

NORTH DAKOTA RACING COMMISSION

**Live and Telephone Meeting
Monday, March 31, 2008
3:00 p.m. (central time)
500 North 9th Street, Bismarck, ND**

Call to Order:

Chairman, James Clement, called the meeting to order at 3:01 p.m. Roll call was taken by Director Blaseg. Chairman Clement and Commissioner Secrest were in attendance. Commissioners: Frederick, Pladson, and Weir attended by phone.

Present:

Commissioners: James Clement, Mandan; Clarence Frederick, Belcourt; DeAnn Pladson, Fargo; Tom Secrest, Hettinger; and Patrick Weir, Medora; Director of Racing, Randy Blaseg; Legal Counsel, Bill Peterson; and Administrative Staff Officer, Helen Tessmann.

Others Present:

Heather Benson, Les Schmidt, Curt Rohweder, Kris Moen, Bill Maulding, Scott Horst, Lance Hagen, Leon Glasser, John Bubel, Wayne Anderson, Ron Bernhardt, Dave Bernhardt, Beth Baumstark, Edward Erickson, Tracy Potter, Janell Cole, and Roger Thompson.

AGENDA

1. **Approval of Minutes** – March 11, 2008 Meeting
2. **The matter of whether or not to file a petition with the Legislative Council for review by the Legislative Council of the decision of the Administrative Rules Committee.**
3. **Approval of the draft proposal in the matter regarding Melissa Peach, Randy Schwartz and the horse, Major Splash Bac Jet.**
4. **Any other business which may PROPERLY come before the commission**
5. **Adjournment**

Chairman Clement announced the first agenda item as:

1. **Approval of Minutes – March 11, 2008 Meeting**
A motion was made to approve the minutes. (Secrest/Frederick/unanimous) The motion passed.

2. The matter of whether or not to file a petition with the Legislative Council for review by the Legislative Council of the decision of the Administrative Rules Committee.

Chairman Clement asked Commissioner Weir to lead the discussion on agenda item #2. Commissioner Weir explained that he had completed a draft of an appeal (which was provided to all commissioners prior to the meeting). He also had encouraged all commissioners to offer any changes or suggestions for the appeal. Commissioner Pladson suggested changing the last sentence in paragraph #1 to "The carryover was to allow the concerned parties a chance to further discuss with the Racing Commission to determine if changes are appropriate."

Director Blaseg explained that everything dealt with was upon legal advice from the Assistant Attorney General rather than being an opinion from the Attorney General. So under that direction the wordage in the appeal should reflect the same.

Legal Counsel Peterson explained the difference between his legal counsel's advice versus an Attorney General's opinion. Mr. Peterson added that the Attorney General found that the process that the Racing Commission followed met the requirements of the law. Mr. Peterson also added that his advice included that he did not believe there were grounds for the Legislative Rules Committee to void the rules. It was specifically explained in that advice, that although I do not believe there were grounds, the Committee could very well find there are grounds and void the rules. That it was incumbent on the Commission to persuade the Rules Committee that there were no grounds to void the rules.

Commissioner Weir had no difficulty with the petition to the Legislative Council being changed to reflect Bill's comments. Chairman Clement commented that the process has never been the issue but the fact that those who are very much against these rules are not being heard and the Interim Rules Committee directed the commission to seek considerable compromise in this and then if not they were going to throw them out.

Commissioner Weir stated but they apparently were questioning whether the rules were arbitrary and capricious. They were questioning whether the Commission had the authority to adopt the rules. They were questioning whether the rules as adopted were consistent with legislative intent. And those are all issues that were discussed by the Racing Commission in our meetings and with our attorney, Bill. So that is why, Mr. Chairman, I drafted this petition/appeal to the Legislative Council to let them know that we are not seeking to fight with them and I think it is unfair for the Legislative Council to make a finding that the Racing Commission acted arbitrarily and capriciously ignored the legislative intent and the other things that they said in their last letter when that is just not the case at all.

Chairman Clement recognized Tracy Potter, a legislator and member on the Interim Rules Committee, and asked him to speak.

