



**Special Board of Trustees Meeting
By Zoom**

**April 17, 2023
2:00 p.m.**

PRESENT

President Tom Goncharoff, 1st Vice President Norma Alvarez, 2nd Vice President Nancy Summers and Trustees Brian Anderson, Mark Brown, Denise Chambliss, Warren Franklin, Debra Laney, Mike Logan, Helen Nave, Susie Prather, and Patrick Sanders.

ABSENT

None

GUEST

Ralph Vincent

QUORUM

President Goncharoff acknowledged a quorum present.

ACTION ITEMS

DISCUSS AND VOTE ON REQUEST TO POST NMHA PRESIDENT'S LETTER ON OUR FACEBOOK PAGE

President Goncharoff started off with some opening comments. What we are here to decide is whether or not we want to share this letter from the Horsemen on our website and social media.

Tom Goncharoff was told that the contract for the simulcast has been signed by the local track committee, and approved by the Commission so it is a done deal. What we are talking about here, is the horsemen's complaint, that would be that they don't think this was legal. For Patrick Sanders who is new to this board, the Horsemen's Association has been unrecognized by the New Mexico Racing Commission. So, to be clear the simulcast contract has been accepted, signed, and approved. We need to be cognizant of the potential backlash from the owners of Ruidoso Downs if we go through with this. Some things to consider is that Ruidoso hosts and contributes to the costs of our awards banquet, they also allow us to use the sales pavilion for our meeting and even more importantly put on the New Mexico Bred sale. This sale was going to be combined with the Select sale and when the owner was notified, he agreed to keep our sale separate. The track also owns the stakes races and they could cancel them at any time.

There are complaints as to the makeup of the track committee that is comprised of two trainers, Mark Jungers and Casey Lamber and three owners who are Bobby Simmons, Javier Rodriguez, and Bob Matney. He has heard complaints on social media that Casey Lambert trains for the owners of Ruidoso Downs. We also need to remember that our biggest Thoroughbred buyer at our sale was Jana Trotter. President Goncharoff thinks that this is a pretty good committee. Ruidoso Downs makes a lot off of the simulcast signal. In 2021 their total handle was 37 million dollars, out of that total the simulcast handle was \$26 million, in 2022 their total handle was 36.3 million dollars, and of that \$24.6 million came from simulcast. This benefits both horsemen and breeders. This would have a huge effect on Ruidoso Downs, the horsemen, and the breeders if they were not allowed to simulcast. He does not see what we have to gain as a breeders organization by posting this letter on our social media, and there is a possibility of alienating the ownership of Ruidoso Downs. Again, the horsemen have been unrecognized by the New Mexico Racing Commission. Johnny Trotter is now the sole owner after losing two of his partners and he has inherited this deal and he ran during COVID when he didn't have to. He does this because he cares about it. We need to be extra cautious about getting on the wrong side of Johnny Trotter when he has been very generous with the breeders.

Who would like to speak first?

Helen Nave wants to know how the simulcast contract was approved? She thought it was a federal law that the horsemen's association has that simulcast. How does the Commission sign off on that? She doesn't see how they can just go and do that.

Debra Laney explained that the Racing Commission, who is the regulatory authority over horseracing in New Mexico, unrecognized the horsemen's association on 6/16/22 and in their statement it was said the Commission was not ready to announce which group would be recognized as the official horsemen's group at this time, it has however been established that it will no longer be the NMHA based on the entire NMRCs vote in which just took place. She found that there was a statute violation by the NMHA, 60-1A-21B when the money wasn't paid to SunRay Park, that was a violation of statute. She has even found in the annotations of the Gaming Act; it looks like everything has been taken away from the horsemen's association. She asked if there was a lawsuit against the Commission for unrecognized them and Susie Prather said that they do have one. Debra Laney has been looking for this and she cannot find it. She can only find one lawsuit that is still pending.

