Incentive Program will be lost for each day of live racing that is not conducted due to the failure to open timely.

10. The live racing fee for a Class 2 horse racing association is established under Commission Rule 309.8, and is currently set at \$2,075 per day.

11. The opening date for Valle de los Tesoros' simulcast facility may be reasonably estimated to be no later than January 1, 2009.

12. Valle de los Tesoros, Ltd., has proposed to conduct simulcast racing 364 days per year.

13. Valle de los Tesoros, Ltd., has proposed that the annual simulcast handle at Valle de los Tesoros will be approximately \$37,876,000.

14. If Valle de los Tesoros, Ltd., fails to begin conducting simulcast racing on the scheduled opening date, \$731 in revenue to the Accredited Texas Bred Incentive Program will be lost for each day of simulcasting that is not conducted due to the failure to open timely.

15. If Valle de los Tesoros, Ltd., fails to begin conducting simulcast racing on the scheduled opening date, \$1,040 in revenue to the state's general revenue fund will be lost for each day of simulcasting that is not conducted due to the failure to open timely.

16. The simulcast fee for a Class 2 horse racetrack is established under Commission Rule 309.8, and is currently set at \$410 per day.

17. The Texas Racing Commission will incur costs in reviewing the construction plans, monitoring the construction, and inspecting the completed facilities of Valle de los Tesoros.

CONCLUSIONS OF LAW

1. The Texas Racing Commission has jurisdiction over this matter under § 3.02 and § 6.04 of the Texas Racing Act, Tex. Rev. Civ. Stat. Art. 179e. All notice and hearing requirements have been met.

2. Because Valle de los Tesoros, Ltd., has adequate funding to construct Valle de los Tesoros, the Commission and Valle de los Tesoros, Ltd., may reasonably estimate the dates by which Valle de los Tesoros will begin conducting simulcast racing and be capable of conducting live racing.

3. It is in the best interest of racing to require Valle de los Tesoros, Ltd. to provide the security required by § 6.04 of the Texas Racing Act and Commission Rule 309.6.

It is the intent of the Commission that Findings of Fact that are properly Conclusions of Law and Conclusions of Law that are properly Findings of Fact be so construed.

ORDER

It is therefore ORDERED that on or before May 28, 2007, Valle de los Tesoros, Ltd., must submit \$180,000 in approved security to the Commission in any form authorized by § 6.04 of the Texas Racing Act, Tex. Rev. Civ. Stat. Art. 179e.

It is further ORDERED that on or before July 1, 2008, Valle de los Tesoros, Ltd., shall request live race dates for calendar year 2009 in accordance with Commission Rule 303.41.

The first live race date granted by the Commission shall constitute the Opening Day for Live Racing for purposes of this Order.

It is further ORDERED that if Valle de los Tesoros, Ltd., fails to open on the scheduled Opening Day for Live Racing, \$951.50 of the security shall be forfeited for each live race date that is not run due to the failure to open timely, with \$744 of that amount to be deposited in the Commission's General Revenue Dedicated Account for live wagering pools and breakage for the Accredited Texas Bred Incentive Programs, and \$207.50, constituting ten percent (10%) of the live racing fee, to be deposited in the Texas Racing Commission Fund to compensate for costs incurred by the Commission.

It is further ORDERED that if Valle de los Tesoros, Ltd., fails to begin conducting simulcast racing by January 1, 2009, \$1,812 of the security shall be forfeited for each simulcast race date that is not run due to the failure to open timely, with \$731 of that amount to be deposited in the Commission's General Revenue Dedicated Account for simulcast wagering pools and breakage for the Accredited Texas Bred Incentive Programs, \$1,040 of that amount to be deposited in the State of Texas' General Revenue Fund as lost revenue to the state, and \$41, constituting ten percent (10%) of the simulcast fee, to be deposited in the Texas Racing Commission Fund to compensate for costs incurred by the Commission.

It is further ORDERED that the required security shall not be subject to forfeiture under this Order if the delay in performing is caused by conditions such as, but not limited to, natural disasters, war, riots, crime, or any other emergency beyond the control of Valle de los Tesoros, Ltd.

It is further ORDERED that after Valle de los Tesoros, Ltd., completes its initial live race meeting, the Commission shall return the remaining security to the association.

It is further ORDERED that the Commission expressly retains jurisdiction over this matter until such time as Valle de los Tesoros, Ltd., completes its initial live race meeting.

This Order takes effect on the date it is entered.

Signed the _____ day of _____, 2007.

R. Dyke Rogers, Chair
Texas Racing Commission

ENTERED AND FILED THIS _____ day of _____, 2007.



April 13, 2007

Received TxRC
APR 18 2007

Mr. John Ferrara
Director of Racing
Texas Racing Commission
P.O. Box 12080
Austin, Tx 78771-2080

Dear John:

This letter provides requested 2007 Thoroughbred race dates for Retama Park. We propose a 32 day Thoroughbred race meeting with racing offered on Thursday, Friday and Saturday.

We request that an item be placed on the May 14, 2007 Texas Racing Commission agenda for consideration of these race dates together with an item calling for a change in Sam Houston Race Park's race dates. The Retama race date request is subject to the Commission's approval of a transfer of 12 days and \$500,000 in purse funds from Sam Houston Race Park. Attached is a letter whereby Sam Houston Race Park agrees to the transfer.

Please let me know if you have any questions.

Yours truly,

Bryan P. Brown
Chief Executive Officer

cc: Tommy Azopardi
Terry Blanton
Bob Bork
David Hooper
Tooter Jordan

Howard Phillips
Scott Sherwood
Drew Shubeck
Rob Werstler



April 3, 2007

Mr. Robert Bork
Vice Chairman
Sam Houston Race Park
7575 North Sam Houston Pkwy West
Houston, Tx 77064

Dear Bob:

Please confirm by signature below that Sam Houston Race Park has agreed to transfer 12 2007 Thoroughbred race dates and \$500,000 in purse funds to Retama Park. The purse funds shall be transferred on or before June 30, 2007.

