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MEETING

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of:)
)
Special Meeting by Teleconference)

HOLLYWOOD PARK RACE TRACK

3883 CENTURY BOULEVARD

SUNSET ROOM

INGLEWOOD, CALIFORNIA

FRIDAY, SEPTEMBER 10, 2010

10:33 A.M.

Reported by:
Martha L. Nelson

1 APPEARANCES

2
3 COMMISSIONERS

4 Keith Brackpool, Chairperson

5 David Israel, Vice Chairperson

6 Jerry Moss, Member

7 COMMISSIONERS APPEARING TELEPHONICALLY

8 John C. Harris, Member

9 Jesse H. Choper, Member

10 Bo Derek, Member

11
12 STAFF

13 Kirk Breed, Executive Director

14 Jacqueline Wagner, Regulations/Legislation Manager

15
16 ALSO PRESENT:

17 Sherwood Chillingworth

18 Diane Grealish

19 Jack Liebau

20 Alan Balch

21 Rick Arthur

22
23 ALSO APPEARING TELEPHONICALLY:

24 Robert Hartman

25

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Action Items:

1. Discussion and action by the Board on the Application for License to Conduct a Horse Racing Meeting of the Oak Tree Racing Association (T) at Hollywood Park, commencing September 29, 2010 through October 31, 2010, inclusive. 7

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PROCEEDINGS BEGIN AT 10:33 A.M.

(The meeting was called to order at 10:33 a.m.)

CHAIR BRACKPOOL: All right. Good morning. Because this is a special meeting I have to read something into the record to begin the meeting, and we need, as a board to take an action on the findings. So give me a minute or two to read this and then we'll get going.

It's a special meeting by teleconference of the California Horse Racing Board, Friday, September the 10th, 2010 at 10:30 a.m. Locations of the commissioners are posted on the notice of the special meeting by teleconference and all sites are open to the public.

The agenda. The first order of business is a roll call of members of the California Horse Racing Board to establish a quorum is in attendance at the sites posted on the notice of special meeting by teleconference.

With me here at Hollywood Park is Commissioner Rosenberg, Vice Chair Israel, and myself, Keith Brackpool.

Can I have the other board members -- I will ask if they are in attendance.

Commissioner Derek?

COMMISSIONER DEREK: Yes. I'm in Santa Barbara.

CHAIR BRACKPOOL: Commissioner Choper?

COMMISSIONER CHOPER: Yes, at Golden Gate Fields.

CHAIR BRACKPOOL: And Commissioner Harris?

1 COMMISSIONER HARRIS: Yes, at Harris Farms.

2 CHAIR BRACKPOOL: Okay. Then I state that we have
3 six members. Commissioner Moss is absent from today's meeting.
4 So we have a quorum.

5 The second order of business, pursuant to Government
6 Code Section 11125.4, the California Horse Racing Board must
7 first make a factual finding that the ten day notice
8 requirement set forth in Business and Professions Code Section
9 11125 would cause harm to the public interest or substantial
10 hardship for the Board.

11 For that reason the Board finds the purpose of this
12 special meeting is to consider the license application of the
13 Oak Tree Racing Association to conduct a horse racing meeting
14 at Hollywood Park Race Track commencing September the 29th,
15 2010.

16 Further, the Board finds that on August the 19th,
17 2010 the Oak Tree Racing Association was denied a license
18 application to conduct the horse racing meeting at Santa Anita
19 Park due to concerns expressed by members of the Board and
20 horse racing industry representatives as to the safety of the
21 race track at Santa Anita Park.

22 In response, the Oak Tree Racing Association
23 submitted a revised license application on Thursday, September
24 the 3rd, 2010 seeking to have the race meet held at Hollywood
25 Park Race Track.

1 The Board finds the ten day notice period of
2 Government Code Section 11125 would cause substantial harm to
3 the California Horse Racing Board by: One, not allowing the
4 Board to consider and act upon the license application of the
5 Oak Tree Racing Association in a timely manner given the meet
6 is to begin on September the 29th, 2010; Two, not allowing
7 Board staff, if the application is approved, to properly
8 prepare for the race meet; the Board further finds immediate
9 action is required to protect the public interests in; Three,
10 allowing industry stakeholders, including horse owners,
11 trainers and jockeys, sufficient time to plan for their
12 participation in the race meeting in an orderly manner; Four,
13 providing notice to the wagering public of the stability and
14 continuity of horse racing in California.

15 The Chair will entertain a motion adopting these
16 findings.

17 VICE CHAIR ISRAEL: So moved.

18 COMMISSIONER ROSENBERG: Second.

19 CHAIR BRACKPOOL: Seconded by Commissioner Israel.

20 VICE CHAIR ISRAEL: No. Moved.

21 CHAIR BRACKPOOL: All -- moved by Commissioner
22 Israel.

23 VICE CHAIR ISRAEL: Seconded --

24 CHAIR BRACKPOOL: Seconded by Commissioner Rosenberg.

25 All in favor?

1 ALL COMMISSIONERS: Aye.

2 CHAIR BRACKPOOL: So let me, because we're on
3 teleconference, just take a quick roll call.

4 So Commissioner Brackpool, aye. Commissioner
5 Rosenberg, aye. Commissioner Israel, aye.

6 Commissioner Derek?

7 COMMISSIONER DEREK: Aye.

8 CHAIR BRACKPOOL: Commissioner Harris?

9 COMMISSIONER HARRIS: Aye.

10 CHAIR BRACKPOOL: Commissioner Choper?

11 COMMISSIONER CHOPER: Aye.

12 CHAIR BRACKPOOL: Okay. The motion is adopted and
13 the special meeting can be held.

14 Before we move on to the business, because of the
15 day, because we're on teleconference, please, if anybody
16 speaks, Commissioner or member of the public, please, please,
17 identify yourself before you speak so that we have a correct
18 transcript and accurate information for anybody who may be
19 listening.

20 The third order of business is the consideration and
21 application of the Oak Tree Racing Association license
22 application. With that, I'll hand it over to Jackie Wagner
23 from the CHRB staff.

24 MS. WAGNER: Jackie Wagner, CHRB staff. The Oak Tree
25 Racing Association has filed its application to conduct its

1 thoroughbred race meeting at Hollywood Park. They are
2 proposing to race September 29th through October the 31st.
3 This is 22 days and it is 9 days less than they raced in 2009.

4 The Oak Tree Racing Association was allowed -- was
5 allocated 26 days for the race year 2010. They are proposing
6 to race 22 days with simulcast wagering only occurring on
7 September the 29th, October 13th, October the 20th, and October
8 the 27th. They will be racing four or five days per week,
9 Thursday through Sunday, with eight races on weekdays, nine
10 races on opening day and weekends, and on Monday, October 11th.
11 They will have ten races on Saturday, October the 30th, which
12 is the California Cup Day. Their post time is a 1:00 p.m.
13 post.

14 Their advanced deposit wagering providers are
15 TwinSpires, Youbet, TVG, XpressBet and OakTreeBets.

16 We -- The analysis notes that we are missing the
17 agreements from the ADW companies as it pertains to this race
18 meet. I'm pleased to report that we have received the TVG
19 agreement. And I have been assured that the other missing ADW
20 agreements will be delivered to staff by the end of next week.

21 Staff would recommend that the board approve the
22 application contingent upon the receipt of those outstanding
23 items.

24 CHAIR BRACKPOOL: Okay. Could I -- let's have our
25 first speaker, Jack Liebau from Hollywood Park.

1 MR. LIEBAU: Jackie, what day did you have them
2 opening on?

3 MR. CHILLINGWORTH: We're open on the 30th --

4 MR. LIEBAU: The 30th?

5 MR. CHILLINGWORTH: -- not the 29th. Yeah.

6 CHAIR BRACKPOOL: So the 30th?

7 VICE CHAIR ISRAEL: Thursday night; right?

8 MR. CHILLINGWORTH: Yeah.

9 CHAIR BRACKPOOL: Thursday night, the 30th?

10 MS. WAGNER: Thursday. Actual dates -- that's
11 correct. That's my -- I misspoke, it is the 30th.

12 VICE CHAIR ISRAEL: Right.

13 CHAIR BRACKPOOL: Right. Okay. I'll ask Sherwood
14 Chillingworth from Oak Tree to -- to say whatever --

15 MR. CHILLINGWORTH: I want to say; right?

16 CHAIR BRACKPOOL: -- he wants to say.

17 MR. CHILLINGWORTH: Sherwood Chillingworth, Oak Tree.
18 We have taken recognition of the horse population and we cut
19 our -- our request back to 22 days, one of which is Cal Cup,
20 which is a separate meet. The remaining 21 is our -- what we
21 call our regular meet.

