

BEFORE THE CALIFORNIA HORSE RACING BOARD

STATE OF CALIFORNIA

In the Matter of :

THE STIPULATED PROPOSED  
SETTLEMENT AND MUTUAL RELEASE

**ALBERTO ARREOLA**  
**CHRB License #281065**  
**Respondent**

Case No. SAC 09-0019

DECISION

The attached Stipulated Proposed Settlement Agreement and Mutual Release between the California Horse Racing Board and Respondent Alberto Arreola is hereby adopted by the California Horse Racing Board as its Decision in the above-entitled matter.

The Decision shall become effective on June 8, 2009.

IT IS SO ORDERED ON June 5, 2009.

CALIFORNIA HORSE RACING BOARD  
John C. Harris, Chairman



Kirk E. Breed  
Executive Director

CALIFORNIA HORSE RACING BOARD  
1010 HURLEY WAY, SUITE 300  
SACRAMENTO, CA 95825  
(916) 263-6000  
FAX (916) 263-6042



## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

In the interest of a prompt and speedy resolution of this matter, consistent with the public interest and responsibility of the CALIFORNIA HORSE RACING BOARD (hereinafter "CHRB"), the parties, ALBERTO ARREOLA, APPELLANT license #281065, and the CHRB hereby agree to the following Stipulated Settlement which shall be submitted for consideration, approval and adoption as the final disposition of the prosecution and defense of CHRB Case Number 08SW0094, SAC 09-0019.

### RECITALS

1. Appellant was trainer of record for the horse LA GACELA, which ran in the eighth race at the California State Fair, Sacramento, CA on August 27, 2008. The horse LA GACELA finished third and was post-raced tested.
2. LA GACELA's post race urine sample #F04347 showed the presence of Hydromorphone, Class1, a prohibited drug substance when analyzed by the Kenneth L. Maddy Equine Analytical Laboratory, University of California, Davis.
3. Appellant was notified of the positive test and signed the notification. Appellant requested split sample testing.
4. The urine split sample #F04347 confirmed the presence of Hydromorphone as reported by Industrial Laboratories, an approved split-sample laboratory.
5. On November 6, 2008, the CHRB filed a complaint against the Appellant for violation of CHRB rules 1843 (a) (d) and 1887 (a).

6. On January 17, 2009 a hearing was scheduled before the Board of Stewards at Golden Gate Fields, Albany, CA.
7. Appellant testified that he did not administer or cause to be administered Hydromorphone to his horse LA GACELA on or before August 27, 2008, or on any other date.
8. Appellant testified at the hearing that he had sole care and custody of the horse LA GACELA on August 27, 2008. Appellant acknowledged responsibility as defined in CHRB Rule #1887 (Trainer to Insure Condition of Horse).
9. Appellant has been licensed by the CHRB for fifteen years, the last three as a trainer, with only a parking violation on his record.
10. A penalty recommendation of a six month suspension and a \$10,000 fine, with the fine stayed for one year was entered into the record at the Board of Stewards hearing.
11. The Board of Stewards issued Official Ruling #17, Golden Gate Fields, dated January 22, 2009, in which Appellant is suspended for one hundred eighty (180) days, January 25 through July 23, 2009, and fined five thousand (\$5000.00).
12. Appellant timely filed a Notice of Appeal and Request for a Stay of Penalty with the CHRB.
13. The Stay of Penalty was denied.
14. The Board of Stewards, Golden Gate Fields issued Official Ruling #17, dated January 22, 2009, in accordance to the Disciplinary Guidelines, and are not opposed to the fine portion of the ruling being stayed.

#### **AGREEMENT**

For valuable consideration, and in order to resolve and settle finally, fully and completely, all matters that now exist between the parties to this AGREEMENT, ALBERTO ARREOLA ("APPELLANT") and THE CALIFORNIA HORSE RACING BOARD ("CHRB" or "COMPLAINANT"), agree to bring all disputes and controversies to a conclusion, to avoid

further costs and expenses incident to the prosecution and defense of CHRB Case Number 08SW0094, SAC 09-0019 which is based upon the results of the post-urine test of the horse LA GACELA on August 27, 2008.