The specific days transferred in 2007 are October 25, 26 and 27 and November 1, 2, 3, 8, 9, 10, 15, 16 and 17.

Thanks,

Bryan P. Brown
Chief Executive Officer

Agreed and Accepted:

Robert L. Bork
Sam Houston Race Park, Ltd.

TEXAS RACING COMMISSION

REQUEST FOR LIVE RACE DATES

HORSE RACETRACKS - 2007

INSTRUCTIONS: Print or type the information requested in each section and attach all required documents and additional sheets if necessary. The Commission will not consider an incomplete request. The request must be filed at the Commission's Austin office no later than 5:00 p.m. on Monday, July 1, 2007.

I. Schedule Requested

Name of Racetrack:

RETAMA PARK

First Meet

Opening Day: 9/7/07

Closing Day: 11/17/07

Thoroughbred - # of races per day – 9 + 2 Arab. Per Week

Quarter Horse - # of races per day _____

Mixed - # of races per day: T _____ Minor

Total number of days: 32

Second Meet (if applicable)

Opening Day: __/__/__

Closing Day: __/__/__

Thoroughbred - # of races per day _____

Quarter Horse - # of races per day _____

Mixed - # of races per day: T __ QH__

Total number of days:

II. Negotiation with Breed Registries

Specify how the total races scheduled for 2006 will be allocated among the various breeds:

Appaloosa _____%

Quarter Horse _____%

Arabian

Thoroughbred

7%

93%

Paint _____%

Check all that apply:

Attached are letters from the affected breed registries that have agreed to this allocation.

The _____ breed registry(ies) has not agreed to this allocation, but negotiations with the breed registry(ies) occurred as described below:

Participants in Negotiations

- / / _____ Bob Bork, Sam Houston Race Park
- / / _____ Ed Wilson, TABA
- / / _____ Drew Shubeck, Lone Star
- / / _____ Tommy Azopardi, Texas Horsemen's Partnership
- / / _____ Dave Hooper, Texas Thoroughbred Association
- / / _____ Terry Blanton, Texas Horsemen's Partnership

III. Dates Requested

Indicate on the attached calendar each live race date requested with a "T" (Thoroughbred), "QH" (Quarter Horse), or "M" (Mixed). Include standard post time in space provided on calendar. Any exceptions, such as holidays, should be noted.

IV. Charity Days

Indicate which days are designated as charity days:

DESIGNATED BY RULE

(1) A charity that directly benefits the persons who work on the backside:

9/13/2007

R.T.C.A. South Texas Chapter

(2) A charity that primarily benefits research into the health or safety of race animals:

9/27/2007

Texas A&M University Equine Research

For each charity listed, attach the following information:

1. A brief description of the activities or purposes of the charity
2. The name and address of each individual who serves as an officer or director
3. A copy of an I.R.S. letter of determination that qualifies the charity as an exempt organization for federal income tax purposes

V. Certificate of Service

I hereby certify that on April 16th, 2007, a true and correct copy of this request was sent to the persons listed below by:

Certified Mail R.R.R. Regular Mail Facsimile Hand Delivery

Robert W. Fallock
Signature

GM.

Title

Austin Jockey Club
c/o Bryan Brown, Vice President
P. O. Box 47535
San Antonio, TX 78265

Gillespie County Fair & Festivals Assn.
c/o Ronnie Ersch, General Manager
P. O. Box 526
Fredericksburg, Texas 78624

Saddle Brook Park, Inc.
c/o Drew Alexander, President
P. O. Box 50597
Amarillo, TX 79159

Manor Downs
c/o Howard Phillips, CEO
P. O. Box 141309
Austin, Texas 78714

Lone Star Park at Grand Prairie
c/o Drew Shubeck, General Manager
1000 Lone Star Parkway
Grand Prairie, TX 75050

Retama Park
c/o Bryan Brown, CEO
P. O. Box 47535
San Antonio, TX 78265

Sam Houston Race Park
c/o Bob Bork, Senior Vice President & General Manager
7575 N Sam Houston Parkway West
Houston, Texas 77064

RETAMA PARK
Proposed Race Dates --- 2007

Thoroughbred Meet

Week	Dates
1	September 7, 8
2	September 13, 14, 15
3	September 20, 21, 22
4	September 27, 28, 29
5	October 4, 5, 6
6	October 11, 12, 13
7	October 18, 19, 20
8	October 25, 26, 27
9	November 1, 2, 3
10	November 8, 9, 10
11	November 15, 16, 17

Total Thoroughbred Days --32

Retama Park

(Name of Racetrack)

Requested Live Race Dates for 2007

SEPTEMBER						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3 Labor Day	4	5	6	7 T 6:45	8 T 6:45
9	10	11	12	13 Rosh Hashanah T 6:45	14 T 6:45	15 T 6:45
16	17	18	19	20 T 6:45	21 T 6:45	22 Yom Kippur T 6:45
23	24	25	26	27 T 6:45	28 T 6:45	29 T 6:45
30						

OCTOBER						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4 T 6:45	5 T 6:45	6 T 6:45
7	8 Columbus Day	9	10	11 T 6:45	12 T 6:45	13 T 6:45
14	15	16	17	18 T 6:45	19 T 6:45	20 T 6:45
21	22	23	24	25 T 6:45	26 Breeders' T Cup 5:00	27 Breeders' T Cup 5:00
28	29	30	31			

The date for Breeders' Cup in 2007 Friday 10-26 & Saturday 10-27

NOVEMBER						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 T 6:45	2 T 6:45	3 T 6:45
4 Daylight Saving Time Ends	5	6	7	8 T 6:45	9 T 6:45	10 T 6:45
11 Veterans' Day	12	13	14	15 T 6:45	16 T 6:45	17 T 6:45
18	19	20	21	22 Thanksgiving	23	24
25	26	27	28	29	30	



Received TxRC

MAY 01 2007

April 30, 2007

Charla Ann King
Executive Secretary
Texas Racing Commission
8505 Cross Park Drive
Suite 110
Austin, Texas 78754

Dear Charla Ann,

Sam Houston Race Park requests that the following item be placed on the agenda of the May 14, 2007 Texas Racing Commission meeting:

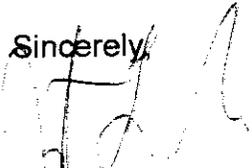
Request by Sam Houston Race Park for a Change in 2007 Race Dates.