22 CHAIR BRACKPOOL: Speak up a little, Chillie.

23 MR. CHILLINGWORTH: Yeah. And the purpose of this
24 was to be sure -- the first two weeks we think we'll have an
25 adequate supply of horses because Del Mar is closed and we'll

1 get some of their horses. And there will be no turf racing in
2 the interim. So we think we'll have sufficient horses run five
3 days a week. Then we're going to cut back to four days the
4 last, you know, two weeks.

5 We -- we think we've come up -- as you know it --
6 it's been a crash course to transfer here from Oak Tree. And I
7 don't want to plead difficulty, but there are a lot of things
8 we had to get done here, like transfer bank accounts and
9 revising ADW agreements and so forth. I think that we're going
10 to have a very successful meet. Obviously, it'll be the first
11 time here at Hollywood Park. Hollywood Park people are very
12 confident that they can develop the crowds that we need to make
13 the meet a success. And I'd like to call on Diane to review
14 our promotion schedule and our marketing schedule and our
15 features.

16 CHAIR BRACKPOOL: Thank you. Diane, state your name
17 then affiliation, please.

18 MS. GREALISH: Diane Grealish, Oak Tree Racing at
19 Hollywood Park. I do have handouts with the promotional
20 schedule. We did submit one a couple of -- maybe about a week
21 ago. However, we made a few changes to it. So this is the
22 most recent one. And I'll distribute that now.

23 Our schedule includes six Friday -- I should say six
24 nights of racing. There are three Thursday evenings and three
25 Friday nights. As you look over the schedule you'll see that,

1 it's not consistently every Friday night or every Thursday
2 night, and that is by design. We did -- when we sat down to
3 review the schedule we very much, to strike a balance between
4 bringing in the younger demographic for the evening racing and
5 also taking care of the existing groups that have attended the
6 Oak Tree meet for many, many years --

7 MR. CHILLINGWORTH: Which are basically seniors and
8 they have to --

9 MS. GREALISH: Right. And they are -- always have
10 been accustomed to day racing. So we did not want to disrupt
11 that valuable aspect of the Oak Tree meet.

12 And as you'll look over the schedule you'll see one
13 in particular that's listed on a Friday afternoon, which is
14 Vista Paint. And that's a 1,200 person group that has been
15 attending the Oak Tree meet for the last 18 years. We're very
16 pleased to have been able to transfer them to our meet here.
17 And we've had a great deal of success in converting much of the
18 group business to Hollywood Park.

19 We hired a representative, an account manager from
20 Santa Anita, who had been there for ten years and was recently
21 laid off. And she's been very, very helpful in making this
22 transition smooth.

23 Back to the nights, we're, in the past event, you
24 know, very, very successful at attracting the younger
25 demographic. And we're starting several new initiatives to not

1 just attract, but also to engage them. You'll notice that on
2 every night that we race we're having an iPad drawing. And
3 this is, of course, one of the hottest properties for the
4 college-aged segment. And so we will require those who enter
5 the drawing to sign up as Gold Club members. This way, we'll
6 have the tracking mechanism. We'll know what kind of a
7 conversion rate we're having as far as returnees to the track.

8 We need to streamline that process because we can't
9 have people, you know, in line, 20-deep, signing up. So they
10 will just have to fill out a registration form, which will be
11 used in the drawing, and we will mail them their cards. So
12 we're very pleased about moving forward with being able to
13 track the converttees.

14 And then, in addition to that, we're -- we're doing
15 two different types of programs coming up this meet. Our
16 regular standard program that's already in place; and then
17 we're doing a much larger program along the lines of a
18 Breeder's Cup program or one you may have seen at Churchill,
19 and it's going to have a lot more information in it. It has a
20 wagering calculator page that figures out, you know, if you bet
21 a trifecta box, what it'll cost you based on how much you bet.
22 It also will have several lines of past performances in it with
23 a key to reading those past performances. We're going to have
24 extensive handicapping information in there as well.

25 Mike Superstein, who currently handicaps for us and

1 is on our iPhone application will be putting his commentary in
2 there. And so we're hoping that that will also help to engage
3 the younger demographic, along with people who are, you know,
4 regular attendees.

5 Because one of the things we've noticed is, with the
6 declining attendance, that the decline in the sales of the
7 daily racing form has really been ahead of that trend. So
8 we're trying to get customers to have the information they need
9 to bet more regularly. And this is, you know -- we bundle our
10 programs with our admission and parking and so on. So --

11 MR. CHILLINGWORTH: Well, and like that, we're also
12 going to have a small program.

13 MS. GREALISH: Right.

14 MR. CHILLINGWORTH: Yeah.

15 MS. GREALISH: So for people that are really just
16 wanting that and their form, if that's their bible that's all
17 going to be available to them. But we're making this an add-
18 on, you know, increasing customer choice so that they're able
19 to choose what they want.

20 CHAIR BRACKPOOL: Right. It's Keith Brackpool. Let
21 me ask you two questions on what you said so far, because
22 otherwise --

23 MS. GREALISH: Certainly.

24 CHAIR BRACKPOOL: -- you'll say so much we'll --
25 we'll forget.

1 MS. GREALISH: Okay.

2 CHAIR BRACKPOOL: So when you come in that's a
3 giveaway program you're suggesting or that's an additional
4 purchase?

5 MS. GREALISH: No. The programs are bundled with
6 your general admission or your admission wherever you may go.
7 So if you come in general admission for \$8.00 you receive a
8 program, parking and admission.

9 CHAIR BRACKPOOL: And it's this new fancy program?

10 MS. GREALISH: Right.

11 CHAIR BRACKPOOL: Right. So would purchase the
12 smaller program?

13 MS. GREALISH: Well, those are also bundled, so it's
14 really more just customer choice, do you want the big program
15 or do you want the regular program.

16 CHAIR BRACKPOOL: Okay.

17 MS. GREALISH: A small program.

18 MR. CHILLINGWORTH: I've got to put an aside here.
19 At Saratoga where they started out with just the big program,
20 they finally had to go to a small program, as well. So, you
21 know, most --

22 CHAIR BRACKPOOL: Professionals didn't want to --

23 MR. CHILLINGWORTH: Most horse players want to stick
24 it in their pocket --

25 MS. GREALISH: Sophisticated.

1 CHAIR BRACKPOOL: Yeah.

2 MS. GREALISH: Right.

3 MR. CHILLINGWORTH: -- and not carry it around.

4 CHAIR BRACKPOOL: Right.

5 MR. CHILLINGWORTH: But a neophyte might find it
6 helpful.

7 CHAIR BRACKPOOL: Yeah. I see. My second question,
8 it's a more important question, is the -- is the night racing.

9 MS. GREALISH: Uh-huh.

10 CHAIR BRACKPOOL: I'm personally very pleased to see
11 you opening at night. Jack and I had talked about that last
12 night, that I thought it would have been a good opportunity for
13 the spring meet to open at night. Anyway, so I'm -- I'm
14 pleased --

15 MS. GREALISH: Certainly.

16 CHAIR BRACKPOOL: -- you're opening at night. But
17 why do you miss the next night's racing? Aren't we causing
18 confusion to people about when we're open --

19 MR. CHILLINGWORTH: Well --

20 CHAIR BRACKPOOL: -- when we're not open?

21 MR. CHILLINGWORTH: -- I'll tell you, the reason for
22 that was we have the big day Saturday.

23 CHAIR BRACKPOOL: Right.

24 MR. CHILLINGWORTH: And we thought we -- we ought to
25 get people home early so they can be there early the following

1 day.

2 MS. GREALISH: And it's --

3 CHAIR BRACKPOOL: Right.

4 MS. GREALISH: It also -- I know this looks like it's
5 kind of a patchwork quilt when you see the schedule, and some
6 of that hinges on the group events. And then we did think that
7 it would be put in to do the day racing on the Friday before
8 Breeder's Cup Challenge Day.

9 And in addition to that we open -- when we then segue
10 into the Hollywood meet we have a similar opening because we
11 are Breeder's Cup weekend.

12 CHAIR BRACKPOOL: Oh.

13 MS. GREALISH: So Breeder's Cup is on the Friday, and
14 so there's a little continuity. And we understand that we
15 really have to work extra hard to get this message out.