Senator Tracy Potter stated he was an innocent bystander and didn't come to talk or testify. He stated no one challenged the Racing Commission's authority to make rules. You clearly have that authority and you have authority to ask the Legislative Council to overrule the position of the Administrative Rules Committee. But I can tell you after a lifetime in politics that is not going to happen. It was a unanimous vote of the Administrative Rules Committee and if the Legislative Council were to overrule the unanimous vote of one of their committees I think that there would be repercussions that would go far beyond North Dakota horse racing. The finding of the committee was that those rules did conflict with legislative intent. Your committee may feel that they do not but the Administrative Rules Committee, which is made up of legislators, did feel that it conflicted with legislative intent and was therefore arbitrary and capricious.

Legal Counsel Peterson agreed that for the Legislative Council to overturn the Administrative Rules Committee is pretty unlikely. Commissioner Secrest asked does this committee have the authority to take it to district court? Mr. Peterson replied, I don't know, but I can find out.

Legal Counsel Peterson left the meeting at this point.

Commissioner Secrest suggested, in Legal Counsel's absence, the commission review the final draft of the appeal.

- Under I, to change the second sentence to read "The carryover was to allow for concerned parties a chance to further discuss with the Racing Commission to determine if changes are appropriate."
- Under III, B, #8, was corrected to read N.D.C.C. Ch 28-32.
- Under VI, to change "The Racing Commission's mandate is to act on behalf of all horse owners, breeders, etc." to read "The Racing Commission's mandate is to adopt rules for administration, implementation and regulations of activities conducted pursuant to this chapter."

Legal Counsel Peterson returned.

Legal Counsel Peterson stated there is no appeal to the District Court in the law for the decision of the Legislative Council.

Commissioner Weir stated I do not want to have a fight with the Legislative Council and I fully recognized that the legislature has the authority to basically tell us what the law is in terms of what our authority is. The point of filing the petition is I want to go forward and I want it recognized by the Legislative Council that we are not snubbing our nose at them but that we were acting responsibly in my view on the authority of the Attorney from the Attorney General's Office that represents the Racing Commission and that we did not in his legal opinion act in any arbitrary and capricious fashion and that we did not ignore the expressed legislative intent as I expressed in my petition to the Legislative Council. It sounds like from Mr. Potter that it might be an exercise in futility and I acknowledge that it may be, but I still want to go on record that the Commission did act in good faith and in accordance with what we thought was based on Mr. Peterson's analysis and with which we agreed with him.

A motion was made by Commissioner Weir to go ahead with the petition to Legislative Council. Commissioner Secrest seconded the motion.

Discussion was held whether the Racing Commission being an administrative body under the Executive branch, can the legislature get involved in this as a final authority? Since an answer was not available Commissioner Secrest asked Commissioner Weir to look into this issue.

(Weir/Secrest) Pladson-Y, Secrest-Y, Weir-Y, Frederick-Y, Clement-N. Motion passed.

Commissioner Weir's phone line was dropped at 3:15 p.m.

3. Approval of the draft proposal in the matter regarding Melissa Peach, Randy Schwartz and the horse, Major Splash Bac Jet.

Legal Counsel Bill Peterson left the meeting at 3:25 p.m.

Chairman Clement recognized Assistant Attorney General, Edward Erickson. Mr. Erickson stated that he proposed a draft based on the conversation at the last meeting which he had attended. He continued that this is now the time for any additions, changes and etc. for the proposed draft and final vote on the matter. He explained the process for all parties involved.

Commissioner Weir was still unavailable. Commissioner Secrest suggested trying to get Commissioner Weir back on the phone.

Director Blaseg stated that there were horsemen in the audience who would like to address the commission.

During the wait, Commissioner Secrest introduced Heather Benson, the new General Manager for the ND Horse Park. Heather gave a brief background of her experience in the racing industry. Commissioner Secrest voiced his goals for the racing industry. Heather will give a presentation at the next commission meeting for future goals and plans with consideration given to Commissioner Secrest's suggested goals.

Bill Maulding, who raises and races horses of Montpelier, ND, addressed the commission. He stated he sees a problem of some individuals who are looking to get rid of the Racing Commission. He voiced that he feels the Racing Commission has done a good job and is trying to do the best for racing that there is. But you have got some people and I don't know what you want to call them, the Mandan Mafia, the minority, or whatever they are. They keep constantly bucking everybody, not with just this commission but previous commissioners.