Specifically, Sam Houston would like to return the following dates back to Retama – October 26, 27, and 28 and November 2, 3, 4, 9, 10, 11, 16, 17, and 18 of its Thoroughbred meet in order to accommodate the dates applied for by Retama Park.

Please let me know if you have any questions with regard to this request.

Thanks.

Sincerely,



Robert L. Bork
Vice Chairman

RLB/jlc

9-7

Houston's Best Bet!

SAM HOUSTON RACE PARK, LTD.

2875 NORTH SAM HOUSTON PARKWAY WEST, HOUSTON, TEXAS 77064-3417, (281) 807-6700

PREAMBLE

The Texas Racing Commission proposes an amendment to § 309.6, Security for Compliance. The section proposed for amendment relates to the security that racetrack associations must post under § 6.04(b) of the Act. The purpose of the security is to ensure that associations complete their racetrack facilities and start racing on the date approved by the Commission.

The change will clarify that § 6.04(b) of the Texas Racing Act allows the Commission to require security from both new and existing racetrack associations. The change will enable the Commission to require security from an existing association that does not have a racetrack facility and that does not have security currently posted. The change will also enable the Commission to require security from an existing licensee that does have a racetrack facility, but that did not conduct live racing in the previous calendar year and does not have security currently posted.

The change will not require security from an association that does have a racetrack facility and that did conduct live racing in the previous calendar year.

The change will establish criteria that the agency will consider in determining the amount of the required security. These criteria include the amounts of revenue that will be lost to the state's general revenue fund, to the Texas Bred Incentive Programs, and to the Commission's general revenue dedicated accounts if simulcast and live racing do not begin on the dates approved by the Commission.

The change clarifies that any interest earned on security posted as United States Treasury Bonds or through irrevocable assignments of federally insured deposits will remain the property of the association.

The change requires the forfeiture of such amounts as appropriate for the amount of revenue lost to the state's general revenue fund and to the Texas Bred Incentive Programs should an association fail to conduct simulcast racing by the date approved by the Commission.

The change requires the forfeiture of such amounts as appropriate for the amount of revenue lost to the state's

general revenue fund and to the Texas Bred Incentive Programs should an association fail to conduct live racing by the date approved by the Commission.

The change clarifies that any portion of the security may be forfeited to the Commission for any accrued fees, penalties or interest owed by the association.

The change clarifies that any remaining security will be returned to the association after the association completes its first live race meet.

The amendments are proposed under the Texas Civil Statutes, Article 179e, §§ 3.02 and 3.021, which authorizes the Commission to make rules relating to all aspects of greyhound and horse racing, and § 6.04(b), which requires applicants to post security to ensure compliance with the Act and the Rules of the Commission.

1 **PROPOSED RULE**

2 Rule 309.6 - Order for Security for Compliance

3 (a) An association must post security in an amount
4 determined by the Commission to adequately ensure:

5 (1) the association's compliance with the Act
6 and the Rules;

7 (2) the association's completion of the racetrack
8 facilities on or before the date approved by the
9 Commission;

10 (3) the start of simulcast racing on or before the
11 date approved by the Commission; and

12 (4) the start of live racing on or before the date
13 approved by the Commission.

14 ~~Not later than 10 business days after the Commission's~~
15 ~~order issuing a racetrack license to an applicant under~~
16 ~~this chapter becomes final and unappealable, the applicant~~
17 ~~must post security in an amount determined by the~~
18 ~~Commission to adequately ensure the association's~~
19 ~~compliance with the Act and the Rules and the~~
20 ~~association's completion of the racetrack facilities and~~
21 ~~the start of racing on the date approved by the Commission.~~
22 ~~The amount of the security must be reasonable in relation~~
23 ~~to the amount of revenue that will be lost if the~~

1 ~~association fails to start racing on the date approved by~~
2 ~~the Commission.~~

3 (b) Not later than 10 business days after the Commission
4 issues its security order, the association must submit the
5 security amount as directed. Cash, cashier's checks, surety
6 bonds, irrevocable bank letters of credit, United States
7 Treasury bonds that are readily convertible to cash, or
8 irrevocable assignments of federally insured deposits in
9 banks, savings and loan institutions, and credit unions are
10 acceptable as security for purposes of this section.

11
12 (c) If an association has not posted security, either
13 because the Commission did not originally require the
14 association to post security or because the association has
15 already forfeited its security, and the association has not
16 completed its racetrack facilities or has failed to conduct
17 live racing in the previous calendar year, the Commission
18 may:

19 (1) approve a new date by which the association must
20 complete its racetrack facilities;

21 (2) approve a date by which the association must begin
22 simulcast racing;

1 (3) approve a date by which the association must begin
2 live racing; and

3 (4) require the association to post security in amount
4 determined by the Commission. ~~If an association fails to~~
5 start racing on the date approved by the Commission, the
6 Commission may forfeit any portion of the security that is
7 appropriate for the amount of revenue lost due to the
8 failure to start racing.

9
10 (d) In determining the amount of the security that the
11 association shall post, the Executive Secretary shall
12 prepare a security estimate proposal to be submitted to the
13 Commission for consideration. In preparing the security
14 estimate proposal the Executive Secretary shall:

15 (1) make security estimate calculations using
16 wagering and operations data from:

17 (A) the association's application if the site
18 location is the same as that provided in the
19 original application, or

20 (B) updated data provided by the association at
21 the request of the Executive Secretary if the
22 site location is different from that included
23 within the original application.