16 CHAIR BRACKPOOL: There's a continuity of lack of
17 continuity.

18 MS. GREALISH: Exactly.

19 CHAIR BRACKPOOL: Okay. I follow.

20 MS. GREALISH: Exactly.

21 CHAIR BRACKPOOL: Okay.

22 MS. GREALISH: But we have to really work hard to
23 make sure that, you know, the schedule is everywhere so that
24 people --

25 VICE CHAIR ISRAEL: Wait. Wait. I'm --

1 MS. GREALISH: -- can keep track of it.

2 VICE CHAIR ISRAEL: I'm confused. The Breeder's Cup
3 weekend is when?

4 MS. GREALISH: Oh, when --

5 CHAIR BRACKPOOL: When Hollywood starts.

6 MS. GREALISH: -- we open up Hollywood's meet.

7 VICE CHAIR ISRAEL: Oh, the 6th and the 7th?

8 CHAIR BRACKPOOL: Exactly.

9 MS. GREALISH: Exactly.

10 VICE CHAIR ISRAEL: Oh. Okay. Okay.

11 MS. GREALISH: And so we have --

12 COMMISSIONER HARRIS: That next week.

13 MS. GREALISH: -- a similar opening --

14 VICE CHAIR ISRAEL: I'm looking at this and trying --

15 MS. GREALISH: You're going what?

16 CHAIR BRACKPOOL: Exactly.

17 VICE CHAIR ISRAEL: I'm going Don Velpredo, Cal Cup
18 Day.

19 CHAIR BRACKPOOL: Exactly. Please, Commissioner
20 Rosenberg.

21 COMMISSIONER ROSENBERG: Yeah. Question, sort of a
22 technical question.

23 MS. GREALISH: Uh-huh.

24 COMMISSIONER ROSENBERG: You mentioned that the
25 racing form is -- the decline of sales of racing forms is

1 greater than the decline of on-track attendance.

2 MS. GREALISH: Uh-huh.

3 COMMISSIONER ROSENBERG: Have you seen many people at
4 the race track using an iPad or their iPhone to look at the
5 form? Because I actually saw someone at -- in Del Mar who had
6 his iPad with him.

7 MS. GREALISH: Uh-huh.

8 COMMISSIONER ROSENBERG: And the question I really
9 had was related to the wireless. Some of those people do not
10 want to spend the money for the 3G iPad so they buy this
11 browser. Do you have -- is there wireless internet available
12 here, as in free, at the track?

13 MS. GREALISH: No. We don't really have wireless
14 here.

15 COMMISSIONER ROSENBERG: Well, would that be an
16 expensive thing to put in?

17 MS. GREALISH: It is an extremely --

18 COMMISSIONER ROSENBERG: Oh, it is?

19 MS. GREALISH: -- expensive thing.

20 COMMISSIONER ROSENBERG: Okay.

21 MS. GREALISH: But we looked at it as we started --

22 COMMISSIONER ROSENBERG: Yeah.

23 MS. GREALISH: -- about -- I'd say about a year-and-
24 a-half ago we took a very hard look at it. But it's --

25

1 COMMISSIONER ROSENBERG: It seems to me that long
2 term --

3 MS. GREALISH: Uh-huh.

4 COMMISSIONER ROSENBERG: -- if people are going to be
5 using more and more of these devices it might be something --

6 CHAIR BRACKPOOL: Yeah. Well, the --

7 COMMISSIONER ROSENBERG: -- to, you know, advertise.

8 CHAIR BRACKPOOL: The flip side of that is obviously
9 whether -- who they're then betting with if they've got
10 wireless internet access.

11 MS. GREALISH: Uh-huh.

12 CHAIR BRACKPOOL: So it's --

13 COMMISSIONER ROSENBERG: Yeah. But --

14 CHAIR BRACKPOOL: -- it's --

15 COMMISSIONER ROSENBERG: -- they can use their
16 iPhones for that.

17 CHAIR BRACKPOOL: Jack -- Jack Liebau.

18 MR. CHILLINGWORTH: Also, you know, you --

19 CHAIR BRACKPOOL: Hang on one second.

20 MR. CHILLINGWORTH: -- you -- you can pull the PP
21 down from the website the day before.

22 VICE CHAIR ISRAEL: Yeah. People do that. They
23 print it out --

24 COMMISSIONER ROSENBERG: Right. Yeah. I know that.

25 VICE CHAIR ISRAEL: -- and just bring it with them.

1 COMMISSIONER ROSENBERG: But a lot of people like --
2 it sounds -- just to flip their -- I see a guy flipping his
3 pages on his iPad. Yes.

4 MR. LIEBAU: Jack Liebau --

5 COMMISSIONER HARRIS: And they print it out, too.

6 MR. LIEBAU: -- from Hollywood Park. I mean, one of
7 the things that is happening is the price of the form has
8 escalated substantially. So I think that that is the reason
9 why our percentage of sales has dropped is because just the
10 cost of it. And -- and that's why we -- we really accelerated
11 this program for -- for Oak Tree. We were going to do it
12 for -- for Hollywood. We think it's very important to get
13 information to people to try to get them into the game, so to
14 speak, and try to hook them. And we think we can only hook
15 them by giving them sufficient information on which to make
16 what they consider to be a rational bet.

17 MR. CHILLINGWORTH: Another thing that should be
18 recognized is I'm on the board of Equibase which provides the
19 PPs to the racing form. And our royalties from them have just
20 been dropping like a rock --

21 VICE CHAIR ISRAEL: Well, they're charge --

22 MR. CHILLINGWORTH: -- all across the country.

23 VICE CHAIR ISRAEL: Right. They're charging \$6.00
24 for a newspaper. That's a lot of money.

25 MS. GREALISH: Exactly.

1 VICE CHAIR ISRAEL: I have a question.

2 MR. CHILLINGWORTH: Yes.

3 CHAIR BRACKPOOL: Commissioner Israel?

4 VICE CHAIR ISRAEL: David Israel, Racing Board.

5 It's -- it's tangentially related to this. How are you
6 handling people who had season boxes, people who had season
7 passes for the Turf Club at Santa Anita for Oak Tree, and then
8 commonly at Hollywood Park for the fall meet, are they all --
9 are -- are they all being integrated and -- and consideration
10 made for all of them somehow?

11 MR. LIEBAU: Diane, do you want me to take that? I
12 mean --

13 MS. GREALISH: If you will.

14 MR. LIEBAU: -- what we've done is anybody that --

15 CHAIR BRACKPOOL: Jack Liebau, Hollywood Park.

16 MR. LIEBAU: -- anyone that belongs to the Hollywood
17 Park Turf Club or has box seats here, they're being -- they're
18 getting it for free during the Oak Tree thing.

19 VICE CHAIR ISRAEL: Oh, good. Okay.

20 MR. LIEBAU: We have already, also, reduced, I think,
21 Chillie, the Oak Tree amount that they paid for Turf Club. And
22 at that price they're not only getting Oak Tree but they're
23 getting Hollywood Park fall.

24 CHAIR BRACKPOOL: Okay. But the flip side, I have a
25 box at -- at Santa Anita and -- and a box at Oak Tree, but I

1 haven't been offered a box. How -- how does --

2 MS. GREALISH: The letters --

3 CHAIR BRACKPOOL: -- that work?

4 MS. GREALISH: Diane Grealish, Oak Tree Racing at
5 Hollywood Park. We have a letter all ready to go. We're just
6 waiting for our ticket books to go. And everyone that had
7 their Oak Tree boxes will be getting an opportunity to have box
8 seat.

9 CHAIR BRACKPOOL: But how do you do that when you've
10 got Hollywood boxes and Oak Tree boxes?

11 MS. GREALISH: Well, Cole said he had set them aside.

12 MR. LIEBAU: We --

13 CHAIR BRACKPOOL: Yeah.

14 MS. GREALISH: Yeah.

15 MR. LIEBAU: We will have sufficient space.

16 MS. GREALISH: That's what I understand.

17 VICE CHAIR ISRAEL: So --

18 MR. CHILLINGWORTH: Yeah.

19 VICE CHAIR ISRAEL: So in other words at a
20 preexisting Hollywood Park box it's like having a luxury suite
21 at Staple Center, you get every event?