Chairman Clement stated that this is not going to turn into a complaint session and would be happy to visit with individuals privately. Commissioner Secrest stated that others have been heard at other meetings and these folks need to be heard today. Chairman Clement stated comments needed to be regarding an agenda item.

Kris Moen with the ND Thoroughbred Association, asked to address the commission under agenda number two. He asked if there was a way to get the minutes of that Legislative Council meeting which were not on the web site as of yesterday to determine what really went on because there is a lot of horsemen who are in the dark as to what really went on at that meeting. A lot of people were flabbergasted that it was a 16-0 vote. I also heard on the radio that there is a legislator from Rugby who is going to bring legislation next year to the legislature to disband the Racing Commission. We would like to know where that is coming from. Speaking for myself and members of the board of directors, we don't always agree with everything that has happened with the commission, decision that have been made over the years, but in general over the last five years, not every point has been agreed with, and in general we would have to say racing has gone on fairly well, and as a majority of the people that we represent as board members I don't hear a ton of complaints. I am willing to go on record as not wanting this commission to be disbanded.

Chairman Clement explained the events in preparing for the February 11th meeting. He spoke with several legislators and after reading the Administrative Rules hearing minutes, called the Chairman of the Administrative Rules Committee. Chairman Clement complained that there was no attempt made by the Director of Racing to inform the commission of options from the Legislative Council. Chairman Clement explained the memo he sent to the commissioners prior to the commission meeting to resolve some issue relating to the rules. Chairman Clement also felt there was no attempt made by the commission to sit down and negotiate with the parties opposed to the rule changes.

Director Blaseg explained in detail that there were no options given in the Legislative Council's letter to the commission. Director Blaseg explained that after he received the Legislative Council's letter he called John Walstad with the Legislative Council, and asked Mr. Walstad what the commission's options were. Then Mr. Blaseg contacted Chairman Clement and informed him of the commission's options and the availability of the council's minutes. He asked if the minutes should be faxed to him, and Chairman Clement replied no, he would go on-line and get them. Director Blaseg then explained he informed the chairman, the commissioners and mailed copies of the Administrative Rules Committee minutes to the members of the Horsemen's Council prior to their meeting.

Director Blaseg stated he also mailed copies of the proposed rule changes to the directors of the ND Thoroughbred Association to review for their consideration and to make recommendations. So for you to accuse me of not contacting anyone is inappropriate. Director Blaseg stated that letters supporting the proposed rule changes were presented at the last commission meeting and Chairman Clement elected to not consider their support of the rules and regulations. Those individuals are here today.

Director Blaseg asked if there was anyone else here today who would want to voice any comments regarding the commission's actions.

Curt Rohweder, from Wishek, ND addressed the commission. He explained that he is a breeder and has been racing horses for twenty-eight years in North Dakota and has raced horses in twelve states plus Canada. He is a member of the ND Thoroughbred Association, of the ND Quarter Horse Association, and of the Minnesota Thoroughbred Association. He has been appointed to the Horsemen's Council to represent ND Thoroughbred Association, and also serves on Horse Race North Dakota board of directors.

Mr. Rohweder stated the directors of the ND Thoroughbred Association had received copies of the proposed regulations and they sent a letter to the Racing Commission in support of them. I believe the Director of Racing is doing a good job. He is trying to promote racing in North Dakota and better the industry. Mr. Clement, as Chairman of the Racing Commission, you should represent the majority of the Racing Commission's wishes and all of the North Dakota horsemen and not just a select few. At our Horsemen's Council meeting all facets were represented and we all agreed that the Horsemen's Council would represent the horse owners of North Dakota and they would try to do what is best for horse racing in the state of North Dakota and not to look out for a select few individual horsemen.

Mr. Rohweder continued I believe the Chair of the Racing Commission should not go in front of legislators and go against the wishes of the overwhelming majority of the Racing Commission. He stated he was open for questions and asked Mr. Clement, do you have any. Chairman Clement asked the date of their letter of support from Thoroughbred Association. Mr. Rohweder asked the Director for the date.

Mr. Rohweder added what we are doing here is arguing over how to register a horse in North Dakota and what we should call it. We are arguing over whether Breed Fund money should be used to supplement North Dakota bred races and what we should be doing is trying to talk to legislators about getting money that is going to the general fund and maybe some of that turned back to horsemen to help support racing in North Dakota rather than arguing over terms and small things.