Mark Brown said that the federal deal when they started simulcasting is that the local horsemen's committee has to approve the contract. The only reason that was put in there was to make sure the horsemen were getting their share of the funds. It is the local horsemen at that racetrack.

Debra Laney asked if there is a standard contract? Susie Prather thinks that they are pretty much the same. She heard that Rick Baugh took out the part of the contract that the NMHA had submitted and he changed it. He took out the part about not charging owners fees. She thinks there will be charges to the owners.

President Goncharoff has talked to both Rick Baugh and Ethan Linder and they told him there would be not starter fees charged. However, that is up to the racetrack and they can change their mind. If we get crosswise with the guys, they could very well institute starter fees and we wouldn't have anything to say about it.

Norma Alvarez wants to know the status of the horsemen being unrecognized, she wants to know if it is legal or where things stand. She had Mary Barber call the horsemen's office and they told her there are four lawsuits that are still pending. One about the 1% and one is a federal lawsuit about being unrecognized by the NMRC. She called Izzy Trejo to get their perspective. She was told that the lawsuit with the 1% is still going on and the one with the Gaming Control Board and a Judge is still going on. SB 336 resolved how the Jockey Insurance will be paid so that took care of that lawsuit that was pending. The individual ethics lawsuit has also been resolved. Most everything has been resolved.

Nancy Summers feels it really doesn't make a difference. The horsemen may have been unrecognized but they are still a nonprofit and every horsemen except for maybe you guys supports the horsemen's association. So, us putting it on our site or not really makes no difference because they are going to go forward. They have a very bad perception of the breeders. Nobody likes us. They think we are in bed with the Commission. You know that and whether it is propaganda or not or whatever. They know you are anti horsemen's association but they are 4,000 strong, it makes no difference. She would like us to be united going forward is better and Paul Jenson is as good as a guy can be and she herself will stand behind him. We can talk about being scared to do this or that but it really doesn't matter, they are going forward. All this will do is make the horsemen feel that we are in bed with the Commission and in bed with racetrack management. This is what we have tried to stop is this thought process. They are not asking us for anything but to share their letter. It does not go against Ruidoso but they put the pressure on guys that have stalls there. You cannot deny them because they have us under their thumb. All this does is keeps us divided but she will not let it be on the record that she voted against the horsemen.

Warren Franklin feels that whether you agree with the letter or not for us to encourage our members to do anything. By just publishing the letter is not saying that we are backing them but just there it is, a letter from the New Mexico Horsemen's Association to the New Mexico Horse Breeders members. He doesn't think we need to take sides but by putting it out there and if the racetrack wants to issue a rebuttal letter, we should post that as well. Maybe it would be seen as we are taking a stance and are behind the horsemen and frankly, he doesn't agree with all that has happened in the last two years. That doesn't mean he is in bed with the Commission either. He would like to see the Commission stick to the laws and quit cutting race dates. He doesn't think we need to take up a fight with another horsemen's group when we are not really in a position to do so. He is just for sharing the letter but to say that we are encouraging our members to do that, he does not think we should do that. President Goncharoff asked Warren if he doesn't think that would be the perception and Warren said he thought it would be. Maybe some contact with Ruidoso Downs to let them know we are kind of backed into a corner and we have members taking both sides, can you send us a letter that we can publish from you?

Mike Logan doesn't really understand Warren. He thinks we need to pick our fights and doesn't understand why it is imperative we publish this letter. Is there a form with this letter? President Goncharoff said that there is a petition. We did send the letter that we recognized the horsemen's association but we don't have to agree with everything they do. They have a website and are fully capable of posting their own letter. Susie Prather explained that she was the one who asked us to do this because it could get to all of the breeders. To put it out there so that all of the members could see the letter. By putting it on our Facebook it was allowing our members to see it. Then they could see it and decide if they wanted to do this. That's all it was and now it has blown up to what it is here.