22 MR. LIEBAU: Exactly.

23 VICE CHAIR ISRAEL: And -- and the Oak Tree, what
24 about -- Oak Tree always was sold separately --

25 MR. LIEBAU: Correct.

1 VICE CHAIR ISRAEL: -- from the Santa Anita --
2 MR. LIEBAU: Right.
3 VICE CHAIR ISRAEL: -- big meeting; right?
4 MR. CHILLINGWORTH: We -- we sent them our --
5 VICE CHAIR ISRAEL: So -- okay.
6 MR. CHILLINGWORTH: -- our box list and our Turf Club
7 list.
8 MS. GREALISH: And there's --
9 VICE CHAIR ISRAEL: Okay.
10 MS. GREALISH: -- some overlap there, so we redid all
11 that and --
12 VICE CHAIR ISRAEL: Yeah.
13 MS. GREALISH: Yes.
14 VICE CHAIR ISRAEL: I'm sure there was overlap --
15 MR. CHILLINGWORTH: Right.
16 VICE CHAIR ISRAEL: -- between the Hollywood Park --
17 MS. GREALISH: Definitely.
18 VICE CHAIR ISRAEL: -- and -- right now.
19 MS. GREALISH: Definitely.
20 MR. CHILLINGWORTH: By the way, I want to interject
21 at this point that both staffs have been terribly busy getting
22 this job done, and -- and they've been very cooperative.
23 MS. GREALISH: Uh-huh.
24 MR. CHILLINGWORTH: I want to compliment, not only
25 the Hollywood staff, but the Santa Anita Oak Tree staff because

1 they're losing the business and, obviously, it's an emotional
2 thing. But they, we finally, I think, solved all those
3 problems.

4 CHAIR BRACKPOOL: Well, you should be complimenting
5 people after we've taken the vote, not before.

6 COMMISSIONER DEREK: This is Bo Derek, Board Member.
7 I'd like to compliment you. I just, while we're sitting here,
8 received the reserved now this season on October 2nd. It just
9 came on my iPhone. It looks great. And whoever designed it
10 should be complimented.

11 CHAIR BRACKPOOL: Great.

12 MS. GREALISH: Thank you very much.

13 CHAIR BRACKPOOL: Good.

14 COMMISSIONER CHOPER: This is Jesse Choper. I have
15 one question. Can you hear me there?

16 CHAIR BRACKPOOL: Yes.

17 VICE CHAIR ISRAEL: Yeah.

18 MS. GREALISH: Yes.

19 COMMISSIONER CHOPER: Yeah. So in looking at the
20 calendars I noticed that the night racing that you have on
21 Thursdays and Fridays will be at times that Golden Gate, which
22 is the, you know, the -- the parallel Northern California
23 track, will not be open, nor will you be open on any of the
24 couple of Wednesdays that Golden Gate is going to be open.
25 That is -- you'll be -- you'll be dark all Wednesdays but one.

1 And on Thursdays and Fridays where there's an overlap with
2 Golden Gate, they will be racing in the daytime and you'll be
3 racing at night.

4 I just wonder what consideration you gave to that
5 issue as to how that's going to effect the overall situation in
6 this state?

7 MR. CHILLINGWORTH: Well, I think what -- what will
8 happen, Mr. Choper, is that we're going to lose afternoon
9 intertrack wagering and a lot of revenue. But the expectation
10 is that people will be at home at night and the ADW revenue
11 here has an extraordinary increase. Now whether that offsets
12 losing the afternoon intertrack wagering and, you know, that's
13 an issue we'll find out about.

14 VICE CHAIR ISRAEL: I -- this is David Israel. I
15 believe it's a worthy experiment. I was here on the Thursday
16 night that they ran at Hollywood this spring and it was, on
17 track, a tremendous success. There were probably 6,000, 7,000
18 or 8,000 more people than there would have been if they had run
19 that afternoon. And people have to work during the day.
20 We're -- we're competing for the entertainment dollar, just the
21 same as basketball and baseball is, and hockey, and they don't
22 play day games on Wednesdays and Thursdays and Fridays. So
23 unless it's the Chicago Cubs, and we see what happens to them
24 every year, they're 101 years without a World Series.

25 So I think this is a worthy experiment and probably

1 the wave of the future. If we're going to compete for the
2 entertainment dollar we have to compete where the dollar is,
3 and the dollar is at night.

4 COMMISSIONER CHOPER: I -- I certainly understand
5 that. But what -- I think what it may leave out is the impact
6 on the -- on the Northern California operations, that is to say
7 you will -- they will certainly lose the opportunity to be able
8 to have people out here betting --

9 VICE CHAIR ISRAEL: Jesse, if they're clever --

10 COMMISSIONER CHOPER: -- betting at -- betting at the
11 races.

12 VICE CHAIR ISRAEL: Well, Jesse, they're --

13 COMMISSIONER HARRIS: I'd like to -- to join in on
14 Jesse's concern here, too, that you -- you hurt the North, plus
15 you hurt a lot of the out-of-state simulcasting. Because this
16 last race on Thursday night isn't going until 10:30, which is
17 like 1:30 on the East Coast. And I'd like to see some
18 projections on the total picture.

19 I realize that there's pluses to doing it as far as
20 attendance goes. But I'm just concerned that the impact on
21 wagering in total which -- and also on the horsemen who,
22 apparently, have agreed to it. But that last race at 10:30
23 when you -- people have got to come back the next morning I
24 think is -- is tolerable one day a week. But when you go to
25 two days a week, I'm just worried about attrition of horsemen.

1 VICE CHAIR ISRAEL: Well, John, I'll just say one
2 thing, and then I think Guy -- Guy Lamothe or -- or Jack wants
3 to say something, but I would say if Golden Gate is clever they
4 keep the Turf Club open as a restaurant, and then they have
5 simulcast wagering from -- of Oak Tree those evenings. And now
6 they're -- they have a business running from one o'clock in the
7 afternoon until 10:30 at night when they would have only had a
8 business running from one o'clock in the afternoon -

9 MR. CHILLINGWORTH: But then they get --

10 VICE CHAIR ISRAEL: -- until five o'clock.

11 MR. CHILLINGWORTH: -- they get overtime payments,
12 too. You know that.

13 VICE CHAIR ISRAEL: Well, I know. But let's see --

14 COMMISSIONER HARRIS: But there's no other
15 thoroughbred signal up then, either, that I know of. I mean,
16 you need a couple signals up to really make a simulcast work.

17 MR. LIEBAU: Well, this is Jack Liebau. One -- one
18 thing you have to take into consideration, and -- and we have
19 looked at the -- the numbers, at least when Hollywood Park
20 opened on Thursday night, your ADW goes through the roof. And
21 it more than offsets the amount that you lose from -- from out
22 of state.

23 For instance, out of state you -- you may be getting,
24 you know, three, three-and-a-half percent for your signal,
25 whereas the ADWs are paying you eight-and-a-half percent. And,

1 also, with respect to California residents, you're getting
2 everything but five percent.

3 So, I mean, I -- I just would say that we -- we've
4 looked at that. And the -- the ADW really makes a great
5 difference as far as running at night is concerned.

6 CHAIR BRACKPOOL: Well, and I --

7 COMMISSIONER HARRIS: Yeah. Hey, this is Harris
8 again. I -- it would have been nice to have seen those numbers
9 because I hate to just rely on, you know, evidence we don't
10 really have in front of us.

11 CHAIR BRACKPOOL: Well, John, it's -- it's -- it --
12 it's Keith. I wonder whether we're not asking the question the
13 wrong way around. I wonder whether the answer isn't we
14 shouldn't be having Golden Gate run at night, as well. So I
15 don't know that the question is just should -- should Oak Tree,
16 you know, and/or Hollywood run just in the day or just at
17 night. I mean, if we think that this is an experiment worth
18 pursuing then I think certainly next year that's something that
19 we can consider so that you've got two signals up there and
20 you've got everything else going.

21 MR. CHILLINGWORTH: One thing you've got to
22 consider --

23 MR. LIEBAU: And the other thing you have to --

24 CHAIR BRACKPOOL: Hold on. Hold on. We can't have a
25 group discussion without them.

1 MR. LIEBAU: Jack Liebau. One other thing you have
2 to take into consideration is how important it is to regenerate
3 your fan base. It's clear that the only way that -- that
4 racing is going to regenerate their fan base is from doing
5 something different, and that's we're running at night. If you
6 don't want -- if you have no concern about regenerating your
7 fan base don't run at night.

8 I'll tell you, we ran for, I don't know, 15 years
9 probably while I was at -- at Bay Meadows on Friday nights. We
10 were the first track in California to run on Friday nights, and
11 I can tell you without question the people came back that
12 wouldn't have otherwise come back on Saturdays and Sundays.