Chairman Clement stated the letter of support that he was asking about was dated March 10, which came in after the fact. Director Blaseg explained the letter arrived two days before the commission meeting and was presented at the commission meeting. Chairman Clement added we had 90 days to discuss this and my whole point is and you are painting a picture saying that I only represent a select few. Well, I represent a lot of horsemen and the opinions of a lot of horsemen about some real basic issues. When the issue was that the Breed Fund rules that were being promulgated that were hotly contested by many people and not just a select few. Those people were not being heard. So whether or not, that I even appeared at that hearing didn't make a difference. What I am trying to make this commission do, is to sit down and get beyond all these petty issues for what we are always fighting over and we can't seem to get it done.

Mr. Rohweder added I believe this is the consensus of the majority of the horsemen wanting to move on and not be arguing over details in how to register a broodmare. Chairman Clement and Mr. Rohweder discussed registration process.

Chairman Clement continued there were legitimate oppositions to those rules being promulgated and this commission has always kind of circumvented that, never listen, and never responded to any of those. And these people are not crack pots and don't tell me John Bubel, who speaks very, very eloquently for the Quarter Horse breeders in the state and when he sees you are taking Breed Fund awards away from foals that he is trying to sell. Those are legitimate complaints. This commission could have brought these people together in to address these issues. Chairman Clement added when he reviewed the minutes from the Horsemen Advisory Council the issue of changing of the rules was not discussed at that meeting. Mr. Rohweder answered the changing of the rules was not on that meeting's agenda which was overlooked.

Mr. Rohweder added I read in the commission meeting minutes where Mr. Bubel's statement was he can not sell a horse in North Dakota if the Breed Fund money is used for purse supplement. Mr. Rohweder explained the benefit of running a horse for larger purses could be a real good selling point for selling a colt. So I don't buy the part that you can't sell a horse, that is his opinion and now you have heard my opinion.

Commissioner Pladson stated Mr. Chairman, I take umbrage with your statement that we have not heard these people out. Whether it was in open meetings or in written comments, at every turn of adopting these rules, we followed the procedure set forth in adopting the new regulations to be followed in North Dakota. I have spent hours pouring over these rules. Hours in open meeting, listening to people tell us about their concerns. We have taken written comments from people who took the time and the energy to explain their position. Even with that we voted in a certain way. It means if we disagreed with their concerns that they brought to the table that doesn't mean we are against the horsemen. I take umbrage with your statement that we haven't heard these folks out. We just simply have a difference of opinion as to what is required as we adopt the rules and what is best for the horse racing industry. Furthermore a lot of what you are talking about in terms of breed money being used for supplementing purses is wholly outside the scope of the rules that we adopted, wholly outside the scope of those rules. I just can not sit back any more and be accused of not hearing folks out when this is precisely what we have done in adopting these rules. And quite frankly I am disappointed that all of this was kept quiet behind the scenes and then all of sudden at a rules interim committee meeting the Chair of our commission shows up and has stirred the pot so to speak that it created a very unpleasant situation for all when we did nothing but follow the laws and procedures in adopting the rules, which at least was a two to three vote in the eyes of the commission, we have done what is good for the industry. Maybe they don't please everybody that is true but they are good for the industry.

Chairman Clement stated I agree with everything you've said and I am not accusing you of being negligent or biased in your pursuit of official duty with this commission. I said the Legislative Rules Committee gave us a directive to resolve these issues and we did not do it period. Commissioner Pladson answered I disagree with you. Chairman Clement added well it came from the horse's mouth, it came from Tom Fisher. Commissioner Pladson added well that is not what the minutes say. Chairman Clement added well I sent all of you an e-mail three days before that meeting saying that they would throw the rules out if we did not pursue a suitable compromise with those parties that were opposed to them. And this was a full month in advance of the March 12 meeting.

Director Blaseg added that none of the correspondence from the Legislative Council said that they would throw those rules out. The letters, that we received, from the Legislative Council said very clearly that we should consider the opinions of the affected parties. I would have to assume that when you actually have letters from two of the associations, and they are the affected parties and the directors of the Thoroughbred Association all had a copy, reviewed these and sent us a letter in support and to totally disregard that is just a bit unfair.