1 (2) make security estimate calculations based on the
2 following criteria:

3 (A) pari-mutuel tax due the general revenue fund
4 from live wagering pools;

5 (B) pari-mutuel tax due the general revenue fund
6 from simulcast same species wagering pools,

7 (C) pari-mutuel tax due the general revenue fund
8 from simulcast cross-species wagering pools,

9 (D) the Racing Commission's general revenue
10 dedicated account from live wagering pools and
11 breakage;

12 (E) Texas Bred Incentive Program funds due the
13 Racing Commission's general revenue dedicated
14 account from simulcast same species wagering
15 pools and breakage;

16 (F) Texas Bred Incentive Program funds due the
17 Racing Commission's general revenue dedicated
18 account from simulcast cross-species wagering
19 pools and breakage;

20 (G) race day fees due the Racing Commission's
21 general revenue dedicated account from live
22 wagering as detailed under Section 309.8
23 Racetrack License Fee Subsection (b); and

1 (H) race day fees due the Racing Commission's
2 general revenue dedicated account from simulcast
3 wagering as detailed under Section 309.8
4 Racetrack License Fee subsection.

5 ~~After the association begins racing, the Commission~~
6 ~~shall return the remaining security to the association.~~

7

8 (e) Cash, cashier's checks, surety bonds, irrevocable
9 bank letters of credit, United States Treasury bonds that
10 are readily convertible to cash, or irrevocable assignments
11 of federally insured deposits in banks, savings and loan
12 institutions, and credit unions are acceptable as security
13 for purposes of this section. Interest earned on a United
14 States Treasury bond or on an irrevocable assignment of a
15 federally insured deposit is not subject to the assignment
16 and remains the property of the association.

17

18 (f) If an association fails to conduct simulcast racing by
19 the date approved by the Commission, the Commission shall
20 forfeit to the state's general revenue fund and to the
21 Texas Bred Incentive Programs that portion of the security
22 that is appropriate for the amount of revenue lost to those
23 funds. Exceptions to this requirement may be allowed only

1 if the association's failure to conduct live racing by the
2 date approved by the Commission was due to an emergency
3 that the Commission determines was unforeseeable and beyond
4 the association's control.

5

6 (g) If an association fails to conduct live racing by the
7 date approved by the Commission, the Commission shall
8 forfeit to the state's general revenue fund and to the
9 Texas Bred Incentive Programs that portion of the security
10 that is appropriate for the amount of revenue lost to those
11 funds. Exceptions to this requirement may be allowed
12 only if the association's failure to conduct live racing by
13 the date approved by the Commission was due to an emergency
14 that the Commission determines was unforeseeable and
15 beyond the association's control.

16

17 (h) If an association is liable to the Commission for any
18 accrued fees, penalties or interest, the Commission may
19 forfeit any portion of the security that is appropriate for
20 those fees, penalties or interest.

21

22 (i) After the association completes its first live race
23 meet after posting security under this section, the

- 1 Commission shall return the remaining security to the
- 2 association.

PREAMBLE

The Texas Racing Commission proposes an amendment to § 303.41, Allocation of Race Dates. The section proposed for amendment relates to the method live race dates are requested and designated under §§ 8.01, 8.02, and 10.01 of the Act. The purpose of the amendment is to allow the Commissioners more flexibility in deciding live race date allocations for the racetrack associations.

The change to § 303.41 of the Rules of Racing will modify the timeframe the commission may designate for live race date applications. The amendment will modify the current race date application deadline from the July 1 calendar year to a method by which the commission may designate an application period upon its own motion or upon the request of an association. Once the commission has designated an application period, the amendment requires the commission to publicize the application period to the affected associations at least 30 days before the closing date of the period.

The amendment is proposed under the Texas Civil Statutes, Article 179e, § 3.02 and § 3.021, which authorizes the Commission to make rules relating to all aspects of greyhound and horse racing, and §§ 8.01, 8.02, and 10.01, which pertain to the authorization of the commission to allocate live race dates.

PROPOSED RULE AMENDMENT

1 **Sec. 303.41. Allocation of Race Dates.**

2 (a) The commission shall allocate live race dates,
3 including charity days, to each association for such time
4 periods and at such racing locations as the commission
5 determines in accordance with the Act and this section.

6

7 (b) Upon its own motion or upon the request of any
8 association, the commission may designate an application
9 period during which the commission shall accept
10 applications for race dates.

11

12 (c) The commission shall establish the time period or
13 periods for which it will consider granting race dates.

14

1 (d) Upon designation by the commission of an application
2 period under this section, the executive secretary shall
3 publicize that application period to the affected greyhound
4 and horse racing associations at least 30 days before the
5 closing date of the period. [~~An association shall apply to~~
6 ~~the commission not later than July 1 of each year for live~~
7 ~~race dates to be conducted in the next calendar year.~~]

8 (e) The application must be on a form prescribed by the
9 commission. After the request is filed, the executive
10 secretary may require the association to submit additional
11 information if the executive secretary determines the
12 additional information is necessary to effectively evaluate
13 the request.