13 CHAIR BRACKPOOL: I think -- this is Keith. I think
14 this is going to be a difficult one, John, to do an accurate
15 model afterwards because obviously we've got Oak Tree in a
16 different place for the first time. So comparisons are not
17 going to be easy. But I do think this is, you know, one of
18 those things that's worthy of continued discussion.

19 And, Jackie, we can have this on, you know, a later
20 agenda when we come back and really take a hard look at the
21 effects of -- of the --

22 COMMISSIONER CHOPER: Keith, this is Jesse again.
23 Just one -- one last thing. I mean, one -- one of the
24 problems, as I understand it, has been that there was no prior
25 discussion or, indeed, I don't think -- I think, I could be

1 wrong, that the notion that they were going to -- that Oak Tree
2 would run all of these night dates on Thursday and Friday was
3 something that was not known to anyone until very, very
4 recently.

5 So in any event, of course, look, the -- the object
6 is to, as -- as -- no -- no one -- no one can disagree with
7 Jack that to get the -- to get the fans out is the object.

8 But I think it would be a lot easier going down
9 and -- and maybe even improved if you 0-- you know, if there
10 were discussions between their relevant operators --

11 CHAIR BRACKPOOL: Well, Jesse, I think --

12 COMMISSIONER CHOPER: -- on the --

13 CHAIR BRACKPOOL: -- I think that's --

14 COMMISSIONER CHOPER: -- on those particular days.

15 CHAIR BRACKPOOL: I think that's fair. The only
16 thing I would point out with the calendar in -- in front of me
17 is, I think everybody expected Friday nights. So instead of
18 five Friday nights we have three Friday nights. And we have a
19 total of three Thursday nights. So in aggregate it's one night
20 more than we had all discussed. So I think we need to -- we
21 need to put this problem in the magnitude that -- with respect
22 to what it is.

23 Commissioner Rosenberg?

24 COMMISSIONER ROSENBERG: Yes. Is Robert Hartman on
25 at the Golden Gate right now? Is he there?

1 MR. HARTMAN: Yes, I'm here.

2 COMMISSIONER ROSENBERG: I'm just curious what --
3 what you think of the discussion on this subject?

4 MR. HARTMAN: I think it really hurts us. I mean,
5 Jack, you know, being -- being from Northern California at Bay
6 Meadows knows how critical it is to have a complimentary
7 Southern California signal when you're running live. And --
8 and the way I look at it there's not one weekday of the meet
9 where we're running complimentary to one another.

10 It's curious that the days that Hollywood decided to
11 run during the day on weekdays are overlapped with the Fresno
12 meet, and all of the night racing overlaps the Golden Gate
13 Fields meet. So, you know, it's going to hurt us. But if
14 it's -- if it's good for -- for the rest of the state, you
15 know, I guess we have no choice.

16 It's just also curious that it's not in their
17 application. You know, I don't know when they decided to do
18 this but their application makes no mention of more than one
19 Thursday night race day. So --

20 MR. LIEBAU: If I may just say one thing.

21 CHAIR BRACKPOOL: Jack Liebau.

22 MR. LIEBAU: You know, we got into this gave sometime
23 in August. I don't remember the day. I mean, we've been
24 scampering since then to put a marketing plan together and
25 everything else. We apologize for not, you know, having pre-

1 discussion but there -- there really hasn't been time. I mean,
2 that's where we are. We have -- we had an application that was
3 filed by the Oak Tree Racing Association and their application
4 for a license was denied, and since then we've been scampering.
5 And we're doing our best we can under the circumstances.

6 VICE CHAIR ISRAEL: Yeah. It was August 19th --

7 MR. LIEBAU: August 19th.

8 VICE CHAIR ISRAEL: -- when we --

9 COMMISSIONER ROSENBERG: Also, Robert, isn't there
10 time for you to adjust your schedule or it is too late, in
11 case -- for example, the day racing, what is it, that you're
12 dark on Thursdays?

13 MR. HARTMAN: No. We race -- we're going to be
14 racing Wednesday through Friday for -- for most of -- most of
15 that meet -- I'm sorry, Wednesday through Sunday for most of
16 that meet.

17 COMMISSIONER HARRIS: A five day week up there you're
18 still thinking of?

19 COMMISSIONER CHOPER: It should be added that they
20 don't have lights that are adequate in the wintertime to cover
21 the night racing at this point. So, anyhow, that's another --
22 that would be another, you know, significant adjustment, I
23 guess. Look, it -- it may well be that it's better for
24 everybody, and maybe they'll put in lights.

25 CHAIR BRACKPOOL: Right. Well, point -- point taken

1 there.

2 COMMISSIONER CHOPER: But -- but I think we -- I
3 think the next time it's done this way we ought to have some
4 prior consultation.

5 VICE CHAIR ISRAEL: Look, there's all --

6 CHAIR BRACKPOOL: Let me ask -- one second. I -- I
7 just want, you know, in terms of -- in terms of horsemen
8 agreeing to all this, etcetera, I think that's another issue.
9 So I've asked Guy Lamothe to come to the -- to the microphone
10 and just give TOC's view, as well.

11 MR. LAMOTHE: Guy Lamothe, Thoroughbred Owners of
12 California. We do have an agreement that's been executed and
13 certainly understand the impact on the North and the concerns
14 there. This is an unusual situation. We've had to rush to go
15 through this. So, Robert, I recognize Golden Gate's issues,
16 and we're going to have to make the best of it somehow.

17 Referring back to the analysis on Thursday when
18 Hollywood Park did it, I did have a chance to look at that with
19 Bernie Thurman of Hollywood Park, and surprisingly to me that
20 it -- it faired pretty well. And what Jack noted, as far as a
21 significant lift in the ADW, yeah, that -- that was there. And
22 mind you that this was more of an experimental thing. It
23 certainly encouraged me to, me personally, we should be looking
24 at this further. And you can only imagine if you put more
25 marketing behind it and make it the base of -- of your racing

1 program, perhaps it could be better.

2 So there is an analysis out there and they did it
3 right away. And, again, it is a snapshot so --

4 COMMISSIONER HARRIS: Well, why -- this is Harris
5 again. Why didn't the Board get that analysis?

6 MR. LAMOTHE: If they -- well --

7 CHAIR BRACKPOOL: Well, that's --

8 MR. LAMOTHE: -- ask them.

9 CHAIR BRACKPOOL: That's a TOC internal analysis,
10 John, is what I think he's --

11 MR. LAMOTHE: No. We asked --

12 MR. LIEBAU: John, frankly, I mean, you know, I think
13 today is September 10th, and August 19th we didn't know we were
14 in the ball game in 21 days. And we -- we thought it was good
15 to continue the experiment with Thursday nights because of the
16 weather and to see whether it works.

17 CHAIR BRACKPOOL: I think I would make a couple of
18 points here. One is that this board made a finding that the
19 Santa Anita Race Track, based on the testimony from Dr.
20 Peterson, based on the testimony from TOC and CTT, that the
21 Santa Anita Race Track was not an option.

22 Frankly, had Hollywood Park not gone beyond what was
23 expected of them and going out of turn with what I said, I
24 would compliment Hollywood Park for what they've done here, we
25 wouldn't have an Oak Tree meet. And so I wonder what Golden

1 Gate's numbers would be if we didn't have an Oak Tree meet. So
2 I think we have to put this all in perspective.

3 I also think all of the comments about, you know,
4 should we risk it or should we not would presume that we're all
5 absolutely fine with the status of our industry at the moment,
6 and I don't think that is the case. So, therefore, I
7 personally welcome these experiments.

8 VICE CHAIR ISRAEL: And I'd like to make one other
9 point. It's not the first time we've -- we've had an
10 experiment such as this. One just ended at Ferndale where the
11 South took it in the shorts. So this is a more noble
12 experiment because this is about the future of racing.
13 Ferndale was about the past of racing.

14 COMMISSIONER HARRIS: Well, I dispute that. But --

15 VICE CHAIR ISRAEL: The numbers -- John --

16 COMMISSIONER HARRIS: -- my concern is --

17 VICE CHAIR ISRAEL: John -- the numbers --

18 COMMISSIONER HARRIS: -- is just that --

19 VICE CHAIR ISRAEL: -- are indisputable.

20 COMMISSIONER HARRIS: -- Thursday night -- I mean, I
21 was one of the original advocates of Friday nights. I was very
22 supportive of those over the years. I'm just concerned that
23 Thursday night will cannibalize Friday night.

