

**Cloverleaf Standardbred Owners' Association, Inc.**

**Minutes**

**March 18, 2009**

**Present:** President Thomas Cooke  
1<sup>st</sup> VP Thomas Winebrener  
2<sup>nd</sup> VP Jerry Nock  
Secretary William Long  
Treasurer Dan Myer  
Executive VP Sharon Roberts

**Directors:** Daniel Bittle Betsy Brown Tammy Lafferty  
Don Milby Wm "Bib" Roberts Kenneth Scholtzhauer  
Eli Solomon William Spicer Judy Welty  
Gary White

**Absent:** Gerald Brittingham Gary Ewing Ralph Hayward

President Thomas Cooke called the meeting to order at 6:20 p.m.

President Cooke welcomed everyone to the meeting and announced that the Board would go into Executive Session for 10 minutes.

The meeting reconvened at 6:35 p.m.

**Ocean Downs Contract – Appearance of Mr. Rickman and his representatives**

President Cooke thanked Mr. Rickman for coming to the meeting along with William Fasy, Michael Vild & Denise Hill. President Cooke was pleased that Mr. Rickman could address the board and members.

Mr. Rickman updated the Board and members on the following:

He is only one of the owners of OD.

Rickman stated that his Maryland loses for last year was \$2.5M.

Rickman stated that he will not sign a 15 year agreement without profitability clause. (The horsemen would have to pledge the \$900,000 to help cover with losses)

He is willing to commit \$900,000 for purses and will sign the following contracts:

Two year contract

Three year contract (will not extend past three years).

Mr. Rickman is concerned in long term survival of Ocean Downs.

He was not happy that CSOA tried to change the covenant to require “live” racing. Specifically, Rickman claimed that it was “unethical” for CSOA officials to contact Worcester County council members. Rickman stated that it is the Maryland Racing Commission position to do that.

Rickman noted that recently he was ready to ask for 20 days of racing for 2009. He will not make this request.

Backside is closed as of December 31, 2009.

There is limited sewer and limited water at OD.

The referendum does not allow enough money to cover the amount he has to invest in Ocean Downs.

### **Rickman’s relationship with Eli Solomon**

Eli Solomon wanted to clarify that Mr. Rickman has had no communication with Mr. Solomon over the last three years. Mr. Rickman confirmed that as true.

### **Questions for Mr. Rickman**

Dan Myers asked the following “does your family members that own the same interest in Ocean Downs, as they in the Maryland slot parlor and DE Park.

W. Rickman replied “no not at this time.”

W. Roberts asked “when you brought OD was it to hedge your bet.”

W. Rickman replied “yes”.

Mr. Rickman is the only track left with an application for slots.

Mr. Rickman stated that we should sell RCR at a low number.

The state uncoupled racing and slots.

Mr. Rickman stated that “he was not willing to let live racing at Ocean Downs suck the life out of a marginal business. Delaware Park receives 47% from slots and in Maryland, Ocean Downs only receives 33%. It’s a bad bill for the operator.

Nothing will stop William Rickman from stopping live racing after the slots are up and running.

Ocean Downs saves \$400,000 to \$500,000 by closing the backstretch.

T. Winebrener stated that Ocean Downs is in a very changing situation. We need a period of time to plan for a future and security. Is there another number beyond three years?

Mr. Rickman –No, I cannot do that.

President Cooke had offered to split the fifteen years to eight years and that offer was rejected.

The purse money that is generated from the slots is now divided by the number of race days on the standardbred side between Ocean Downs and Rosecroft.

Mr. Rickman is not willing to expand the days at OD. – but would be forced to expand days if racing for \$250,000 a night.

Dan Myers asked if he would take the money for purse subsidy from the state.

Mr. Rickman stated that he will not guarantee anything that there will be racing at OD regardless of what.

The two businesses are separate. CSOA is trying to get leverage against him.

If you keep it up we will pick someone else. You can only push me so far.

I don’t have to put up the \$900,000 to race. I told them yesterday that I was going to ask for 20 days of racing. You have to be reasonable.

Mr. Rickman stated we do not need the conflict and you cannot hold hostage one business over the other. He hopes to have the slots operation up and running very quickly.

Eli Solomon asked “is it your opinion that through the negotiations since December emotions and egos have escalated and has impeded the negotiations?”

Rickman responded – absolutely.

Mr. Rickman stated that CSOA has not had effective people in Annapolis.

Mike Vild explained the profitability. Only if slots are operational for a year then the profitability clause would kick in and the \$900,000 in purse money would be in jeopardy.

Pam Polk asked what it will cost to run the track for 40 days of racing. Mr. Rickman stated they will lose \$1M.

Mr. Rickman stated what is on the table is on the table. There is no guarantee for 2009 – you have five days. We will have something there.

Bill Fasy addressed the board and members.

