

Ontario
Racing
Commission

Commission
des courses
de l'Ontario

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November 18, 2011

Notice to the Industry Ontario Racing Program – 2012 Schedule of Race Dates

ORC issues final Race Date Schedule for 2012

Notice of Decision of Director approval of 2012 Race Dates

Further to the Notice to the Industry issued October 7, 2011 regarding the conditional approval of the 2012 race dates, and following consideration of the applications received to vary the 2012 schedule, the Director is providing Notice of the final decision regarding the 2012 live and simulcast Race Date Schedule of the Ontario Racing Program.

Copies of the specific applications and details of the Director's decision making form part of this Notice.

Race dates will issue to each Racetrack Operator as a Term and Condition attached to each Licence to Operate a Racetrack issued by the Director in the late fall 2011.

Having considered the recommendation of the Implementation and Monitoring Group on the applications received, the Director issues the Ontario Racing Program for 2012 as follows:

Thoroughbred

Woodbine	167	Premier Cards
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Quarter Horse

Ajax	40	19 Signature Cards 21 Grassroots Cards
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Standardbred

Woodbine	130	Premier Cards
Mohawk	98	Premier Cards
Flamboro Downs	188	Signature Cards
Georgian Downs	103	Signature Cards
Grand River	65	Signature Cards
Rideau Carleton	159	Signature Cards
Windsor	88	Signature Cards
Western Fair	123	Signature Cards
Kawartha Downs	96	48 Grassroots Cards 48 Signature Cards
Clinton	19	Grassroots Cards

Dresden	23	Grassroots Cards
Hanover	30	Grassroots Cards
Hiawatha Horse Park	44	Grassroots Cards
Sudbury Downs	62	Grassroots Cards (conditional)
Woodstock	23	Grassroots Cards

Fort Erie Racetrack

Due to ongoing planning and development for next year's season and based on a request from the racetrack operator, issuance of the 2012 race dates for Fort Erie has been deferred. Consideration of the Fort Erie race dates for both Thoroughbred and Quarter Horse racing will issue shortly under separate cover.

Sudbury Downs

Final consideration of the schedule of race dates for Sudbury Downs and the variance requests received will be held in abeyance until completion and review of the 2011 racing season.

All racetracks are approved to provide simulcast product at their racetrack and in their associated teletheatres 366 days in 2012. All designated Premier and Signature Cards are approved for outbound simulcast. A Signature Card designation for a race date requires the simulcast distribution of product. All race dates are approved for telephone account betting.

Jointly, both Racetrack Operators and their respective horsepeople's association will be held to account in servicing the customer under this approved schedule.

Please be advised that you or any other aggrieved party have the right to appeal the Director's decision to the Commission. Please note that the hearing dates have been scheduled for December 13, 2011. Any Notice of Appeal must be filed no later than December 2, 2011.

Any updates to the calendars for the provincial Ontario Racing Program, Regional calendars and separately for each track individually will be made available on the ORC website under the "What's New" section by November 25, 2011.

REASONS FOR DECISION

The Executive Director of the Ontario Racing Commission (ORC) received applications to vary the conditional 2012 Ontario Racing Program Race Date Schedule issued on Friday, October 7, from Great Canadian Gaming Corporation (GCGC) for Flamboro Downs, Hanover Bentinck & Brant Agricultural Society for Hanover Raceway, Ontario Harness Horse Association regarding Windsor, Georgian and Flamboro, Northern Horsemen's Association for Sudbury Downs and, separately, Macranald Enterprises Inc. for Sudbury Downs. Each of the applications has been reviewed and considered through an application of the principles of the Ontario Racing Program.

Copies of the applications to vary form an attachment to these reasons.

**Application to vary the 2012 Race Date Schedule for FLAMBORO DOWNS
Great Canadian Gaming Corporation (GCGC)**

GCGC's application to vary the dates included a 3 month shutdown period from September through November, for a further reduction to 154 race dates for Flamboro Downs.

The following points impacted on the Director's decision:

- Despite the decrease in unique starters in Ontario, the Central West region (where Flamboro is at the core) is still receiving a sufficient amount of entries such that a reduction in dates at this time of year is not warranted.
- Closing Flamboro for three months (September, October and November) would create an imbalance in the race calendar in the Central West region, with a loss in racing opportunities at a time necessary to sustain the racing population.
- During these three months, only Grand River and Western Fair would be viable solutions for Signature type horses in the Central West Region, as well as Georgian in Central East, however neither of the former two tracks have the financial means within their purse account to take on additional race dates to fill the void, nor is there demonstrated customer demand for more racing at these two tracks at this time.
- Based on the current average daily purse, an extra two months of being 'dark' at Flamboro would add approximately \$2.5 million in unutilized purse money to its purse underpayment.
- In response to GCGC's concern about declining customer demand, to date Flamboro has been offering an average daily purse at the low end of the range permitted for a Signature track. Flamboro is encouraged to increase the purses, as they may be able to attract the type of horses back to their track to help with the customer demand of its product.
- The creation of new added money events may also aid in increasing the customer demand for the product that GCGC says is needed at Flamboro.
- The 2012 race dates approved for Flamboro Downs include a reduction of 10 dates. Creating a further reduction in 2012 would negatively impact racing in Ontario at this time.