24 And I congratulate the Hollywood Park team for being
25 innovative. I've got a high regard for their marketing ability

1 and -- and all. But I'm just concerned that two early late
2 nights in a row may produce more a minus, but I guess it will
3 be an experiment. I can clearly see it for opening night.
4 But --

5 CHAIR BRACKPOOL: Well, John, we're going to -- we're
6 going to have the --

7 COMMISSIONER HARRIS: -- getting that last race over
8 at 10:30 two days a week, I'm surprised that the horsemen
9 agreed. Did the trainers agree to this?

10 CHAIR BRACKPOOL: Alan Balch --

11 VICE CHAIR ISRAEL: Alan Balch --

12 CHAIR BRACKPOOL: -- from CTT.

13 VICE CHAIR ISRAEL: -- is right here.

14 MR. BALCH: Alan Balch, California Thoroughbred
15 Trainers. We raised, actually, a different issue, which was
16 the number of racing days in the first half of the meeting with
17 particular attention to Wednesday the 6th and Thursday the
18 14th. We, of course, are concerned, as everyone is, about the
19 supply and -- of -- of horses and the racing opportunities and
20 the importance of maintaining a schedule and being to it --
21 being able to stick to it and not having to cancel or lose any
22 days. Now hearing the discussion today, of course, there are
23 offsetting reasons for racing Wednesday the 6th and Thursday
24 the 14th.

25 And we also want to applaud Oak Tree, and

1 particularly Jack Liebau, for being extremely communicative
2 with us as to the detailed reasons why he felt in a weighing
3 and balancing that these -- that it was important to race those
4 two days. So on the record, we just want to express our
5 concern. But we do want to couple it with being complimentary
6 to Oak Tree and Jack because they were so responsive to our
7 concerns.

8 Mr. Liebau actually wrote us a detailed letter as to
9 the supply of horses and the reasons for the scheduling. We
10 worked with Diane who provided us several drafts of the -- the
11 schedule as it developed. I think all of us recognize that in
12 a state like this and with the conditions that -- that racing
13 is facing there has to be some judgment and some pluses and
14 minuses weighed, and the operator and the association and the
15 Racing Board have to take all this into account.

16 So we -- we for one are very pleased with the
17 communication we've had, despite our concerns.

18 VICE CHAIR ISRAEL: Okay. I -- I might offer --

19 CHAIR BRACKPOOL: State your name.

20 VICE CHAIR ISRAEL: -- this is David Israel -- a
21 possible sort of solution. Perhaps we can start, instead of at
22 7:00, at 6:00.

23 MR. LIEBAU: It won't work.

24 VICE CHAIR ISRAEL: It won't work?

25 MS. GREALISH: Traffic.

1 MR. LIEBAU: Traffic just --

2 VICE CHAIR ISRAEL: And do -- and do a happy hour?

3 MR. LIEBAU: Traffic just kills us.

4 MS. GREALISH: Can't get here.

5 MR. LIEBAU: I mean --

6 VICE CHAIR ISRAEL: Does it?

7 MR. LIEBAU: -- in fact, we -- we don't think that we

8 actually get our crowd here until the second or third --

9 VICE CHAIR ISRAEL: Yeah.

10 MR. LIEBAU: -- race because of the traffic concerns.

11 COMMISSIONER ROSENBERG: The 405 is --

12 MR. CHILLINGWORTH: I just -- from our -- Sherwood

13 Chillingworth. From our experience we tried starting at six

14 o'clock --

15 VICE CHAIR ISRAEL: Yeah.

16 MR. CHILLINGWORTH: -- and the cars were just

17 beginning to come in at six o'clock. And it -- it was too

18 early.

19 MR. LIEBAU: You know, as an aside -- this is Jack

20 Liebau -- if I could just rant for just a minute about

21 something that bothers me.

22 CHAIR BRACKPOOL: A minute.

23 MR. LIEBAU: A minute. Racing associations deal with

24 the elected representatives of the horsemen and of the owners.

25 And we communicate with them all to the best of our extent and

1 get feedback from them. Sometimes we're faced with the fact,
2 well, you know, why do horsemen do this? Well, all we can do
3 is deal with their elected representatives. That's all I -- my
4 point. And I, you know, I think that sometimes they will --
5 you know, they don't represent their members. But, hell, they
6 got elected, you know?

7 So I think that we have to -- we have to deal with
8 the --

9 CHAIR BRACKPOOL: I agree.

10 MR. LIEBAU: -- as the cards lay.

11 CHAIR BRACKPOOL: I agree. All right. Can I ask the
12 Commissioners who are not in the room, does anybody else have
13 any other issues, Commissioners Choper, Derek, Harris?

14 COMMISSIONER DEREK: Derek. No.

15 COMMISSIONER HARRIS: I've -- I've still got concerns
16 about so many nights during the week. I can see opening night.
17 But I -- I know that there was some experimentation with
18 earlier posts. But I personally think something, you know, a
19 three or four o'clock post on a Thursday might have merit
20 because that would at least tie into the northern program,
21 where now you've got a gap. I mean, the northern racing will
22 be over by 4:30 or so and you don't have a first race up North
23 until 7:00 -- I mean, down South until 7:00. And I'm just --
24 I'm just concerned.

25 I'd like to see some projections on how this thing is

1 going to work and then do a good necropsy at the end of it of
2 how it did. Sometimes we do all these things and then --

3 CHAIR BRACKPOOL: Well --

4 COMMISSIONER HARRIS: -- we -- we -- we don't come
5 away with it. But -- but --

6 CHAIR BRACKPOOL: But -- but we are where we are.

7 COMMISSIONER HARRIS: -- if it has to be and the
8 horsemen are for it --

9 CHAIR BRACKPOOL: We're -- we're ten days --

10 COMMISSIONER HARRIS: -- and management's for it
11 and -- and Oak Tree is for it, I mean, I don't want to be the
12 skunk at the picnic, but I just want to express my concerns.

13 There were a few things on the actual application
14 which I thought were a problem, I mean, just in the little
15 things. Like the parimutuel wagering, it doesn't show any ten
16 cent superfectas or any fifty cent late pick fours, which I
17 don't know if that was an oversight or what, but I -- I think
18 it should do that.

19 CHAIR BRACKPOOL: Hold on, John. Let me --

20 COMMISSIONER HARRIS: But the main concern is just on
21 the impact of the state and the -- the Northern California
22 horsemen and -- and associations by not having a signal.

23 And, also, on the simulcasting, I think to really
24 make these -- you know, a four day week work there needs to be
25 an all out effort to get more revenue on the dark days from

1 out-of-state simulcasting. And I would like some assurance
2 that -- that that is going to happen. Because you show that
3 simulcast only on Wednesday but is that -- you know, is there
4 going to be an effort into -- into generating handle? And,
5 also, what happens on Monday and Tuesday?

6 CHAIR BRACKPOOL: John, before I forget all the
7 questions, the first two questions were on the ten cent
8 superfecta and the fifty cent late pick four.

9 COMMISSIONER HARRIS: Yeah.

10 CHAIR BRACKPOOL: Chillie, what is the answer to
11 that?

12 MR. CHILLINGWORTH: Well, we understand that Del Mar
13 had a very big increase in handle on the -- on the pick four at
14 fifty cents. But I think we have a different audience. You
15 know, you have the -- the visitor audience and the out-of-
16 towners and people who are not really horse players, and they
17 do the, you know, they do the wild pick fours because it
18 doesn't cost them any money. But that makes the big guy
19 unhappy because he's -- he feels he's being -- while he's doing
20 the handicapping some guy's slapping a winner on a card.

21 VICE CHAIR ISRAEL: Playing the lottery.

22 MR. CHILLINGWORTH: And we -- we think that our --
23 our -- our audience is more skewed -- you know, the real
24 gambler, and they prefer the \$1.00 pick four. And you -- then
25 you have to add additional --

1 CHAIR BRACKPOOL: But -- but -- but -- but the -- the
2 answer to the question is you're not offering it because you
3 don't believe it's the right thing to do?

4 MR. CHILLINGWORTH: That's correct.

5 CHAIR BRACKPOOL: Right.

6 COMMISSIONER HARRIS: Then you're not offering
7 neither ten cent superfectas or fifty cent pick fours -- this
8 is Harris -- and that -- that -- that's your final answer?

