

MONTANA BOARD OF HORSE RACING
BOARD MEETING

December 3, 2010

3:00PM

Department of Livestock Board Room – 3rd Floor

Helena, MT

Unapproved Minutes

ATTENDANCE:

Al Carruthers	Chairman	Mike Tatsey	Board Member
Susan Egbert	Board Member	Topper Tracy	Board Member
Ryan Sherman	Executive Secretary	Sherry Meador	Legal Counsel
Sue Austin	Board Member, attended by phone		
Carol Lambert	Board Member, attended by phone		
Shawn Real Bird	Board Member, attended by phone		

PUBLIC IN ATTENDANCE: Mark Cadwallader, Murry Warhank, Tom Schneider, Don Benston, Bob Utick

By phone: Ben Carlson, Sarah Miller, Val Crossland, Kelly Manzer, Jim Johnson, Toni Hinton, Jill Lindell, Bob Cooke, Sara Miller, Joe McCracken

CALLED TO ORDER: Chairman Carruthers called the meeting to order at 3:15 pm

OLD BUSINESS:

Meador introduced Murry Warhank who represented Montana Entertainment (ME) in the matter before the Board. Meador presented to the Board a tentative settlement agreement with ME stating that ME would pay to the Board \$20,000 toward the \$33,000 currently owed to the Board and the remaining \$13,000 would be provided in equipment and services for Board's simulcasting operations from November 1st to present. The Board would then agree to accept ME's surrender of license. It was clarified with Mr. Warhank that equipment included routers and modulators. Mr. Warhank confirmed with his client by phone that routers included modulators. The agreement also included a statement that neither party would make disparaging remarks about the other.

There was discussion of ME's pending debts for services in Montana that are not addressed in the agreement and that are of much concern to the Board as they impact the future of racing in Montana. Member Tatsey asked ME if would include in the agreement a guarantee of payment to ME's creditors. Mr. Warhank conferred with ME and responded that ME was unable to provide such a guarantee due to a number of accounts owing to ME. It was further noted that in any event, ME did not claim sufficient resources under its LLC to make full payment to all creditors. Member Tracy moved to accept the settlement agreement as written, Member Tatsey seconded the motion. Motion was open for discussion. There was significant discussion of the

effect of the agreement on Montana's efforts to support live racing through simulcast revenue, and on ME's actions in the state and how it has impacted live racing and simulcast revenue. The motion was put to a vote and failed.

Hearing:

Chairman Carruthers opened the hearing on Montana Entertainment, LLC's simulcast network license. ME's attorney, Mr. Warhank, was present for the hearing. Executive Secretary Ryan Sherman was sworn in. Mr. Sherman reviewed his notes but did not testify to anything.

Member Tatsey asked the Board to revisit the settlement agreement with ME. The Board discussed in detail the reasons for and against accepting the settlement agreement. Member Tatsey asked if ME would make any type of assurance that the Montana vendors would be paid. ME agreed to amend the agreement to state it would make best efforts to collect on its accounts receivable and apply those accounts to its Montana creditors. ME further agreed to state in writing that it would provide evidence of this effort to the Board by December 8th, and that the check for \$20,000 will be delivered to the Board by Monday, December 6th. The Board requested a copy of ME's accounts receivable, accounts payable, and all assets. ME agreed. Member Tatsey moved that the Board accept the amended agreement. Member Tracy seconded the motion. Motion passed with four yes's and two no's. Member Real Bird and Member Lambert voted no.

The hearing was not resumed.

NEW BUSINESS:

Service contract

Ryan read to the Board the proposed service contract with IMS Racing Consultants out of Billings, MT. to provide technical support such as program downloads, site reconciliations, site reports, board reports for the Montana Simulcast Network and the Montana Board of Horse Racing. Ryan Sherman explained the need for the support and the technical aspect of the network, to which the board would have trials if it were to take on fully with one staff member. Member Tatsey moved to accept the contract. Member Egbert seconded it. Motion passed.

The next Board meeting was set for Saturday January 8th in Helena to approve applications for race dates.

PUBLIC COMMENT: There was no additional public comment

ADJOURNMENT: Member Egbert moved to adjourn. Member Tatsey seconded the motion. Motion passed.

The meeting was adjourned at 6:40 p.m.

Signature

Date