14

15 (f) [~~(b)~~] In allocating race dates under this section, the
16 commission may consider the following factors and the
17 degree to which the association's proposed race meeting
18 will serve to nurture, promote, develop, or improve the
19 horse or greyhound industry in Texas:

20 (1) the association's current ability to pay all fees
21 and other amounts owed to the commission, to the
22 state, and to local governments;

- 1 (2) the association's willingness and ability to
- 2 comply and past performance in complying with the
- 3 Rules and provisions of the Act;
- 4 (3) the current condition of the association's
- 5 racetrack and facilities for patrons, race animals,
- 6 and occupational licensees;
- 7 (4) the anticipated effect of the proposed race
- 8 meeting on the continuity of racing during the year;
- 9 (5) the live race dates requested by other
- 10 associations licensed to conduct races for the same
- 11 species of animal;
- 12 (6) the anticipated overall economic effect to the
- 13 state from the race meeting;
- 14 (7) the anticipated effect of the race meeting on the
- 15 greyhound or horse breeding industry in Texas;
- 16 (8) the anticipated effect of scheduled race meetings
- 17 in neighboring race states on the proposed race
- 18 meeting; and
- 19 (9) the anticipated availability of race animals for
- 20 the race meetings.
- 21

1 (g) [~~(e)~~] The commission shall approve the actual days
2 awarded, and the total number of performances. The
3 commission may require a minimum number of races in a race
4 meet.

5

6 (h) [~~(d)~~] An association shall conduct pari-mutuel racing on
7 each race date granted under this section, and in
8 accordance with the race date calendar approved by the
9 Commission, unless the association receives the prior
10 approval of the executive secretary.

11

12 (i) [~~(e)~~] If circumstances beyond the control of the
13 association prevent the association from conducting a
14 performance, the commission may award a make-up
15 performance.

16

17 (j) [~~(f)~~] Change in Race Date Allocation.

18 (1) The executive secretary may permit an association
19 to request additional live race dates after its
20 request under this section has been acted on by the
21 commission if the executive secretary determines that:

1 (A) the request includes evidence that granting
2 the additional live race dates will enhance the
3 breeding and training industries for horses or
4 greyhounds;

5 (B) the association's failure to request the live
6 race dates initially was not due to the
7 association's neglect; and

8 (C) if the request duplicates a request by the
9 association that has already been denied by the
10 commission, changed circumstances exist that
11 necessitate additional consideration by the
12 commission.

13 (2) An association may request a change to the live
14 race dates granted by the commission provided the
15 association obtains the approval of all associations
16 that are affected by the proposed change. This
17 subsection applies to any proposed change to the
18 number or format of live race dates.

At the Commission meeting on December 14, 2006, the Texas Racing Commission voted to publish Chapter 301 in the Texas Register for rule review, along with proposed amendments to § 301.1(b). These proposed amendments change the term "odds board" to "tote board" and amend the definition of race meeting. The rule review and proposed amendments were published in the April 13, 2007, edition of the Texas Register. The Commission has received no comments to date in response to the published notice.

1 **301.1 Definitions**

2 (a) (No change.)

3 (b) (1) - (46) (No change.)

4 (47) Tote [~~Odds~~] board - a facility at a racetrack that is
5 easily visible to the public on which odds, payoffs,
6 advertising, or other pertinent information is posted.

7 (48) - (49) (No change.)

8 (59) Race meeting - the specified period and dates each
9 year during which an association is authorized to conduct
10 racing and/or pari-mutuel wagering by approval of the

- 1 Commission [~~a group of days on which horse or greyhound~~
- 2 ~~racing is conducted at a racetrack~~].
- 3 (60) - (90) (No change.)

At the Commission meeting on December 14, 2006, the Texas Racing Commission voted to publish Chapter 319 in the Texas Register for rule review, along with proposed amendments to §§ 319.102, 319.111, 319.202, 319.203, 319.204, and 319.391. The Commission also proposed new § 319.108. The rule review and proposed amendments were published in the April 13, 2007, edition of the *Texas Register*. The Commission has received no comments to date in response to the published notice.

The sections proposed for amendment relate to the veterinarian's list for race horses, Extracorporeal Shock Wave Therapy and Radial Pulse Wave Therapy, bleeders and the furosemide program, the veterinarian's list for greyhounds, kennel inspections, vaccination requirements for greyhounds, and drug testing of greyhounds.

The change to § 319.102 clarify that, for the purpose of removing a horse from the veterinarian's list, the commission will accept the report of a satisfactory workout or examination conducted by a commission veterinarian employed by a pari-mutuel regulatory authority outside of Texas.

New § 319.108 regulates the use of Extracorporeal Shock Wave Therapy and Radial Pulse Wave Therapy. The provisions of this new rule are consistent with the provisions of the Association of Racing Commissioners International's model rule regarding these therapies.

The changes to § 319.111 accomplish five purposes.

First, § 319.111(a)(1) is amended by the insertion of the word "occurs." This is a technical correction only.

Second, the creation of new § 319.111(a)(2) provides an opportunity for a trainer to seek reconsideration of a commission veterinarian's diagnosis of an EIPH event.

Third, the changes to § 319.111(e) eliminate many of the barriers to removing a horse from the furosemide program. Under the rule as proposed, a trainer will only have to state his intent to race the horse without furosemide at the time he enters the horse into a race. In addition, a horse that competes out of state without furosemide is deemed to have been withdrawn from the furosemide program. These changes will align the

requirements for withdrawing from the furosemide program to match the requirements for entering the program. In addition, they will reduce paperwork and streamline the process of withdrawing horses from the furosemide program.

Fourth, the change to § 319.111(f)(2) will correct a typographical error.

Finally, the changes to § 319.111(g) clarify the minimum lengths of time that a horse will remain on the veterinarian's list after Exercise Induced Pulmonary Hemorrhage (EIPH) events. The changes to § 319.111(g) do not change the substance of the existing rule, but only present the rule in a format that is easier to understand.

The change to § 319.202(b) provides additional flexibility to the commission veterinarian in notifying the responsible party for a kennel that the veterinarian is placing one of the kennel's greyhounds on the veterinarian's list. The current rule prescribes that the commission veterinarian should notify the kennel owner; however, in many cases, the owner has delegated the responsibility for day-to-day management of a kennel to the

trainer. This rule amendment will provide the commission veterinarian with the flexibility of notifying either the owner or the trainer.