**The meeting recessed at 8:05 p.m.**

**The meeting reconvened at 8:20 p.m.**

Mr. Rickman, Bill Fasy, Mike Vild and Denise Hill left the meeting.

President Cooke addressed the Board and members in order for everyone to understand that in Executive Session last month Tom Cooke, Sharon Roberts and Dan Myers were given directions to go to the Worcester County Commission and inquire as to any assistance they may be able to give us.

Tom Cooke stated that we are collectively a group.

Cooke noted that “the hand writing on the wall when Mr. Rickman separated the two entities.”

**Legal Opinion Received from Worcester County**

Today we received a Legal Opinion that Ocean Downs has to race to have slots.

President Cooke does not see much difference between three years and 15 years. There is no language to prohibit us from lobbying.

Cooke noted that there is actually an advantage to the three year offer:

1. It keeps the subject of profitability off the table.
2. It allows the horsemen to be in an earlier position to re-negotiate a future contract.
3. The legal opinion that we just received (and was acknowledged by Mr. Rickman tonight) is pro-racing.

**Motion -** Motion by Tom Winebrener to accept the three year contract without restricting us from lobbying, seconded by Betsy Brown. A roll call vote was taken as follows:

T. Cooke	yes
T. Winebrener	yes
J. Nock	yes

W. Long	yes
D. Myer	yes
D. Bittle	yes
B. Brown	yes
T. Lafferty	yes
D. Milby	yes
W. Roberts	yes
K. Schlotzhauer	yes
E. Solomon	yes
W. Spicer	yes
J. Welty	yes
G. White	yes

The vote was unanimous. The motion carried.

**Approval of Minutes** - CSOA February 18, 2009 Minutes – A motion was made by Tammy Lafferty, seconded by William Roberts to approve the February 18, 2009 minutes. The vote was eleven in favor and Bittle, Solomon, Winebrener and Schlotzhauer abstained. The motion carried.

**Backstretch** – There were six horses for schooling yesterday. Saturday March 21<sup>st</sup> and Friday March 27th there will be qualifiers.

**MRC Meeting** – The Harness Industry has no support on the MRC. The Governor’s office chose David Hayden (to fill Jacqui Nigh’s harness seat). The CSOA Board had nominated Tom Winebrener for the seat. Mr. Clogg asked about the Instant Racing Legal Opinion. The Legal Opinion was not in our favor. The Instant Racing Bill that was to be heard in the House, Ways & Means Committee today was pulled because of the Legal Opinion from counsel for the Commission.

Kelley Rogers stated that the thoroughbreds think the Instant Racing will cannibalize thoroughbred racing. Bruce Spizler based his Legal Opinion on a case from Wyoming. Mr. Spizler did not use any of the cases that we provided for him. This has been bad a week for the Maryland Standardbred industry.

**Crossbreed Simulcasting Agreement** - We are trying to get the \$5.9M changed. Our horsemen need to plan on racing somewhere else other than RCR. 93% of our handle is thoroughbred racing and 7% is harness.

The Maryland Black Cuscus appears to be angry with thoroughbreds. All of the efforts are in re-negotiating the 5.9M CSA.

**MSBA Banquet** – The MSBA banquet was held February 28<sup>th</sup> at Rosecroft and was a very nice event. President Cooke expressed support for using the same date for the CSOA and MSBA 2010 banquet/awards event.

**MRC Seats** – The CSOA Board voted last month to submit Tom Winebrener and Dan Myers names to fill the two remaining Harness seats to the MRC.

**Slot Update** – Magna’s application was thrown out by the court.

**Magna Update** – Magna has filed for bankruptcy. PNC bank is trying to seize other monies from Magna.

**Ocean Downs** - Dan Myers opposes the idea expressed by Tom Cooke that the \$100,000 for Special races to be put into overnight races. Cooke’s idea was to increase the purse account for 2009 only. After a lengthy discussion in which it was pointed out that \$100,000 divided by 40 days of racing = \$2,500 a night, the consensus of the Board is that the \$100,000 be spent for MD Sired or 100% MD Owned, 4 year olds and over.

**Motion** - A motion was made by Dan Myers seconded by Eli Solomon that the \$100,000 for Special races to continue as it has for the past few years. The vote was unanimous. The motion carried

**Rosecroft House** - The RCR house is for sale if anyone has an interest please contact Sharon Roberts the price is \$240,000. The house has been platted and will be sold “as is.”

**CAADA** -Dr. Davison stated there will be a CAADA Trot Race this Saturday March 21<sup>st</sup>, CAADA will pay \$75 for entering and \$50 paddock.

**Motion** – A motion was made by Betsy Brown, seconded by Judy Welty to adjourn the meeting. The vote was unanimous. The meeting adjourned at 9:45 p.m.

Respectfully submitted by,

Sharon L. Roberts

Executive VP