Commissioner Secrest said Mr. Chairman it is my understanding that before that Legislative Committee you made the statement that you are the only commissioner that represents the horsemen, is that right? Chairman Clement answered I may have implied that, I don't remember, I probably made a statement that would be somewhat close to what you just said. Commissioner Secrest added well you have never been in horse racing yourself. I have been in horse racing myself. That is the reason I came on this committee. I no longer run horses but I started running horses in 1974 and completed it in about 1990. I have run horses all over the country. I ran some big races in Quarter Horses and Paints and so I am familiar with horse racing and that is the reason I got on this to promote horse racing in North Dakota. Then you go up there and say you are the only one representing the horsemen. You have never run a horse, have you Jim? Chairman Clement answered, no. Commissioner Secrest added so I resent, that you made a statement like that. That is a misstatement of fact.

Chairman Clement stated I have worked for these people in veterinarian practice for thirty years. That doesn't mean I don't know and understand the issues that they bring to the table. Commissioner Secrest added all these other people here also understand and these attorneys also sitting here have never run a horse. Like DeAnn Pladson, she just got through explaining. She had done a lot of work on this.

Chairman Clement said I just want to make one more comment on your comments, DeAnn. At the last meeting I said that I would appear at that meeting and that I would speak for myself. So you knew that I was going to appear. I did not hide it from anybody. Commissioner Pladson said I appreciate that Mr. Chair but unfortunately in this world, even though you are speaking for yourself, there is an appearance

that you are speaking for the entire commission. It is unfortunate how all of this has shaken down and now I don't know what will come of it. Even with our appeal, I don't know what will become of it. It is a very unfortunate situation, I think, for everybody in the industry.

Director Blaseg tried again to reach Commissioner Weir by phone.

Commissioner Secrest stated there is one other point I want to make. This is not the first time that this same little group has been trying to get rid of the Racing Commission. They did so the last session too and they plan to do it this session. You work for the Ag Department and that is where you want it to go. Isn't that right? When you go off this commission, you want to control it from there.

Chairman Clement replied I will not be with the Ag Department very much longer in fact as of tomorrow I will go part-time. It would make my departure a lot more rapid if the Racing Commission was a part of my duties. No way would I ever want to take control of this. Commissioner Pladson stated I am not suggesting for a second that you are not entitled to your own opinions you certainly are. You are entitled to your own opinion and we have disagreed some times. It is just the manner of which this all shook down is disappointing.

Director Blaseg was unable to reach Commissioner Weir.

Lance Hagen addressed the commission stating there was a lot more of rules than the Breed Fund. I give Chairman Clement credit for standing up for what he believes in. He has that right as a citizen and because he is burdened with the fact of being the Chairman shouldn't keep him from coming to do what he feels is right. When we testified at the first hearing, I think Helen could drag out the testimony, the Thoroughbred Association was in favor of the majority of what we testified in the Administrative Rules. And another problem is that I have got a memorandum here that is dated March 5th to the Racing Commission from Bill Peterson, Assistant Attorney General, and I have no problem with Bill Peterson, but there was a lot more at stake at that Administrative Rules hearing than just what you read in the paper. For instance, this comment, if the Commission does not changes the proposed amendments, and the Committee voids all or part of the proposed rules, there will be consequences. If the Committee voids the proposed amendments to the N.D. administrative rule 69.5, the outcome of the Appeal of Melissa Peach and Randy Schwartz, currently pending before the Commission, will be determined on how that section will be interpreted. If the Committee voids the double-dip amendment, horses winning purses funded by the Breeders' Fund will also be eligible for awards from the Breeders' Fund." There is a lot more than what was just in the paper. I think the problem you folks have with Melissa Peach and Randy Schwartz had a major impact in that hearing. I agreed, I am with Commissioner Secrest, it would be nice if we could build a track in Mandan. We can't build a track in Mandan. Nobody fought harder to build a track in Mandan than me. And that is over with folks. I had lunch with Les Schmidt and Heather this afternoon and I can honestly say I have never heard quarter members or anybody supposedly from Mandan Mafia say that we want to see the Fargo track go down so we can race in Belcourt. Nobody wants to do that. We have invested too much money. I had plenty of fights with my friend, Kris Moen, when I was sitting in your chairs when Kris Moen was banging his fist on this podium telling that Breed money belongs to the person who sleeps in the barn, Lance, you are making a mistake. This is not a new fight this has been going on for a long time. There is a lot more than a small group of people who don't agree with things. It is our right to go before the legislature.