The changes to § 319.203 distinguishes between the types of monitoring and inspection efforts made by commission veterinarians at greyhound racetracks. The current rule includes both types of activities as part of the kennel inspection, which generally occurs on an annual or semi-annual basis. However, the commission veterinarians monitor the health and care of the greyhounds on a daily basis, and focus their kennel inspections on the physical infrastructure of the facilities. The proposed changes reflect the different natures of these efforts and the different timetables. In addition, the changes to § 319.203 specify how often kennels should be inspected. Only one of the state's three greyhound tracks offers seasonal race meets; the other two operate throughout the year. The amended rule will specify that year-round greyhound tracks will be inspected semi-annually, and that seasonal greyhound tracks will be inspected at the beginning of each race meet.

§ 319.204(c), which sets out the vaccination requirements for greyhounds, contains an ineffective reference to the rules of the Texas Animal Health Commission (TAHC). § 319.204(c) refers to the TAHC's rules governing greyhound health certificates, entry permits or veterinarian inspections. However, the TAHC has no such rules. The amended rule deletes the ineffective reference.

1 **Sec. 319.102. Veterinarian's List.**

2 (a)-(d) No change.

3 (e) A workout for or an examination by a commission veterinarian
4 in any pari-mutuel jurisdiction will be recognized for the
5 purposes of removing a horse from the veterinarian's list.

6

1 **Sec. 319.108. Extracorporeal Shock Wave Therapy**

2 The use of Extracorporeal Shock Wave Therapy or Radial Pulse
3 Wave Therapy shall not be permitted unless the following
4 conditions are met:

5 (a) Any Extracorporeal Shock Wave Therapy or Radial Pulse Wave
6 Therapy machines on the association grounds must be registered
7 with and approved by the Commission or its designee before use;

8 (b) The use of Extracorporeal Shock Wave Therapy or Radial Pulse
9 Wave Therapy machines shall be limited to veterinarians licensed
10 to practice by the Commission;

11 (c) All Extracorporeal Shock Wave Therapy or Radial Pulse Wave
12 Therapy treatments must be reported to the commission
13 veterinarian or the commission veterinarian's designee on the
14 prescribed form within 24 hours; and

15 (d) Any treated horse shall be on the veterinarian's list for 10
16 days following treatment.

17

1 **Sec. 319.111. Bleeders and Furosemide Program.**

2 (a) Diagnosis of EIPH.

3 (1) A bleeder is a horse that experiences Exercise Induced
4 Pulmonary Hemorrhage (EIPH). Except as otherwise provided
5 by this subsection, the medical diagnosis of EIPH may be
6 made only by a commission veterinarian or a veterinarian
7 currently licensed by the Commission. If the first EIPH
8 event experienced by a horse occurs in another pari-mutuel
9 racing jurisdiction, certification of the horse as a
10 bleeder by that foreign jurisdiction will also constitute a
11 first report of a diagnosed EIPH event for purposes of this
12 section. A veterinarian who diagnoses an EIPH event in a
13 horse participating in pari-mutuel racing in this state
14 shall report the event to the commission veterinarian in a
15 format prescribed by the executive secretary. On receipt of
16 the first report of a diagnosed EIPH event for a horse, the
17 commission veterinarian shall certify the horse as a
18 bleeder.

19 (2) A trainer may request that a commission veterinarian
20 reconsider the commission veterinarian's diagnosis of an
21 EIPH event by presenting the horse for re-examination
22 within four hours of the initial diagnosis, or within one
23 hour after a performance's last race, whichever occurs

1 sooner. To receive reconsideration, the trainer must
2 present the horse to the commission veterinarian for
3 endoscopic examination as performed by a commission-
4 licensed veterinarian.

5 (b)-(d) No change.

6 (e) Withdrawal from Furosemide Program.

7 (1) To withdraw a horse from the furosemide program, the
8 trainer must state his/her intention to race the horse
9 without furosemide at the time of entry.

10 ~~[apply to the commission veterinarian. The commission~~
11 ~~veterinarian may require a signed medical statement from~~
12 ~~the trainer's regular practicing veterinarian that it is in~~
13 ~~the horse's best interest to be withdrawn from the~~
14 ~~furosemide program. The commission veterinarian may also~~
15 ~~request any other additional information the commission~~
16 ~~veterinarian needs to justify removal of the horse from the~~
17 ~~furosemide program. A withdrawal request and all~~
18 ~~accompanying information must be reviewed and a decision~~
19 ~~rendered by the commission veterinarian as soon as~~
20 ~~practicable.]~~

21 (2) A horse in the furosemide program that competes out-of-
22 state without furosemide is considered to have been removed
23 from the Texas furosemide program effective the date of its

1 first race without furosemide. [~~may not compete without~~
2 ~~furosemide until its withdrawal from the program has been~~
3 ~~approved by the commission veterinarians.~~]

4 (3) Withdrawal from the furosemide program does not
5 prohibit a horse from subsequent readmission to the program
6 in accordance with this section.

7 (f) Readmission to the Furosemide Program.

8 A horse may be readmitted to the furosemide program if:

9 (1) at least 60 days have elapsed since the horse was
10 withdrawn from the program;

11 (2) the horse is required to compete with furosemide
12 pursuant to subsection (b) [~~(a)~~](2) of this section; or

13 (3) the commission veterinarian diagnoses the horse with
14 another EIPH event.

15 (g) Bleeders List.

16 (1) The commission veterinarian shall maintain a list of
17 horses that have been certified as bleeders and a list of
18 horses that have been admitted to the furosemide program.