Based on the above, the Director declines to approve the application.

**Application to vary the 2012 Race Date Schedule for HANOVER RACEWAY
Hanover Bentinck & Brant Agricultural Society (Hanover)**

Hanover applied for a variance to start the racing season on Saturday, May 5 instead of May 12. Hanover also applied to drop Thursday, August 30, due to a conflict with an annual golf tournament, leaving Hanover with a total of 30 race days.

The following points impacted on the Director's decision:

- Starting the Hanover meet a week earlier on Saturday, May 5 poses no conflict with the race date calendar.

Based on the above, the Director approves the application to add May 5 and drop August 30.

The following two applications have been addressed together as follows:

**Application to vary the 2012 Race Date Schedule for SUDBURY DOWNS
Northern Horsemen's Association (NHA)**

NHA applied for a variance to add 4 days of racing into December and adding Saturday, April 14 for a total of 67 days.

**Application to vary the 2012 Race Date Schedule for SUDBURY DOWNS
McCrannald Enterprises Inc. (Sudbury)**

Sudbury applied for a variance to drop Saturdays April 21 and 28, and dropping Wednesdays in November for a total of 57 days.

In the conditional decision issued October 7, 2011, it was noted that consideration of the 2012 Racing Schedule for Sudbury Downs would be subject to review following the completion of the 2011 race date schedule. As such, a final decision on the variance applications will be held in abeyance until completion of the 2011 race date schedule and review of same.

**Application to vary the 2012 Race Date Schedule - WINDSOR, GEORGIAN and
FLAMBORO**

Ontario Harness Horse Association (OHHA)

OHHA submitted a response to the issuance of the Notice on race dates, which included the following suggested general changes to the schedule:

1. Windsor – Add back in 4 Tuesdays in April for a total of 3 days a week
2. Windsor – Sunday race dates year round
3. Georgian – Add back race dates from mid January through March
4. Flamboro – Add back race dates in April, May and October

Windsor

- An analysis of the entries at Windsor demonstrated that Windsor Raceway struggled in April when there were insufficient horses for the number of racing opportunities. The average number of entries was 110, down from 125 in March, which was down from 136 in February. A full 12 race program at 9 horses per race would require 108 horses. A global amount of 110 is an insufficient number of entries to provide the race secretary with enough horses to create a card of racing. It should also be noted that entry figures noted above include horses that were double entered, which means there would have been even less horses available than the entries number indicates.
- Windsor management has expressed their goal of offering purses of \$75,000 a day, the mid-level in the Signature purse range. This purse level is necessary in order to attract horses appropriate to the Signature level and to support the product that is leveraged through Windsor's simulcast network. The number of days approved reflects what the purse account can support with average daily purses maintained between \$70,000 and \$75,000 a day.
- If the race meet were to be extended throughout the summer at Windsor, the additional dates would significantly impact the two tracks that currently operate in that region during the summer season, Dresden and Hiawatha. The three tracks in the Southwest

Region would face a horse supply shortage, as there would be too many racing opportunities available and not enough horses to support the three tracks.

- In 2011 Hiawatha received a variance to accommodate the Signature level horses in the Southwest Region so that they would not need to travel to the Central West Region to race.
- To create year round racing at Windsor by racing Sundays through the summer (and maintaining the established winter program), the daily purse would have to be adjusted to support more race dates. Windsor would be forced to offer Grassroots purses and the racing product would suffer.

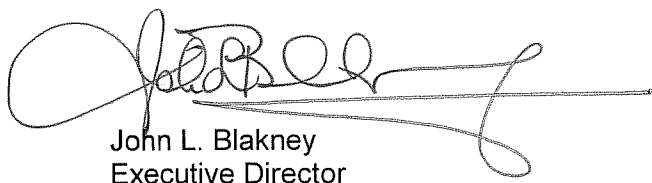
Georgian

- Georgian will be racing the first two weeks of January, followed by a winter closure of 2 ½ months. This 2012 schedule has addressed the issue of not enough Signature racing opportunities in the Central East region in early January due to Kawartha's closure.
- When Georgian opened in March, the analysis shows there were more racing opportunities throughout the central area of Ontario than unique horses available to race, which means there were not enough horses for the amount of racing being offered.
- The 2012 adjustment to the Georgian schedule and other adjustments made (e.g. Flamboro in the spring, summer and fall) reflects an analysis of the available horse supply and overall demand for the product.

