

New England Horsemen's Benevolent and Protective Association, Inc.

President
Anthony Spadea

A National Organization

Acting Executive Director
Bruce P. Patten

Directors: Owners
Randy Andrews
Susan Clark
Shirley Dullea
Manfred Roos
Paul Umbrello



Directors: Trainers
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February 11, 2015

Attorney Catherine Blue, General Counsel, Massachusetts Gaming Commission
101 Federal Street 23rd Floor
Boston, MA 02110

Re: Comment on HRC review of RHDF funding for multiple Thoroughbred licensees

Dear Attorney Blue:

On behalf of the New England HBPA Board of directors and the owners and trainers of thoroughbred horses racing in Massachusetts, we are hereby offering comment on review of the Race Horse Development Fund (RHDF) funding for multiple Thoroughbred licensees by the HRC.

The legislature answered this question in c23K § 60. Section 60 (b) establishes the horse racing committee and charges the committee to make recommendations on how the funds received in subsection (a) shall be distributed between thoroughbred and standardbred racing facilities to support the thoroughbred and standardbred horse racing industries. In addition, the committee is ultimately required to submit distribution recommendations to the commission for final approval. The current distribution of funds approved by the commission is 75% to the thoroughbred racing facilities and 25% to the standardbred racing facilities.

The Commission is the final approval authority for distribution of funds between thoroughbred and standardbred racing facilities and Section 60 (c) requires that approved distribution of funds received from the Race Horse Development Fund shall be distributed to thoroughbred (and standardbred) purse account, as follows:

80 per cent of the thoroughbred funds approved by the commission are required to be deposited weekly into a separate, interest-bearing purse account to be established by and for the benefit of the horsemen. Licensees are required to combine these funds with revenues from existing purse agreements to fund purses for live races consistent with those agreements with the advice and consent of the horsemen.

The separate interest-bearing purse account to be established by the horsemen, the purse agreements negotiated between the licensee and the horsemen and the advice and consent of the horsemen are all conducted through the actions of the recognized organization that represents the horsemen. Whenever

multiple thoroughbred licensees existed in Massachusetts, the New England HBPA (NEHBPA) was the recognized organization that represented all thoroughbred horsemen. Whether it is the NEHBPA or another similar organization, the most likely scenario is that one such organization will represent all thoroughbred horsemen in Massachusetts.

The legislative recognition contained in Section 60, regarding establishment of a purse account, purse agreement negotiations with licensees and advice and consent made on behalf of the horsemen, is to assure fair treatment of horsemen and to give them some control over the issues that impact their businesses. Licensees and horsemen live every day with management and nuances of purse accounts and purse agreements. Each of the multiple thoroughbred licensees will need to negotiate a purse agreement with the NEHBPA and each will need to establish a purse account for the horsemen.

Since the Section 60 purse account is established by and for the benefit of the horsemen, the recognized organization that represents the horsemen should be determining the appropriate thoroughbred allocations to thoroughbred licensees for distribution to horsemen. The horsemen's representative is required by its organizational documents to treat all its horsemen fairly and equitably. In the event that horsemen determine that their representative organization is not performing properly, they have the exclusive option to replace their representative.

The statute specifically requires the funds be deposited weekly into a separate interest bearing account to be established **by** and for the benefit of horsemen. This language evidences the statutory intent that the local horsemen's group establish and control the purse account. The local horsemen's group, the NEHBPA is the entity that should determine the allocation and use of such funds in an equitable manner to fund purses for all races conducted by all licensees.

Sincerely,

Anthony Spadea, President

Cc: Stephen Crosby, Chairman, Massachusetts Gaming Commission
Gail Cameron, Commissioner, Massachusetts Gaming Commission
Dr. Jennifer Durenberger, Director of Racing, Massachusetts Gaming Commission