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September 24, 2014

Mr. Tim Bryant, President
1751 Gentilly Blvd.
New Orleans, Louisiana 70119

Dear Mr. Bryant,

I am concerned about statements made in your recent press release announcing purse cuts including misstatements contained therein and assumptions made.

First and foremost, the HBPA was never consulted in formulating these cuts. In fact, these cuts make some assumptions which we disagree with and cannot understand the FG's logic in making these assumptions.

I am concerned that calculations and assumptions that are being made do not have any factual basis. Incorrect estimates have detrimental effects on future meets as well as current meets. The goal should be to pay out the purses evenly throughout the meet so that all owners are sharing in the purses on the same level. Low calculations cause owners who win early in the meet to be paid less than those who win later. Furthermore, a low overnight average could cause stables not to even participate in the meet which would contribute to a decline.

I am concerned that care is not being taken in making your calculations. At the recently concluded FG QH meet, purses were on pace to be overpaid at a level which would have a significant effect on next year's meet. Only by the happenstance, rain caused the cancellation of a portion of the racing card on August 30, 2014. At this time all races were already drawn for the remainder of the meet and the overpayment would have exceeded the one day average. Our contract addresses overpayments and notifications which we never received.

Since we have never had the courtesy of receiving any written documents from the FG concerning your 17% decrease in overnight purses as stated in your release, we are extrapolating the purse cuts as follows from the information that we are required to receive by law and other public sources. (It should be noted that since monies are paid out from an April to April basis that projections based on past data are made for the upcoming months from October 2014 to March 2014.):

- 1) Due to a decrease in slots and video poker revenue, overnight purses would be decreased by 4%.
- 2) Since the bulk of the effect of the escrowed funds from the lawsuit was addressed in the stakes purse cuts, the remaining escrowed funds (approximately \$700,000) should cause the overnight purses to decrease approximately 4%. You have tried to attribute the all the purse cuts to the QH litigation which is just not true.
- 3) THE REMAINING CUTS ARE ATTRIBUTABLE TO A PRESUMPTION BY THE FG THAT PARIMUTUEL WAGERING WILL BE DOWN 15% FROM LAST YEAR RESULTING IN AN ADDITIONAL DECREASE OF APPROXIMATELY 9%. ON WHAT BASIS ARE YOU MAKING THESE ASSUMPTIONS? No mention was made of the cuts attributable to your presumption was made in the press even though this assumption effects overnight purses more than other factors.

The FG touts its fixing of the turf course and its increased attention to customer service. How can these actions not have a positive effect on handle? We are fearful that relying on these assumptions and starting the purses off at these levels will help fuel a downward trend by discouraging stables from coming to the FG and unfairly treating those owners who win early in the meet based on your assumptions. We do not think that starting out the purses at these levels so that you can have a purse increase later in the meet is fair to those who support the meet at its inception.

Sincerely,



Bernard Chatters
President, LAHBPA