Flamboro

- Consistently across the province during the year, there were very few complaints received by the IM Group from horsepeople about getting their horses in to race. That did change for the first two weeks of October when Flamboro closed down. A combination of factors and a missed gap in racing opportunities led to overflowing boxes for the two week period. Adjustments were made to the 2012 race dates to better synchronize the closure of Flamboro with the opening of Western Fair. Going forward, the 2012 schedule has balanced the amount of racing opportunities to support the anticipated horse supply at specific times of the year – and balanced those interests with demand for the product.
- Some of the Flamboro dates removed from April and May to deal with the spring horse supply issue were moved to Fridays in August when the horse supply is available to support the level of racing and there is greater demand for the product.
- Increasing the number of race dates at this time as suggested by OHHA, would lead to reduced purses and result in a 'watered down' on-track product, making the product less attractive to the betting public.
- It is pointed out that despite the reduction of dates, total wagering on Ontario Standardbred product has stabilized and the per-card average has increased by 7-8%. This follows year over year declines of the past decade.

Based on the above points, the Director denies the application.



John L. Blakney
Executive Director



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John Blakney
Executive Director and CEO
Ontario Racing Commission
Suite 400
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October 21, 2011

Dear Mr. Blakney:

Please accept this letter as a written request to seek a variance on behalf of Flamboro Downs to the race date schedule outlined in the **Notice to the Industry**, Ontario Racing Program-2012 Schedule of Race Dates.

I was extremely disappointed that there was virtually no effort made by the Implementation and Monitoring Group (IM Group) to address the significant imbalance between the supply and customer demand for live racing or a racetrack operator's financial ability to continue to host excessive amounts of live racing with an ever decreasing customer demand.

The IM Group has made progress in aligning races dates by region and dates to better service the industry, but virtually nothing to address the continuing significant imbalance between the supply of race dates and customer demand.

At our recent industry meeting the IM Group supplied information that continues to be disconcerting for the industry as a whole:

- Signature tracks live wagering down 12. % over last year;
- Signature tracks live wagering per card down 4.9% over last year;
- Grassroots tracks live wagering down 18% over last year; and
- Grassroots tracks live wagering per card down 11.3% over last year.

Equally or even more confusing is the fact that the number of horses available to race in Ontario (unique starters) has dropped by 10-12%.

At the Industry meeting it was suggested by a member of the IM Group that it was his feeling that most of the horses that are no longer in Ontario are the "middle" horses i.e.: 10-20 thousand dollar horses that are critical to Signature tracks.

With all this information on the table, we are very disappointed with the Commission's decision to only reduce the overall number of race dates in Ontario by 1.3% in 2012 compared to 2011. It is our opinion that with all of this information, especially the continuing significant decreases in customer demand and live wagering handle, that a much more aggressive decrease in the overall number of race dates offered at Ontario race tracks is required to place the horseracing industry on the path to long term sustainability and viability.

Flamboro Downs

As discussed last year, Flamboro Downs is willing to shoulder its fair share of the load of industry race dates while the industry strives to deliver the Government's expected return on its investment in racing as clearly outlined by the Commission Chair.

The suggested 2012 race dates as supplied in your letter of October 7th continues to have Flamboro bear a disproportionate share of Ontario and the Central West Regions race dates, which we believe is both highly unfair and uneconomic.

Year to date wagering results for Flamboro are as follows.

- Flamboro live wagering is down 8% over last year; and
- Flamboro live wagering per card is down 7.2% over last year.

Financially, Flamboro Downs continues to incur significant losses on an annual basis.

The Commission is well aware of our longer term vision for race dates at both Flamboro Downs and Georgian Downs. We continue to believe our goal of circuit racing between Flamboro Downs and Georgian Downs can be a sustainable and viable solution for both the Ontario horseracing industry and Great Canadian Gaming Corp.

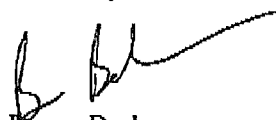
However, in the shorter term, it is our opinion that the number of race dates at Flamboro Downs should be brought more into line with other horseracing tracks in the region. To better align race date supply and customer demand while addressing some of Flamboro's financial issues, we require a reduction of race dates in 2012 to 154 race dates and a closure of 3 months (September, October and November). This represents a significant step in the right direction towards addressing both the continuing decline in customer demand and the economics of our business.