Debra Laney asked what is the issue if Ruidoso Downs does not charge a starter fee? Susie Prather said that with Dustin Dix and Sunland Park, there were no problems at all. Then they sent the contract to Ruidoso and Rick Baugh hand picked his committee. Nancy Summers asked why did Rick Baugh do this? Susie Prather thinks it is because he didn't like it. He took out the parts about the starter fee and about HISA. Nancy Summers asked why would you take that out if you weren't going to charge those fees. President Goncharoff asked why there would be anything else in the contract but about the export signal. Nancy Summers explained that is the only way the horsemen can get anything done and this is done everywhere. Debra Laney had never seen this before but Susie Prather explained that this had been done forever. Helen Nave explained that the racetracks don't do what they were asked to do after the contract is signed.

President Goncharoff asked if you all are aware that Mr. Trotter has spent over \$2 million dollars on front and backside improvements? Mark Brown said that he has seen the improvements on the backside and they have done everything the horsemen have asked for. They have put up all new plywood and have done some painting. President Goncharoff said they have worked on the electrical connections for the walkers. Nancy Summers asked if that shouldn't just be standard to have a safe facility for horses? Mark Brown thinks this is the first racetrack to do this voluntarily. Nancy Summers asked if they don't understand that that is the only leverage the horsemen have? President Goncharoff feels that the signal should not be held hostage.

Norma Alvarez read the petition that goes along with the letter from Paul Jensen into the record (copy incorporated into the record).

Mike Logan remembered back when the Commission was trying to make us be the one horsemen's group and this is just not our deal. We are elected to the NMHBA and our job is to watch out for this association. Our job is to be the oversight body for our finances, legislation, registration rules, stakes, and awards. That is our job in a nutshell. We always had a horsemen's association that took care of everything else. The retaliation could be extraordinary if we post this. He doesn't think they need us to do this and we need to take care of the business that we were elected to take care of.

Mark Brown agrees with Mike Logan 100%. We've got nothing to gain and everything to lose. We have been getting along good as long as we stay neutral. We have been talking to these racetracks and Mike has done a great job on our stakes. When we all work together like when we got that bill through. That was Ralph's idea but everyone worked together. He just can't be for publishing that letter because he thinks it would be a slap in the face.

Debra Laney thinks that we need to look out for the best interest of our members and if Ruidoso Downs got their gates locked and people could not race their horses there, do you think our membership would be happy with us? Ruidoso's purses will be better than they ever have been.

Discussion continued for quite some time.

Susie Prather made a motion to vote on this issue, seconded by Nancy Summers.

Norma Alvarez updated everyone on the lawsuit about the horsemen being unrecognized, they didn't meet the rule requirements but the judge is giving them another chance.

Warren Franklin feels that maybe people do need to know what is going on but he can't vote yes unless we can post both views. If we publish only one side, then we are picking sides.

Mike Logan thinks because the letter has statute quotes, he is not comfortable posting that without being checked by our attorney.

Mark Brown thinks people have spent thousands of dollars to be in these races and to pull the rug out is hurting these people. This might be something to look at down the road but this will hurt a lot of horse people who have spent a lot of money getting ready for this. We don't need to pick fights we don't need to.

Mary Barber was asked to take a roll call vote.

Susie Prather – Yes

Helen Nave – Yes

Denise Chambliss – Yes

Mike Logan – No

Debra Laney – No

Mark Brown – No

Patrick Sanders – Yes

Norma Alvarez - No

Warren Franklin - No

Nancy Summers -Yes

Brian Anderson -Yes

President Goncharoff asked that before we publish this, we give Ruidoso Downs a chance to rebut.

Warren Franklin made a motion to talk to Johnny Trotter, seconded by Mark Brown. Motion carried 11:0.

Debra Laney made a motion that we let our attorney review this for accuracy before we post it, seconded by Norma Alvarez. Motion carried 11:0.

Denise Chambliss asked who will reach out to Johnn Trotter and Tom Goncharoff said that he would do that.

Norma Alvarez made a motion to adjourn, seconded by Debra Laney. Motion carried 11:0.

Tom Goncharoff
President

Mary M. Barber
Attest