Kris Moen, stated, Lance is absolutely right. This stuff has gone on for years. There is a bunch of horsemen who belonged to the original advisory board and we did our best, we had super commissioners, and everybody was working toward the same end. But when Bill Maulding named the Mandan Mafia, that is the best determination of a small group of people who have entirely run that Quarter Horse Association over and above the directive of their members. I was President of the Thoroughbred Association when Steve Bennett was the Quarter Horse President, we sat in a advisory board meeting, we made deals and we talked about things and he went back to board and he gave me his word on things, and I can't give you specifics now, but when Steve Bennett went back to his board and told them the agreements that had been reached at these advisory board meetings, the board of directors totally disallowed anything Steve said and that made him resign as President. He was a very short term President but because he had given his word to me and other people in the group, he resigned

because of that. Another thing the advisory board is a very good board. It had a lot of good intentions at the beginning but what happened under Roger Ruele's rule is the quarter horse guys saw that they couldn't manipulate that advisory board so they brought in these racing paints. Wes Heinert said he was the President of the Racing Paint Association and all it was, was a way for the quarter horse people to get more votes so they to stop everything the Thoroughbred and Standardbred and others wanted to do and they could dictate the way the old advisory board operated. We contacted the national paint association and there has never been a racing paint association addressed by the Paint Association but yet they had members on the advisory board committee so that the quarter horse people could override anything that the Thoroughbred, the Arabian and the Standardbred wanted to do.

Commissioner Secrest asked Kris Moen if he was one of the members of the Horsemen's Council. Kris answered no I am not currently. I am Vice President of the Thoroughbred Association at this time. Commissioner Secrest asked do you think this will help solve the problems the way it is now set up? Kris answered I would hope it would. The manipulation that has gone on in the past has soured a lot of people. When I walk in this room today, I was asked where you have been. All of these points that are in front of you today have been argued for decades. Ten, twelve years these fights have been going on. But we got manipulated and we just said the heck with it. Get out of the politics, go back raise your horses and let your horses do the talking. I can say for myself I have tried to get away from the politics.

Commissioner Secrest stated I am going to be on this board for another three years. I am not going to resign. It was been written to the Governor that I should resign but I am not going to resign voluntarily. I am here to represent all the horsemen and the industry period. I don't care if I step on toes. I am 81 years old but I am active. I am here not to play politics or gain favorite with people I am here to do a good job. I am not going to tell you one thing and do another. So if that Horsemen's Council will get on the ball and represent all the horsemen I can guarantee that this commission will follow what you people suggest as long as it is reasonable. I am in favor of looking forward and not the past.

Commissioner Weir was still unavailable by phone.

Commissioner Frederick suggested before acting on agenda item # 3 that it should be before the full commission. Commissioner Secrest agreed.

Assistant Attorney General Edward Erickson left the meeting to check on the time frame for the commission to act on agenda item #3.

In his absence, Les Schmidt spoke before the commission. I was appointed to the Horsemen Council as a representative of Horse Race North Dakota. I am President of this committee. We came out of that first meeting of the Horsemen's Council feeling that we should be the people who represent the ideas from the different breeds to the Racing Commission and possibly to the legislature. We will have another meeting in April. Our meetings will be held in different areas and will invite the legislative people and the racing commissioners from those areas. I have served on the Racing Commission and I was very proud of the fact that I was a racing commissioner. I was on many decisions made by the Racing Commission. I was on the best and the wrong side of some of the decisions. I am just very puzzled Mr. Clement, how you can attending a Racing Commission meeting, vote on an issue and the issue comes 3 to 2 and it happens to not be on your side of the issue, and walk out of that commission and go before a committee supposedly on your own and knowing darn well that you are going to representing whether directly or indirectly the Racing Commission. I think it is a sore spot and a black eye to the Racing Commission what you did. Jim that is my honest opinion.

Chairman Clement said I tell you what whether a sore spot or black eye to this commission because I had to do it because of issues that surround those Breed Fund rules are so terrible and have not been listened to. And I made every attempt to get this commission to bring those parties together and to resolve something prior to that meeting and it was not done.