John, I wish to reiterate that our long term interest remains the health and sustainability of the horse race business in Ontario and I want to assure you that it is Great Canadian's desire to continue to work cooperatively with the Commission and the industry towards a long term sustainable and viable horseracing industry in Ontario. However, in the short

term, we do need to see a greater commitment towards the rightsizing of the race dates at Flamboro Downs to meet current customer demand and as such we are requesting a variance from the proposed 2012 race date schedule.

I am available to discuss this matter with yourself or the IM Group.

Sincerely,

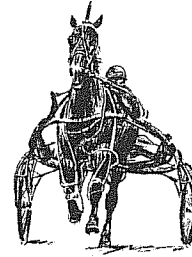


Bruce Barbour
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Cc: Vic Poleschuk
Sr. VP Operations, East
Great Canadian Gaming Corp.

NORTHERN HORSEMEN'S ASSOCIATION

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Telephone - (705) 969-8085 Fax - (705) 969-4964



Wendy Hoogeveen
Implementation and Monitoring Group
10 Carlson Court Suite 400
Toronto Ontario
M9W 6L2

October 17, 2011

Dear Wendy,

Following an executive meeting of the Northern Horsemen's Association October 11th, it was decided that a Request for a Variance of the 2012 Race Schedule for Sudbury Downs be submitted.

The attached Schedule requests a return to the 2009/2010 allocation of 67 days which is only an increase of 1 race day in the 2011 schedule We also suggest a change of race starting time in December.

Two changes are important to note in the distribution of days -

1. Racing one day a week in April.

Brent Powell expressed a concern regarding the number of horses available for the draw at the beginning of our season. In particular the third race card (Saturday) was difficult to fill when we raced Saturday/Wednesday/ Saturday. This should be alleviated if for the first three weeks we race only once a week.

2. Racing one day a week from the last week in November into December

The IM Group often cites the importance of racing opportunities for horses/owners in Ontario. The only Grassroots track available (for all Ontario) is Kawartha, one day a week beginning January 14th. That continues until the end of March. If Sudbury finishes on November 24th, where are the race opportunities not only for Sudbury but for every other Grassroots horse? Are Grassroots horses expendable in the new vision of racing in Ontario? Continued racing in Sudbury until December allows horses an opportunity to race. In Southern Ontario, the IM Group tried to provide adequate racing opportunities within a two hour drive. Although not possible in the Northern Region, the suggested schedule limits opportunities that would be available with a schedule that continues into December.

Two possible schedules have been provided. The first begins racing once a week the last week of November and goes until December 22nd. The second begins racing once a week in December and finishes December 15th. Horsemen would prefer the first schedule.

With regards to 'Customer Demand', a look at the bet for 2009 and 2010 shows the demand in December stays pretty well steady and comparable to November.

	2009	2010
November 27		\$6549
December (week 1)	\$8296 (Dec. 4)	\$5864 (Dec. 4)
(week 2)	\$4953 (Dec. 12)	\$5999 (Dec. 11)
(week 3)	\$3986 (Dec. 19)	
(week 4)	\$5566 (Dec. 31)*	\$9734 (Dec. 31)*

* These two afternoons were New Year's Eve and there seems to be interest in this day.

Change in the race time in December -

An afternoon race card in December suits both horsemen and the track. Generally the weather is better in the afternoon so horses would be sent out in warmer conditions and traveling with them would be easier. The track could open the dining room for a late lunch / early supper accommodating both the client who wants to start their evening at the track as well as those who want to come for supper and end their evening at the track. They could even run a 'lunch special' which would entice some of the slot patrons. Although suggesting a 4:00 pm start, a 3:00 pm start would also work well.

An estimate by the IM Group of the Purse Underpayment for Sudbury Downs for 2010 was approximately \$1,000,000. Although we believe that that may be somewhat conservative, why would you suggest removing 4 race days? With racing for an average of \$55,000 a night, that is an additional \$225,000 in purse money that would not be distributed to the horses/owners racing daily at Sudbury Downs and trying hard to support this industry.

It should also be noted that that an ORC Directive was necessary to have the Sudbury Downs track open on March 23 in 2011 for jogging and training. That allowed us to open with sufficient horses in April. With the extended layoff of over 4 ½ months (per proposed schedule) getting horses ready for 2013 would be difficult if not impossible.