9 COMMISSIONER ROSENBERG: Well, I -- I have a
10 question. Can I ask a question?

11 VICE CHAIR ISRAEL: He's got a lifeline. He's got to
12 make a call.

13 CHAIR BRACKPOOL: Hold on. And then, John, I'll --
14 I'll get to that in one second. Is it -- is it a question on
15 that issue?

16 COMMISSIONER ROSENBERG: Yes.

17 CHAIR BRACKPOOL: Okay.

18 COMMISSIONER ROSENBERG: My question is --

19 CHAIR BRACKPOOL: Commissioner Rosenberg?

20 COMMISSIONER ROSENBERG: -- as I said, Diane, this
21 seems to me this is actually contradictory to the whole idea of
22 trying to attract a younger demographic and to have young
23 people come in there. They're not the hardened gamblers. You
24 want to expose them to this. So if you don't give them the
25 fifty cent -- either ten cent superfecta, which a lot of young

1 people like --

2 MS. GREALISH: Uh-huh.

3 COMMISSIONER ROSENBERG: -- or the other one, I don't
4 understand why you don't put it in. Is it expensive to put in?
5 Is it -- is it -- I can't imagine getting a few hardened
6 gamblers angry that somebody else is betting a fifty center has
7 anything to with this.

8 DR. ARTHUR: Mister --

9 CHAIR BRACKPOOL: Just one second. Name, Rick.

10 DR. ARTHUR: Dr. Arthur. I don't see any reason of
11 not having that option if there wants to be an amendment to the
12 application. I think if we wanted to experiment, certainly,
13 with the comments that Commissioner Rosenberg said, on Thursday
14 nights, for example, it would be an opportune time to do it. I
15 don't know about the consistency issues. But I see no problem
16 in amending the application to allow the option.

17 VICE CHAIR ISRAEL: John, does --

18 MR. CHILLINGWORTH: The other -- the other thing is
19 we -- we have talked to -- to Yuli who is very knowledgeable
20 about betting patterns. I've talked to Randy Hartzell and he
21 thinks we'd be making a big mistake if we go with what you've
22 said.

23 VICE CHAIR ISRAEL: What would be the adverse effect?

24 MR. CHILLINGWORTH: Well, you have to have more staff
25 because you have more -- more betting. And, B, we don't

1 generate as much handle.

2 COMMISSIONER HARRIS: Well, didn't Del Mar generate
3 more handle?

4 VICE CHAIR ISRAEL: Yeah. Yeah. But --

5 MR. CHILLINGWORTH: They -- they were up about, I
6 would say, maybe \$50,000 a race --

7 VICE CHAIR ISRAEL: That's --

8 MR. CHILLINGWORTH: -- on a pick four, I mean, for
9 the --

10 VICE CHAIR ISRAEL: \$50,000 a race is a lot money.

11 MR. CHILLINGWORTH: Each -- each race, yeah.

12 VICE CHAIR ISRAEL: Huh? Each race? Yeah.

13 CHAIR BRACKPOOL: Each day.

14 VICE CHAIR ISRAEL: No. Each -- each day?

15 MR. CHILLINGWORTH: Each day.

16 COMMISSIONER HARRIS: With that bet?

17 MR. CHILLINGWORTH: Yes.

18 VICE CHAIR ISRAEL: I'll take it. That's a million
19 bucks.

20 COMMISSIONER DEREK: Yeah.

21 VICE CHAIR ISRAEL: That's -- that's -- you just --

22 MR. CHILLINGWORTH: I know. But the --

23 VICE CHAIR ISRAEL: You just increased your handle a
24 million bucks for the meet by doing that.

25 MR. CHILLINGWORTH: When -- when you talk to people

1 who have been in the business a long time and -- and analyze
2 racing they think it's a mistake to do that. So --

3 VICE CHAIR ISRAEL: Is there a software issue, Jack?

4 MR. LIEBAU: No, there isn't.

5 CHAIR BRACKPOOL: No.

6 MR. LIEBAU: And as a matter of fact, the
7 application, I don't think, has to be even amended.

8 Because I think in there, Jackie, isn't there a
9 provision that we can offer any bet that's legal in California?

10 MS. WAGNER: But it needs to be approval.

11 MR. LIEBAU: But we -- we can do that?

12 MS. WAGNER: You -- you can offer it and --

13 MR. LIEBAU: Mr. Chillingworth can --

14 CHAIR BRACKPOOL: We can amend the --

15 MR. LIEBAU: -- rethink it and --

16 CHAIR BRACKPOOL: We can amend the --

17 MR. LIEBAU: -- send in a letter --

18 VICE CHAIR ISRAEL: Yeah.

19 CHAIR BRACKPOOL: All right.

20 MR. LIEBAU: -- and it will be fine --

21 MS. WAGNER: Absolutely.

22 CHAIR BRACKPOOL: -- and it can still be --

23 MS. WAGNER: Absolutely.

24 CHAIR BRACKPOOL: Let's -- so we'll take it that the
25 application is going to be amended to include that and --

1 COMMISSIONER HARRIS: That -- that's both the ten
2 cent supers and the fifty cent pick fours?

3 CHAIR BRACKPOOL: Yes.

4 MR. CHILLINGWORTH: We'll look at them.

5 CHAIR BRACKPOOL: Yes. That's -- that's -- the
6 answer is the application will be amended to that and it's
7 going to be Oak Tree's discretion as to which nights they put
8 them in. I would personally advise you, based on Commissioner
9 Harris's concerns and comments --

10 MR. CHILLINGWORTH: We are --

11 CHAIR BRACKPOOL: -- it's probably a good idea to put
12 them in.

13 MR. CHILLINGWORTH: But we are offering ten cent
14 superfectas. It's the fifty cent --

15 VICE CHAIR ISRAEL: Oh.

16 COMMISSIONER HARRIS: That's not on your application.

17 MR. CHILLINGWORTH: -- fifty cent pick four that we
18 were --

19 MR. LIEBAU: Is it not, Jackie?

20 CHAIR BRACKPOOL: Ten cent is not on the --

21 MS. WAGNER: No.

22 CHAIR BRACKPOOL: -- application.

23 MS. WAGNER: No, it's not.

24 MR. CHILLINGWORTH: It's not?

25 MR. LIEBAU: We intend to have ten cent superfectas.

1 MR. CHILLINGWORTH: Yeah. That was supposed to be
2 added to put that in.

3 CHAIR BRACKPOOL: All right. So they'll both be
4 amended.

5 And John's second question, which I can -- I can just
6 remember, was what are we going to do to promote out-of-state
7 simulcast on dark days? See?

8 COMMISSIONER ROSENBERG: Very good.

9 VICE CHAIR ISRAEL: I'm impressed.

10 MR. LIEBAU: The -- the problem that we've got on a
11 Wednesday is that if you look across the country there are very
12 few tracks running on Wednesday. But we certainly will do the
13 best we can with the product that's available.

14 CHAIR BRACKPOOL: Did you have a specific suggestion,
15 John?

16 COMMISSIONER HARRIS: Well, I -- I think we need
17 to -- I mean, it's up to them to do the best they can,
18 obviously. But -- but that is the hope that -- that we
19 generate some incremental commission and purse revenue on those
20 dark days, but I don't think we're going to do it everyone just
21 sits on their hands and there's not a plan that they --

22 VICE CHAIR ISRAEL: Who's running? Belmont's
23 running.

24 MR. LIEBAU: No. I don't think on Wednesday.

25 VICE CHAIR ISRAEL: They're not running on -- they're

1 only running four days?

2 MR. LIEBAU: You know, I think in one of the
3 experiments that -- that failed that Liebau had at the last
4 meet was that I was going to run on Wednesday so that I
5 could --

6 CHAIR BRACKPOOL: Because nobody else was.

7 VICE CHAIR ISRAEL: Yeah.

8 MR. LIEBAU: -- because nobody else was.

9 VICE CHAIR ISRAEL: Yeah. Then dark on Thursday.

10 MR. LIEBAU: And dark on Thursday because it was
11 going to be a better simulcast day on Thursday. Unfortunately,
12 that was one of my failures.

