

## **New York State Thoroughbred Breeding and Development Disqualification (DQ) Policy**

### Statement:

The New York State Thoroughbred Breeding and Development Fund (“the Fund”) is committed to ensuring that all breeder, owner and stallion owner awards are properly distributed to their rightful recipients. In most cases, disputed finishes at New York racetracks are promptly reviewed and a final decision is made on horse placement and/or disqualification within minutes of the end of a race. In some cases, however, a change in the order of finish and/or disqualification is not made until a later date. If awards were paid prior to the DQ determination, then the Fund needs to make adjustments correcting the awards paid out and the ones now owed to the breeders/owners.

### Procedures:

- The Fund will request at least annually that the NY Gaming Commission provides to the Fund information on any pending or resolved DQ issues. Our understanding is that such information is provided to the tracks by the Gaming Commission Steward.
- The Fund will request from The Jockey Club Information Systems in early December a report of DQs for the current year that have not already been corrected in the award calculation. Any remaining adjustments will be made by the Fund before year end.
- DQ activity discovered by Fund employees during routine review of racing activity or based on industry news will result in award adjustments within thirty (30) days of the Fund becoming aware of the need for such adjustment.
- Breeders and owners may request a correction from the Fund for any awards due and unpaid due to a DQ ruling by the NY Gaming Commission. The request must be received in writing to the Fund within two years of the DQ ruling.
- Award overpayments resulting from a DQ ruling will receive a letter from the Fund notifying them of the award recalculations. Reimbursements owed to the Fund will be paid by check within thirty (30) days of receipt of the letter, or a lien will be placed on future awards until the balance is paid in full.
- Based on the Fund’s expectation to pay out 100% of awards for the current year, any additional award payments due to DQ activity will be paid out at 100% (no holdback) to simplify the year-end reconciliation process.

### Accounting:

Any adjustments made to award expense, regardless of the year in which the award was earned, will be recorded as an adjustment to the current-year award expense and included in the 1099 calculation of the year in which the award was paid.