The track closed the backstretch in Sudbury and horsemen took up the challenge and invested a considerable amount of money in stabling facilities. We thought we had 'bitten the bullet' last year and that those additional expenses could be recouped in time. Reducing race days makes that much harder but more importantly discourages any more local investment because we can not be sure that more days will not be cut in 2013?

Respectfully Submitted

Cheryl Danyluk NHA

**cc Bill Fines
Mike Wilson
Rob McKay
Ryan Dupuis
John Blakney**

Northern Horsemen's Association

Request for Variance of Race Date Allocation

SUDBURY DOWNS 2012

January							February							March						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4					1	2	3
8	9	10	11	12	13	14	5	6	7	8	9	10	11	4	5	6	7	8	9	10
15	16	17	18	19	20	21	12	13	14	15	16	17	18	11	12	13	14	15	16	17
22	23	24	25	26	27	28	19	20	21	22	23	24	25	18	19	20	21	22	23	24
29	30	31					26	27	28	29				25	26	27	28	29	30	31

April							May							June						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7			1	2	3	4	5						1	2
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23
29	30						27	28	29	30	31			24	25	26	27	28	29	30

July							August							September						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4							1
8	9	10	11	12	13	14	5	6	7	8	9	10	11	2	3	4	5	6	7	8
15	16	17	18	19	20	21	12	13	14	15	16	17	18	9	10	11	12	13	14	15
22	23	24	25	26	27	28	19	20	21	22	23	24	25	16	17	18	19	20	21	22
29	30	31					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						

October							November							December						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6					1	2	3							1
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29
														30	31					

SCHEDULE A

1. Return to the 2009 /2010 Race Schedule of 67 days.
2. Change in Post Time for December 1, December 8, December 15, and December 22 from 7:15 to 4:00.

Northern Horsemen's Association

Request for Variance of Race Date Allocation

SUDBURY DOWNS 2012

January	February	March
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
April	May	June
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
July	August	September
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
October	November	December
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

SCHEDULE B

1. Return to the 2009 /2010 Race Schedule of 67 days.
2. Change in Post Time for December 1, December 8, and December 15 from 7:15 to 4:00.



SUDBURY DOWNS

A DIVISION OF MACRANALD ENTERPRISES INCORPORATED

2070 Old Burwash Road, Sudbury, ON P3E 4Z4 Tel (705) 522-1430 Fax (705) 522-9242

Racetrack Site: Tel (705) 855-9001 Fax (705) 855-5434 Race Secretary: (705) 855-9005 Email sudburydowns@gmail.com

John Blakney

Executive Director

Ontario Racing Commission

Suite 400

10 Carlson Court

Toronto, Ontario M9W 6L2

October 19, 2011

Dear Mr. Blakney:

Re: 2012 Conditional Race Date Schedule

Further to the conditional race date schedule issued by the Ontario Racing Commission through a Notice to the Industry dated October 7, 2011, please accept this correspondence as Sudbury Downs' request to vary that schedule. Our rationale for seeking this variation can be found below and in the attached letter which was sent to Mr. Bill Fines, ORC Supervisor, Industry Development and Support, on October 1, 2011.

Proposed Variation & Rationale

We propose reducing the number of race dates at the start and end of our race season when both horse supply and demand for our product are weak. Deleting April 21 and 28 along with May 2 and 9 should help ensure a stronger start to our race season in terms of horse supply as more local horses will be ready to race. We struggled out of the gate in 2011 with 75 entries for our April 23, 2011 opening night. By our fourth live race night on Wednesday May 7 we had 57 entries of which 20 were racing back from the previous race night.

We further propose deleting the following Wednesday race nights from our conditional schedule: November 7, 14 and 21. The deletion of these Wednesday nights corresponds with the introduction of Wednesday night racing at Georgian Downs on October 17. We do not believe horse supply in 2011 nor 2012 will be sufficient to offer reasonable cards of racing 2 nights a week in November. One night per week of racing with 4 nights of racing opportunity at Georgian Downs should provide our horse supply satisfactory racing opportunity while allowing for the presentation of a better quality racing product in an effort to address demand issues experienced during fall racing.

“It is recognized that in the community of the Grassroots based tracks cold weather and a lack of customer demand are not conducive to racing until after Mother’s Day and around the holiday weekend.”

The above statement, presented in the rationale for Clinton Raceway’s conditional schedule, adequately summarizes Sudbury Downs’ experience over the last number of years. Based on demand and supply considerations, we believe Sudbury Downs is best suited for a summer based racing schedule. However, we also recognize that we are identified as a regional racetrack within the Ontario Racing Program (ORP) and that such designation may import alternative considerations related to our ultimate racing schedule. In this regard, our proposed schedule of 55 days from May through November attempts to balance the reality of racing at Sudbury Downs with our regional track status. With our proposed schedule, Sudbury Downs would still offer the highest number of Grassroots races in the Province while maintaining a 7 month race season.