Les Schmidt answered it was resolved at a commission meeting and it was voted three to two and you lost the vote.

Commissioner Pladson suggested it was time to move on.

Mr. Erickson returned and reported when a recommended order is issued, which is what the ALJ issued, the agency must within 60 days after evidence received and arguments closed or within as soon thereafter is possible. So within 60 days or whenever you can manage to do so and I would say don't delay.

A motion was made by Commissioner Secrest to postpone agenda item #3, the Approval of the draft proposal in the matter regarding Melissa Peach, Randy Schwartz and the horse, Major Splash Bac Jet, with a full commission at a meeting possibly in April. The motion was seconded by Commissioner Frederick. (Secrest/Frederick) Clement-Y, Pladson-Y, Secrest-Y, Frederick-Y, Weir-Absent. Motion passed.

Commissioner Secrest thanked Mr. Erickson.

Chairman Clement asked Beth Baumstark, Attorney for Schwartz and Peach to address the commission. Ms. Baumstark asked that the meeting be rescheduled as soon as possible, that she gets a notice of it as soon as it is scheduled and that she be allowed to address the commission at that meeting.

Chairman Clement asked Leon Glasser to speak. Leon stated he is with the ND Quarter Horse Racing Association. The way this went to today does not really set with me. I am not going to get into a lot of details, the commission doesn't have time. He asked Commissioner Secrest, as a commission, your position and Randy's position is it regulatory. Commissioner Secrest answered that is partially. Leon continued so do you think that Mr. Blaseg when something goes on here calling a lot of the board of directors on Thoroughbred Association and by not calling the Quarter Horse people do you think that is a fair balance. I don't think so and so I don't think he has done his job that good. But here is what saddens me. I am looking out at guys I know for a lot of years and we have had some battles, Kris Moen is one. When they refer to the Mandan Mafia it must be me. Kris I think you are a good guy. We don't always agree. Bill Maulding, I have a lot of respect for and I like him a lot. I wish Bill had come to me when he heard those comments so he had gotten my side of the story of what was said. This gentlemen just got back from Iraq, Scott, he is a good guy. There is a lack of communications between the two major breeds, Quarter Horses and Thoroughbred. We need to start communicating and when we do we don't need somebody running around on the back side, and I am talking about you Randy, stirring the fire here, stirring the fire there and if you keep us at odds, because if we are fighting it is easier for you. That is no good.

Director Blaseg tried to speak, and Leon replied, Randy, you are not the Chair. Leon continued all I am saying for you guys, if you have got an issue, I met with Les today, there is no reason we can't sit down and as gentlemen come up with an agreement. On that Breeders' Fund and the Purse Fund I am the guy that came up with the idea of taking some money and putting into those races for the Quarter Horses and the Thoroughbred when it started. The Commission decided to take it out of the Breeders Fund. Kris said no it should come out of the Purse Fund. That is one thing we always agreed. Kris, if you have a change of heart you have got to let me know. We have to get along.

Curt Rohweder asked Leon if he and did Lance Hagen attend that meeting at Steele. Leon answered yes. He asked Leon what was said at that meeting and what did I bring up. Curt continued that it was said that the horsemen would discuss their problems up at that meeting, hash it out and whatever the conclusion at that meeting that is what we would bring in front of the Racing Commission or the legislature. Curt said Leon did you say yes, Lance did you say yes and both replied yes. Curt asked did Schwartz say yes. Leon said did Commissioner Weir or somebody say that you wanted more money to be taken out of the Breeders Fund. Curt said he did not make that statement.

Commissioner Frederick told the Chairman that we should not be talking about Commissioner Weir without him in attendance.

Heather Benson, General Manager of the ND Horse Park, spoke on the issues addressed and stated that whatever side you are on you should as an association meet, take a vote, so when you say you represent a group, you can report on the vote taken on a particular issue.

Commissioner Secrest stated this meeting was good to get everything out in the air.

4. **Any other business which may properly come before the commission**
No other business.

5. **Adjournment**
A motion was made to adjourn the meeting by Commissioner Secrest. Commissioner Frederick seconded the motion. All voted aye. The meeting was adjourned at 4:55 p.m.