13 VICE CHAIR ISRAEL: Yeah.

14 COMMISSIONER HARRIS: Yeah. Well --

15 MR. LIEBAU: It didn't work.

16 MR. CHILLINGWORTH: Keeneland is running against us,
17 too, so --

18 CHAIR BRACKPOOL: Yeah.

19 VICE CHAIR ISRAEL: But for two weeks only; right?

20 COMMISSIONER HARRIS: Yeah. Keeneland is a major
21 meeting that's going to be running on -- on those days.

22 MR. LIEBAU: We will certainly promote Keeneland.

23 CHAIR BRACKPOOL: Right.

24 VICE CHAIR ISRAEL: For two-and-a-half weeks.

25 CHAIR BRACKPOOL: Okay. Did any -- did --

1 Commissioner Derek didn't have another question. Commissioner
2 Choper?

3 COMMISSIONER CHOPER: No.

4 CHAIR BRACKPOOL: Okay. Commissioner Rosenberg?

5 COMMISSIONER ROSENBERG: No.

6 CHAIR BRACKPOOL: Israel? No? Well, then I would
7 ask -- any members -- anybody else, interested parties wishing
8 to speak to the issue? Richard Castro.

9 VICE CHAIR ISRAEL: You need -- you need the
10 microphone.

11 MR. CASTRO: Richard Castro representing Local 280.
12 I would urge you to support the application.

13 The only thing that I want to make record of, we have
14 a problem with OakTree.com. So I just want that on the record.

15 VICE CHAIR ISRAEL: Okay.

16 CHAIR BRACKPOOL: You have it on the record.

17 MR. CASTRO: Thank you.

18 CHAIR BRACKPOOL: Well, again, before I ask for --
19 before I ask for a motion I, again, would, at this stage,
20 would -- would -- would -- would like to thank especially
21 Hollywood Park for making themselves as accessible and
22 available as they have done in such an extraordinary short
23 period of time. And I think it reflects well on the sport that
24 we're able to all be as cooperative as this and -- and do this.

25 MR. CHILLINGWORTH: If I could make one more comment.

1 CHAIR BRACKPOOL: Sherwood Chillingworth.

2 MR. CHILLINGWORTH: We have -- Sherwood
3 Chillingworth, Oak Tree. We have increased the overnight
4 purses far above what the -- the handle would support. And we
5 think that we will be overpaid by \$500,000 at the end of this
6 meet, realistically. We're doing this because we want the
7 owners to have sufficient purses to make it attractive for them
8 to stay here.

9 VICE CHAIR ISRAEL: Yeah.

10 COMMISSIONER HARRIS: This is Harris. I don't
11 understand how you did that. How can you both increase
12 overnights and also be overpaid that much? What has changed?

13 MR. CHILLINGWORTH: Well, you know, we have --

14 CHAIR BRACKPOOL: The number of racing days.

15 MR. CHILLINGWORTH: -- we have 13 -- we have 13
16 graded stakes.

17 VICE CHAIR ISRAEL: Right.

18 MR. CHILLINGWORTH: We can't reduce any one of them.
19 They're at the minimum now for their graded status. And we're
20 only running 21 days, our own meet. The other day is Cal Cup.
21 So it's very difficult to generate the money to support the
22 system on a 21 day meet.

23 CHAIR BRACKPOOL: That's -- that's the -- that's
24 the --

25 COMMISSIONER HARRIS: But you're going to be -- oh, I

1 was thinking you're going to be underpaid. You're going to be
2 overpaid that much?

3 CHAIR BRACKPOOL: Overpaid.

4 VICE CHAIR ISRAEL: Overpaid.

5 CHAIR BRACKPOOL: Overpaid. Overpaid.

6 COMMISSIONER HARRIS: How are you going to recoup
7 that? I mean, I thought, I mean, you basically are willing
8 to --

9 VICE CHAIR ISRAEL: With the fifty cent --

10 COMMISSIONER HARRIS: -- to carry that over --

11 VICE CHAIR ISRAEL: -- fifty cent late pick four.

12 COMMISSIONER HARRIS: -- until the next year and --

13 MR. CHILLINGWORTH: I'm -- I'm going to -- I'm going
14 to start going to church more regularly.

15 COMMISSIONER HARRIS: Well, you better go look for
16 salvation somewhere.

17 CHAIR BRACKPOOL: Okay. One -- one second. Guy
18 Lamothe is going to come up and speak.

19 MR. LAMOTHE: I -- I have a question. I heard the
20 term mentioned earlier -- Guy Lamothe, Thoroughbred Owners of
21 California. Oak Tree racing at Hollywood Park, is that a legal
22 entity? Is that the applicant?

23 MR. LIEBAU: No.

24 MR. CHILLINGWORTH: No.

25 CHAIR BRACKPOOL: No.

1 MR. LIEBAU: Oak Tree is.

2 MR. CHILLINGWORTH: Oak Tree is the applicant and the
3 venue is Hollywood Park.

4 MR. LAMOTHE: Okay. We just want to confirm that
5 the --

6 MR. CHILLINGWORTH: Right. It's just the way it
7 would be if Oak Tree --

8 MR. LAMOTHE: -- the purse structure is from --

9 MR. CHILLINGWORTH: Oak Tree.

10 MR. LAMOTHE: -- Oak Tree past, Oak Tree now and Oak
11 Tree --

12 MR. CHILLINGWORTH: Right.

13 MR. LAMOTHE: -- stays with --

14 MR. CHILLINGWORTH: You got it.

15 MR. LAMOTHE: -- Oak Tree Racing Association?

16 MR. CHILLINGWORTH: Yes. That's correct.

17 MR. LAMOTHE: Thank you.

18 CHAIR BRACKPOOL: Yeah. Okay. It's not before.

19 Just before we go to the motion, Jackie points out that in the
20 application you had added narrative after all of the bets that
21 you are offering that did include the ten cent superfecta in
22 any race where we can comply with CHRB Rule 1979.1. And then
23 you also offer the fifty cent super high five --

24 MR. CHILLINGWORTH: Five.

25 CHAIR BRACKPOOL: -- on the last race. So you're

1 going to amend the application further to offer a fifty cent --

2 MR. CHILLINGWORTH: Super high five.

3 CHAIR BRACKPOOL: No.

4 VICE CHAIR ISRAEL: Superfecta -- fifty cent --

5 CHAIR BRACKPOOL: Late pick four.

6 VICE CHAIR ISRAEL: -- fifty cent late pick four.

7 CHAIR BRACKPOOL: Late pick four.

8 MS. GREALISH: Is that right?

9 MR. CHILLINGWORTH: Well, we --

10 CHAIR BRACKPOOL: You're going to amend the
11 application to --

12 MR. CHILLINGWORTH: I thought we were going to be
13 able to talk about and decide if we were going to.

14 CHAIR BRACKPOOL: I didn't say you -- you're going to
15 amend the application so that -- you're not obligated.

16 VICE CHAIR ISRAEL: You just have to have it in the
17 application.

18 MR. CHILLINGWORTH: Right. Yeah.

19 CHAIR BRACKPOOL: Right. So you will amend the
20 application.

21 VICE CHAIR ISRAEL: You're allowed to have it if I
22 can win it.

23 CHAIR BRACKPOOL: -- are your discretion. I'd do
24 that. Okay.

25 So with that, thank god we don't have 14 agenda items

1 today. With that --

2 MR. CHILLINGWORTH: Where's Jamgotcha when you need
3 him?

4 CHAIR BRACKPOOL: With that I would -- I'd like to
5 ask somebody to make a --

6 VICE CHAIR ISRAEL: I move that the application be
7 approved. David Israel, CHRB.

8 COMMISSIONER DEREK: I second. This is Bo Derek.

9 CHAIR BRACKPOOL: Commissioner Derek seconds.

10 Commissioner Brackpool votes in favor.

11 Commissioner Harris?

12 COMMISSIONER HARRIS: I'd like to abstain. I just
13 don't feel that good about it. I respect the parties wish to
14 do it and don't want to vote no, but I just don't feel good
15 enough about it to vote yes.

16 CHAIR BRACKPOOL: Okay. Commissioner Choper?

17 COMMISSIONER CHOPER: Yes.

18 CHAIR BRACKPOOL: Okay. Commissioner Rosenberg?

19 COMMISSIONER ROSENBERG: Yes.

20 CHAIR BRACKPOOL: The motion carries. The meet --

21 VICE CHAIR ISRAEL: I didn't vote? You want me to
22 vote?

23 CHAIR BRACKPOOL: You made the motion.

24 VICE CHAIR ISRAEL: Yeah. But that's a vote? Yes.
25 I'll vote yes.

TRANSCRIBER'S CERTIFICATE

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I, Martha L. Nelson, attest that the foregoing proceedings were transcribed to the best of my ability.

I further certify that I am not a relative or employee of any attorney of the parties, nor financially interested in the action.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated this 10th day of September, 2010.

 /s/ Martha L. Nelson