In considering the above comments, we ask that you give due recognition to the fact that the results for the horse racing industry in Northern Ontario have been far from acceptable for the last number of years. The introduction of the Ontario Racing Program in late 2010 ushered in a year of transition in 2011. As we near the end of 2011 we have additional results, operating under the ORP, illustrating a continued downward trend in both demand and supply. Our proposed schedule, while not ideal from the demand perspective, will provide us with an opportunity to try and increase that demand by offering restricted access to a more “event” oriented experience. At the same time, as demonstrated by our past history, adequate racing opportunities will be provided to support the northern industry. Sudbury Downs and horse racing in Northern Ontario should not be denied the opportunity to try to revitalize and grow our sport.

Intertrack / Teletheatre Operation

We note in the Notice to the Industry dated October 7, 2011 that “All racetracks are approved to provide simulcast product at their racetrack and in their teletheatres 366 days in 2012”. Based on current results achieved, which demonstrate a reduced demand for this product, we anticipate that a rationalized schedule of intertrack and teletheatre operation will be implemented for 2012, which will result in less than 366 days of operation.

Please do not hesitate to contact me should you have any questions or require more information. We look forward to your decision respecting Sudbury Downs 2012 race dates.

Yours truly,



Andrew MacIsaac
Director of Operations
Sudbury Downs

c. Patrick MacIsaac
Ken Le Drew



SUDBURY DOWNS

A DIVISION OF MACRANALD ENTERPRISES INCORPORATED

2070 Old Burwash Road, Sudbury, ON P3E 4Z4 Tel (705) 522-1430 Fax (705) 522-9242

Racetrack Site: Tel (705) 855-9001 Fax (705) 855-5434 Race Secretary: (705) 855-9005 Email sudburydowns@gmail.com

Bill Fines
Supervisor, Industry Development and Support
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10 Carlson Court
Toronto, Ontario M9W 6L2

October 1, 2011

Dear Mr. Fines:

Re: Ontario Racing Program - IMG Proposed Racing Schedule

Further to the Ontario Racing Program (ORP) forum meeting held this past Wednesday during which the Implementation and Monitoring Group (IMG) proposed racing schedules were distributed, we submit the following comments with respect to the schedule proposed for Sudbury Downs:

1. While the proposed schedule reduces our race dates by 4, and shortens the length of our racing season slightly, it does not address the reality of the supply of horses and demand for our product as envisioned by the ORP.
2. The year 2011 was to be a transition year for the ORP whereby adjustments to the ORP could be implemented based on the results achieved at each racetrack.
3. Application of the principles of the ORP should, we believe, result in a substantial adjustment to the racing schedule at Sudbury Downs for 2012.
4. The IMG is fully aware of the performance at Sudbury Downs in 2011 with respect to wagering levels and horse supply.

While we believe that the IMG proposed racing schedule for 2012 for Sudbury Downs fails to recognize and apply the principles of the ORP adequately, we suggest that the following small adjustments to that schedule would be appropriate in an effort to transition gradually to a schedule that is more reflective of the reality of racing at Sudbury Downs:

1. Delete April 21 and 28 in order to allow for the availability of more horses for our opening schedule. We note that Georgian Downs is scheduled to race 2 nights a week throughout April which should provide racing opportunity for any "Sudbury" horses that may be available.
2. Delete November 7, 14 and 21 and race every Saturday in November. We anticipate that we will not have an adequate supply of horses to allow reasonable race cards to be offered 2 nights a week in November. The available horse supply could be readily satisfied in one night a week with the option of adding additional races on that race night, if required. Clearly, the demand for our product on the second weekly race day in November (ie. Wednesday) is, essentially, non existent. We note again the proposed Georgian Downs schedule whereby they will race 4 days a week throughout November.
3. We reiterate our suggestion forwarded to you by email on September 9, 2011 that the Sudbury Downs live schedule for 2012 be subject to adjustment during the year if there is not a sufficient horse supply to ensure an average of 10 races each race day, with 8 horses per race. The available horse supply at Sudbury Downs throughout most of 2011 has resulted in the presentation of a seriously diluted product, with most race nights having only 8 or 9 races, several 6 and 7 horse fields, and many horses racing twice a week. We do not believe that this presentation is in the best interest of racing in Northern Ontario.

With the above noted changes, a more rationalized and potentially sustainable "event" type racing schedule would be presented to the public in an effort to re-establish interest in our product.