19 (2) On receipt of a report of a diagnosed EIPH event, the
20 commission veterinarian shall place the horse on the
21 veterinarian's list and the horse shall be ineligible to
22 race for the following time periods:

23 First incident - 12 days;

1 Second incident within 365 days of previous incident - 30
2 days;

3 Third incident within 365 days of previous incident - 180
4 days;

5 Fourth incident within 365 days of previous incident -
6 lifetime ban from racing in this state.

7 ~~[For the first diagnosed EIPH event, a horse shall be~~
8 ~~placed on the veterinarian's list and is ineligible to~~
9 ~~start in a race before the 12th day after the date of the~~
10 ~~EIPH event. For the second diagnosed EIPH event, a horse~~
11 ~~shall be placed on the veterinarian's list and is~~
12 ~~ineligible to start in a race before the 30th day after the~~
13 ~~date of the second EIPH event. For the third diagnosed EIPH~~
14 ~~event, a horse shall be placed on the veterinarian's list~~
15 ~~and is ineligible to start in a race before the 180th day~~
16 ~~after the date of the third EIPH event. For the fourth~~
17 ~~diagnosed EIPH event, a horse is barred from pari-mutuel~~
18 ~~racing in this state.]~~

19 (3) A horse with fewer than four EIPH events that has not
20 had a diagnosed EIPH event for a period of 365 consecutive
21 days is considered a non-bleeder for purposes of this
22 ~~[paragraph]~~ subsection. The report of a diagnosed EIPH
23 event from any pari-mutuel jurisdiction which officially

1 records EIPH events will be recognized as an EIPH event by
2 the Commission.

3 (4[3]) Notwithstanding the foregoing, if after reviewing a
4 report of a diagnosed EIPH event the commission
5 veterinarian determines additional days on the
6 veterinarian's list are essential to the health and safety
7 of the horse, the commission veterinarian may extend the
8 number of days the horse is on the veterinarian's list. The
9 commission veterinarian shall record the medical reasons
10 for the additional days.

11 (h) No change.

12

1 **Sec. 319.202. Veterinarian's List.**

2 (a) The commission veterinarian shall maintain a veterinarian's
3 list of the greyhounds that are determined to be unfit to
4 compete in a race due to physical distress, unsoundness, or
5 infirmity. The commission veterinarian shall ensure that the
6 veterinarian's list is posted in a conspicuous place available
7 to all kennel owners, trainers, and officials.

8 (b) The commission veterinarian shall notify the kennel owner or
9 trainer of a greyhound placed on the veterinarian's list not
10 later than 24 hours after placing the greyhound on the list.

11 (c) A greyhound on the veterinarian's list may be removed from
12 the list only on demonstrating to the commission veterinarian
13 that the greyhound is raceably sound and in fit physical
14 condition to exert its best effort in a race.

15 (d) A greyhound on the veterinarian's list may not enter a race
16 before the third day after the day the greyhound was placed on
17 the list. The commission veterinarian may require a greyhound to
18 school after being examined and removed from the list before the
19 greyhound may enter a race.

20 (e) Each lactating bitch and each bitch in season or coming in
21 season during a race meeting shall be placed on the
22 veterinarian's list and may not enter a race until the greyhound
23 has been re-examined by the commission veterinarian and removed

1 from the veterinarian's list. A bitch in season may not be re-
2 examined before the 21st day after the day the greyhound was
3 placed on the veterinarian's list.

4 (f) A trainer shall submit to the commission veterinarian, on a
5 form prescribed by the executive secretary, documentation of any
6 racing-related injury sustained by a greyhound in the trainer's
7 care.

8

1 **Sec. 319.203. Condition of Greyhounds and Inspection of Kennels.**

2 (a) To ensure the health and safety of each greyhound, the
3 commission veterinarian shall monitor the condition of the
4 greyhounds and inspect each kennel on association grounds where
5 greyhounds are housed.

6 (b) On each race day, the commission veterinarian shall monitor
7 the condition of the greyhounds. Factors the commission
8 veterinarian shall evaluate include, but are not limited to:

9 (1) the general physical condition of the greyhounds;

10 (2) the general manner of handling the greyhounds;

11 (3) the management of bitches in season;

12 (4) the management of sick greyhounds;

13 (5) the medication in use; and

14 (6) the presence of ectoparasites.

15 (c) If the commission veterinarian determines that an
16 unsatisfactory condition exists, the veterinarian shall advise
17 the kennel owner or trainer of the unsatisfactory condition. If
18 the unsatisfactory condition persists, or if the unsatisfactory
19 condition requires immediate corrective action, the commission
20 veterinarian shall advise the kennel owner or trainer of the
21 unsatisfactory condition and shall report the condition to the
22 judges.

1 (d) At tracks that operate year-round, the commission
2 veterinarian shall conduct kennel inspections semi-annually as
3 directed by the executive secretary. At tracks that do not
4 operate year-round, the commission veterinarian shall conduct a
5 kennel inspection at the beginning of each race meet.

6 (e) The commission veterinarian shall file a written report on
7 each inspection with the executive secretary, on a prescribed
8 form. The report must include, but is not limited to, a
9 statement of the kennel conditions or practices regarding:

- 10 ~~[(1) the general physical condition of the greyhounds;~~
11 ~~(2) the general manner of handling the greyhounds;]~~
12 (13) the food and food storage;
13 (24) the sanitary conditions of the kennels;
14 ~~[(5) management of bitches in season;~~
15 ~~(6) management of sick greyhounds;~~
16 ~~(7) the medication in use;~~
17 ~~(8) presence of ectoparasites; and]~~
18 (4) the maintenance of the kennel buildings;
19 (5) the maintenance of the turnout pens;
20 (6) the maintenance of the sprint path;
21 (7) the maintenance of the lockout kennel;
22 (8) the maintenance of the paddock area; and

1 (9) other matters that the commission veterinarian
2 considers necessary for corrective action by the kennel
3 owner or the association.

1 **Sec. 319.204. Vaccination Requirements.**

2 (a) An association shall safeguard the health of the greyhounds
3 at its facility by requiring periodic vaccination of each
4 greyhound against each disease that the commission veterinarian
5 has determined is communicable to other greyhounds at the
6 facility. The vaccination and compound entrance requirements of
7 the association must be approved by the commission veterinarian.