15. Appellant and the CHRB both agree that the above paragraphs one through fourteen correctly state the facts alleged in CHRB Case Number 08SW0094, SAC 09-0019.
16. Appellant agrees that he is violation of CHRB Rules and Regulations 1843 (a) (d) and 1887 (a).
17. Appellant waives the prohibition against *ex parte* communications between CHRB personnel and the CHRB commissioners for the purpose of discussing this settlement.
18. Appellant agrees the CHRB personnel may discuss the merits of this case with the CHRB commissioners without notice and without the opportunity for all parties to participate. Any such *ex parte* communication shall not prevent the CHRB from hearing this matter should a subsequent hearing before the CHRB be required.
19. Appellant has no objection to CHRB staff presenting this Settlement Agreement to the Commissioners of the CHRB in Closed Session.
20. Appellant agrees to dismiss appeal number SAC 09-0019 pending before the Office of Administrative Hearings. The request for dismissal shall be filed within ten (10) days of the adoption of this AGREEMENT by the CHRB.
21. The parties to this Agreement mutually release, acquit, waive and forever discharge each other of and from any and all costs, fees, claims, debts, obligations or any other damages of whatever nature which either may have, or henceforth discover, resulting from or relating to CHRB Case Number 08SW0094, SAC 09-0019.
22. Appellant further agrees that the facts agreed to and the record of this agreement, including the stipulated penalty, shall be included in Appellants' CHRB and ARCI license history.

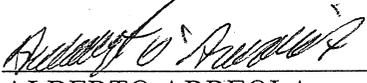
23. Complaint agrees not to impose any additional penalties or fines on Appellant, other than those set forth in this AGREEMENT, resulting from CHRB Case Number 08SW0094, SAC 09-0019.
24. In consideration of the promises and representations set forth herein, upon receipt of (1) an executed copy of this AGREEMENT, and (2) approval of this AGREEMENT by the CHRB, based on the grounds that the parties have stipulated to the following settlement and mutual release:
  - (a) Appellant agrees to a suspension of one hundred (180) days, January 25, through July 23, 2009.
  - (b) Appellant agrees to pay a fine of \$5,000.00, stayed for one year.
25. The fine shall be stayed for one year beginning July 24, 2009, and ending July 23, 2010, with Appellant placed on probation for that year subject to the following terms and conditions of probation:
  - (a) During the period of probation, Alberto Arreola must not be in violation of CHRB Rules, 1843, 1843.6 and 1887 regarding Class 1, Class 2, or Class 3 substances.
  - (b) If the Appellant is in violation of his probation, the above referenced stay of \$5,000.00 fine shall be lifted, and the amount shall be due after notice and hearing.
26. This AGREEMENT shall be construed as though all parties participated equally in its drafting.
27. This AGREEMENT contains all the terms and conditions agreed upon by the parties hereto regarding the subject matter of this AGREEMENT. Any prior agreements, promises, negotiations, or representations, either oral or written, relating to the subject

matter of this AGREEMENT, not expressly set forth in this AGREEMENT, are of no force or effect.

28. Appellant states he enters into this agreement freely and voluntarily and waives any right of appeal in this matter and waives any claim under federal or state law.
29. By signing this AGREEMENT, the parties certify that they have had the opportunity to consult with legal counsel about its effect and that all parties fully understand the contents thereof.
30. This AGREEMENT may be executed in one or more counterparts, each of which together shall constitute one and the same instrument. The date of the last signature placed hereon shall be known as the "date of execution" of this AGREEMENT.

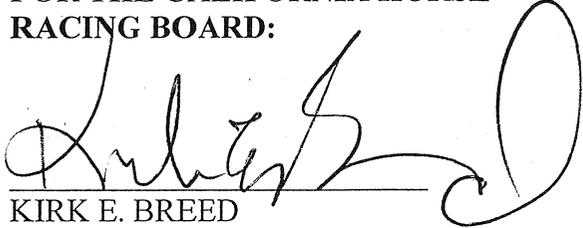
**RESPONDENT:**

Dated: 5-21-09

  
\_\_\_\_\_  
ALBERTO ARREOLA

**FOR THE CALIFORNIA HORSE RACING BOARD:**

Dated: 05/26/09

  
\_\_\_\_\_  
KIRK E. BREED  
Executive Director