As discussed with you after the ORP forum, we would welcome, encourage, and appreciate the opportunity to discuss the 2012 racing schedule for Sudbury Downs with the IMG or their delegate.

Yours Very Truly,



Patrick H. MacIsaac
President
Sudbury Downs



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October 21, 2011

Mr. John Blakney
Executive Director
Ontario Racing Commission
400-10 Carlson Court
Toronto, ON M9W 6L2

Dear Mr. Blakney,

Please accept this letter as the Ontario Harness Horse Association's response to the Notice to the Industry, dated October 7, 2011, regarding the Ontario Racing Program-2012 Schedule of Race Dates. The notice makes reference to the Implementation and Monitoring Group having discussions with the stakeholders and racing participants. I can inform you that none of the requests or recommendations that OHHA spoke about are reflected in this decision.

In the overview there is indication that "A system of purse management has been implemented to enhance the consistency, fairness and equity across the province". This is one of the areas that OHHA raised with the monitoring group. In fact, the model has done the opposite and created an unfairness to horsepeople in southwestern Ontario where there is no signature level racing for the entire summer. Windsor Raceway offers signature level racing until April 29, 2012. Western Fair offers signature level racing until May 25, 2012. After that date the closest racetracks to race a higher quality horse are either Flamboro Downs or Grand River Raceway, both of which require travelling hundreds of miles at a significant expense and creating added stress to the horses and participants. An owner of a higher quality horse must balance the cost and risk of having his horse stabled with a trainer, whom he or she may be comfortable with, in his home area, or sending that horse to be trained with someone who is more centrally located in order to have racing opportunity without the high cost and risks associated with shipping. The model has not created consistency, is unfair, and is not equitable across the province. In order to resolve this there must be signature racing in southwestern Ontario throughout the entire year.

There are also issues with the attempt to have provincial consistency on race conditions. Race Secretaries need to have the flexibility to write conditions that offer opportunity to the horses available in each particular region as the need arises. The job of the secretary is to know the horse inventory and ensure that there are opportunities for those horses to race. It is too simplistic to think that standard conditions can be applied to all racetracks across Ontario without considering the need to have flexibility in order to ensure that those opportunities are there when needed.

The final point with regard to the overview is the standard qualifying times at all similar sized racetracks. It is well known that a mile in 2:00 at Flamboro Downs for instance is not the same

as a mile in 2:00 at some of the other half mile racetracks in Ontario. This became an issue at some of the half mile racetracks where many horses were being put on the qualifying list on a race date for not meeting the qualifying standard. These horse where forced to miss a week of racing to get re-qualified. This is not in the best interest of racing as owners miss an opportunity to race for purse money while having to bear the expense of shipping the horse to qualify. The industry needs to find a way to decrease the costs to owners, not increase them.

With regards to the approval for changes to the Georgian Downs schedule, OHHA does not support increasing the length of the shutdown at that racetrack. In the Reasons for Decision it states that Georgian Downs should remain closed because of horse supply issues in the region at this time. In fact, the horse supply issues were during the period when Georgian Downs was closed in January and February as there were too many horses for the racing opportunities that were available. The attached spreadsheet (appendix 1) shows that of the horses entered in the Central Region during this period only 65% drew in to race in January and 64% in February. Georgian Downs opened in March and that figure changes to a more reasonable 72% and remains around there for the next four months.

The only track that struggled for entries during March was Woodbine. That situation persisted through till the end of June and in fact WEG used over 80% of the horses entered for those four months. Horsepeople in the rest of the Central Region should not be penalized because one racetrack had horse supply issues. Perhaps the race conditions could be modified to attract more horses to compete at that circuit during that timeframe.

In fact, with the amount of purse money available and the number of race dates currently offered, Georgian Downs will not spend the purse money generated at that facility in 2011. OHHA believes that racing should be conducted in January, February and March in order to offer increased racing opportunity in the region and to distribute the available purse money.

OHHA is also opposed to the reduction in race dates at Windsor Raceway. The rationale for the reduction is identified as a horse supply issue. The reasons indicate that this shortage was due to trainers from Michigan and Indiana returning for the beginning of those meets. The reality is that Northville Downs in Michigan races all winter and Hazel Park Raceway did not open until May 6, 2011. Hoosier Park did reopen in April, but there were only two stables that relocated there. Although there were not the same number of entries in late March and April, Windsor was still able to card 11.15 races per card, with an average handle of \$223,305. There is no basis to reduce the races based on these figures. This handle exceeds most other racetracks in Ontario and should not be abandoned. As an alternative, OHHA would consider extending the race meet later in the year in order to address partially the issue of the lack of signature racing in southwestern Ontario during the summer months. OHHA has consistently asked for Sunday night racing all year round at Windsor, a night which historically has offered, and currently still offers, the highest pari-mutuel wager. The purses may be adjusted at Windsor Raceway in order to ensure that there are sufficient purses for the number of race dates. This is how purses and race dates have been managed for years.