8 (b) The association shall maintain records of vaccinations of
9 the greyhounds housed at its facility and make the records
10 available to the commission veterinarian on request.

11 (c) The association may not permit a greyhound to enter its
12 grounds unless the trainer or kennel owner of the greyhound
13 provides to the association proof of the necessary vaccinations
14 and has a health certificate, entry permit or veterinarian
15 inspection [~~pursuant to the rules of the Texas Animal Health~~
16 ~~Commission~~].

At the Commission meeting on December 14, 2006, the Texas Racing Commission voted to publish proposed amendments to §§ 321.2, 321.29, 321.33, and 319.43. These proposed amendments were published in the March 16, 2007, edition of the *Texas Register*. At the Commission meeting on January 13, 2007, the Texas Racing Commission voted to publish a proposed amendment to § 321.313. This proposed amendment was published in the April 13, 2007, edition of the *Texas Register*. The Commission has received no comments to date in response to the published notices, and the rules are now ready for adoption.

The addition of new rule § 321.2 makes the intentional manipulation of Odds and Will Pays a practice that is inconsistent with the honesty and integrity of racing. The purpose of the rule is to prevent the dissemination of false information to the wagering public.

The change to § 321.29 requires an expiration date to be printed on the face of the pari-mutuel ticket, enabling the betting patron to easily discern the expiration date of the

ticket. This change will assist the betting patron by showing how long the ticket will be valid.

The change to § 321.33 will require an association to print the expiration date on the face of a pari-mutuel ticket.

This change will assist the betting patron by showing how long the ticket will be valid.

The change to § 321.43 will allow the cancellation of wagers on self-serve machines. In order to allow cancellations, an association must first establish written policies detailing the procedures the association will use in permitting the cancellation of wagers and detecting odds manipulation. The written policies must be approved by the executive secretary prior to implementation. The mutuel manager shall be responsible for controlling all canceled wagers and for ensuring that the association complies with the rules permitting the cancellation of win wagers. This change will allow the associations to reduce costs by permitting customers to cancel some wagers through self-serve machines that they could previously cancel only at manned teller windows.

The amendment to § 321.313 relates to the distribution of the pari-mutuel pool for winners of the Select Three, Four or Five wager. The rule currently specifies that the Select Three pool will be calculated as a "Win Pool," meaning that each entry in a dead heat receives an equal price payout. The amendment will change the calculation to a "Profit Split" payout, meaning that the payouts in a dead heat will be weighted according to the actual amount of money wagered on the winning combinations. The proposal will not change the payouts for the Select Four or Five wagers.

1 **§ 321.2.Odds Manipulation.**

2 The commission recognizes that the wagering public uses
3 Odds and Will Pays as a handicapping tool. To maintain the
4 integrity of the pools, the Commission therefore identifies
5 the practice of canceling wagers that were placed for the
6 sole purpose of manipulating the posted Odds or Will Pays
7 as being inconsistent with the honesty and integrity of
8 racing under §307.7, Ejection and Exclusion, and as a
9 detrimental practice under § 309.9, Denial, Suspension, and
10 Revocation of Licenses.

1 **§ 321.29.Mutuel Tickets.**

2 Each mutuel ticket issued must have printed on its face:

3 (1) the name of the racetrack facility where the wager was
4 placed;

5 (2) the name of the racetrack where the race was conducted;

6 (3) the number of the race;

7 (4) the unique computer-generated ticket number;

8 (5) the date the ticket was issued;

9 (6) the date of the race for which the ticket was issued;

10 (7) the number of the ticket-issuing machine;

11 (8) the type of pool;

12 (9) the number of each entry on which the wager was placed;

13 [~~and~~]

14 (10) the dollar amount of the wager ; and [~~—~~]

15 (11) the expiration date of the ticket.

1 **§ 321.33.Expiration Date.**

2 (a) Due to the year-round nature of simulcasting and the
3 state's fiscal year, the Commission finds a need to
4 establish a "mutuel year" for purposes of expiration of
5 mutuel tickets and the collection of revenue from
6 outstanding tickets pursuant to the Act, §11.08. The mutuel
7 year begins on August 1 and ends on July 31.

8 (b) A mutuel ticket:

9 (1) expires on the 60th day after the last day of the
10 mutuel year in which the ticket was purchased; and

11 (2) may not be cashed by an association after the
12 expiration date for any reason.

13 (c) A voucher has no expiration date.

14 (d) The expiration date of the wager must be printed on the
15 face of a pari-mutuel ticket.

1 **§ 321.43.Cancellation of Win Wagers.**

2 (a) - (d) (No change.)

3 (e) The cancellation of wagers on self-serve wagering
4 machines shall not be permitted except in accordance with
5 the written policies established by the association and
6 approved by the executive secretary.

7 (f) The mutuel manager shall be responsible for controlling
8 all canceled wagers and ensuring that the association
9 complies with the rules of this section.

1 **§ 321.313. Select Three, Four, or Five.**

2 (a) - (i) (No change.)

3 (j) In the event of a dead heat for win between two or more
4 animals:

5 (1) in a select three, [~~four or five race,~~] all the
6 animals in the dead heat for win shall be considered
7 as winning animals in the race for the purpose of
8 calculating the major or minor pools and the affected
9 pool is calculated :_ [~~as a win pool.~~]

10 (A) As a profit split to those whose selections
11 finished first in each of the three contests; but
12 if there are no such wagers, then

13 (B) As a single price pool to those who selected
14 the first place finisher in any two of the three
15 contests; but if there are no such wagers, then

16 (C) As a single price pool to those who selected
17 the first place finisher in any one of the three
18 contests; but if there were no such wagers, then
19 in accordance with paragraph (f) of this section.

20 (2) in a select four or five race, all the animals in
21 the dead heat for win shall be considered as winning
22 animals in the race for the purpose of calculating the

- 1 major or minor pools and the affected pool is
- 2 calculated as a win pool.
- 3 (k) (No change.)