The October closure at Flamboro Downs has had a negative affect across the industry. As predicted by OHHA at the race date hearings, the closure has put a significant strain on the

entry boxes across Ontario with horsepeople in Central Ontario only getting their horses in to race 58% of the time they are entered. At Grand River Raceway, the track most affected, horses are only getting in 42% of the time, the lowest of any track during any time period. As you will see in Appendix 1 the industry average is about 70%. The latest Grand River draw had 295 entries and 128 horses drawn in. The percentage of horses drawing in has also been affected in other areas as the average at every racetrack in Ontario, except Georgian and Sudbury, has declined in October. Even WEG is only drawing 62% in to race compared to the next lowest month which was 70% in February.

Changing the time of the closure does not address the problem as it is now scheduled to be closed when Grand River is closed as well. With an additional track closed, the burden will be greater on those tracks that are racing.

Addressing the April and May dates there is mention again of a horse shortage in the Central Region and a need to reduce race dates to address that issue. We have seen no evidence of a horse shortage in the region during this time. In fact, throughout the region in April and May, the average number of horses entered per card was 135 and 139 respectively. Both months experienced higher entries per card than either the previous month or the month that followed. Therefore the assumption rings hollow and is not supported by fact. OHHA requests that Flamboro Downs revert to the 12-month schedule in order to ensure stable racing opportunities throughout the year in this region. If one of the goals in this exercise is to grow pari-mutuel wagering in the province, reducing race dates is counterproductive to realizing that goal.

In offering brief comment on the Woodbine reasons, there is indication that the horsepeople who race at both Flamboro Downs and Georgian Downs should be penalized for the fact that WEG has issues with attracting horse supply. It seems patently unfair to lose race dates at those tracks where the vast majority of horses are able to compete in order to increase the number of entries at WEG where those same horses will not be competitive.

In closing, it is OHHA's position that, if the Ontario Racing Commission continues to move forward with the race date model, racetracks, that have unspent purse money in their purse accounts at the end of their racing season, are offered either a variance to raise the purses or alternatively to offer more race dates in order that the money can be reinvested in the industry.

We would like to thank you for the opportunity to provide input for the 2012 Schedule of Race Dates and for your consideration of our viewpoints. If you would like to discuss any of the above issues, please do not hesitate to contact me (ext. 226 or cell 519-257-0332).

Yours truly,



Brian Tropea
General Manager

BT/ys

Appendix 1

Track	Percentage of horses entered that raced									
	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct
Georgian			76	77	78	81	70	62	57	65
Kawartha	61	63	72	77	64	62	55	66	71	61
Flamboro	55	59	70	68	68	63	62	61	53	
WEG	78	70	84	81	81	86	73	76	75	62
Grand River			57	59	70	73	65	65	52	42
% of entered starting	65	64	72	72	72	73	65	66	62	58

	Average horses entered per day									
	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct
Georgian			133	119	112	92	133	155	172	153
Kawartha	151	148	123	115	144	153	165	144	132	150
Flamboro	176	161	132	139	140	154	155	163	177	
WEG	151	156	113	119	123	128	140	128	133	173
Grand River				184	174	141	137	153	183	251
Avg Entered per card	159	155	125	135	139	134	146	149	159	182

	Percentage of horses entered that raced									
	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct
Clinton					75	82	72	78	64	
Dresden					72	79	66	76	71	
Woodstock						66	71	64		64
London	68	70	79	75	83				65	63
Windsor	63	72	75	84	61				70	66
Hiawatha					71	69	77	73	70	
Hanover					61	71	66	70	65	
Sudbury				90	82	79	81	83	76	79
Rideau	63	75	78	85	71	71	72	71	62	55
% of entered starting	65	72	77	84	72	74	72	74	68	65

	Average horses entered per day									
	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct
Clinton					112	110	124	116	153	
Dresden					122	139	125	115	121	
Woodstock						132	114	135		
London	137	132	114	122	108					144
Windsor	158	135	126	110	163				148	162
Hiawatha					125	127	120	123	131	133
Hanover					141	117	130	125	159	
Sudbury				73	74	85	79	76	107	97
Rideau	191	154	147	134	161	168	158	170	205	229
Avg Entered per card	162	140	129	110	126	125	121	123	146	153