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REGULAR MEETING

CALIFORNIA HORSE RACING BOARD

THURSDAY, DECEMBER 1, 2005

10:00 A.M.

Reported by:
Audrey V. Lehman
CSR No. 12738

1 PROCEEDINGS: Of the Regular Meeting of the California Horse
Racing Board held at Hollywood racetrack, Turf Club Board
2 Room, 1050 South Prairie Avenue, California, on Thursday,
December 1, 2005, at 10:00 A.M.

3

PRESENT: John C. Harris, Chairman

4

William A. Bianco, Vice-Chairman

5

John Andreini, Commissioner

Jerry Moss, Commissioner

6

Sheryl L. Granzella, Commissioner

Marie G. Moretti, Commissioner

7

Richard B. Shapiro, Commissioner

Ingrid Fermin, Executive Director.

Derry Knight, Deputy Attorney General

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11 DIRECTOR FERMIN: This is the December 1, 2005, board
12 meeting of the California Horse Racing Board held at 1050
13 South Prairie Avenue.

14 Before we go into the business, I would like to remind
15 everyone to state your name clearly for the record prior to
16 going on with whatever your input is for the agenda so that
17 the court reporter can get everything down clearly.

18 DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL
19 OF THE MINUTES OF THE REGULAR MEETING OF NOVEMBER 3, 2005.

20 CHAIRMAN HARRIS: Good morning, first item is
21 discussion action by the Board and approval of meeting of
22 November 3. I had a couple things that I want look at. On
23 page 3, we are talking about the changes it says,

24 "Chairman Harris commented did he not see the
25 wisdom of raising the admission to the LATC

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1 turf club when it was so busy."

2 What I thought I said, when it was "not" busy.

3 Basically my concern was, it was pretty barren during the
4 middle of the week and I don't know whether \$5.00 during the
5 week would make a difference. We just need to get as many
6 people in to the turf club as possible. If we could change
7 "when it was busy" to say something to the effect of "when
8 it seems to be fairly empty much of the weekdays."

9 Also, when John Regan was talking about the Fresno
10 meet, Regan commented that did he not think the experiment
11 of running two overlap days each day worked.

12 I think what he meant to say, it did work but it
13 was running two "non" overlap days did work. What happened
14 in Fresno, each week on the Wednesday, they did not overlap
15 with the track.

16 MS. WAGNER: What page was that?

17 CHAIRMAN HARRIS: Page 17.

18 Also page 21, it reads,

19 "Chairman Harris said he did not think the
20 problem was not so much as there was not place
21 to race as there were not sufficient purses to
22 race for. In the agreement between HP and TOC
23 was legal, he stated he did not see where the
24 Board could intervene."

25 My intent was to say if it was "illegal" we could

1 not intervene. So if we could change it to say, "that if it
2 was illegal."

3 Any other additions or corrections to the
4 minutes?

5 (No response.)

6 These are published on our website if anyone wants
7 to check them out. If anyone wants to write a book about
8 CHRB, we need to get it right. If there are no other
9 additions or corrections; motion to approve the minutes with
10 the noted corrections.

11 COMMISSIONER MORETTI: So moved.

12 COMMISSIONER BIANCO: Second.

13 CHAIRMAN HARRIS: So moved.

14 (The motion was unanimously carried.)

15 DISCUSSION AND ACTION BY THE BOARD ON THE
16 APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE
17 SACRAMENTO HARNESS ASSOCIATION (H) AT CAL-EXPO, COMMENCING
18 February 8, 2006 THROUGH May 7, 2006, INCLUSIVE.

19 The first action item is No. 2.

20 MS. WAGNER: The Sacramento Harness
21 Association filed its application to conduct a Harness Horse
22 Racing meeting at Cal Expo: They will be racing January 5,
23 2006 through July the 29, 2006. The association proposes to
24 run 118 nights with 1,436 races; racing Wednesday through
25 Saturday with up to 11 races Wednesdays and Sundays on

1 January 15, and February 19, and May 28. They will be
2 racing up to 12 races on Thursdays, up to 13 races on Monday
3 July the 3rd and up to 14 races on Fridays and Saturdays.
4 The first live post time will be 5:35 p.m. every night
5 through April the 27. Thereafter they will have a 6:20 p.m.
6 post Friday and Saturday starting April 28, through July 29.
7 They are also asking permission for a couple of exotics:
8 Requesting permission for \$20,000 guaranteed gross Pick-Four
9 pool each Friday and Saturday races, 9, 10, 11 & 12.
10 They are also requesting permission to bring back the
11 Bal-Cal Pick-Four and pursue other multi-track wagering
12 opportunities.
13 The applicant is available for questions should the Board
14 have any questions of the staff.

15 CHAIRMAN HARRIS: Any questions on this application?

16 COMMISSIONER SHAPIRO: Good morning, first I would like
17 to complement you. It appears you are doing great things
18 there. I am thrilled to see it is growing and you had have
19 a couple million dollars nights. All of your efforts appear
20 to be succeeding.

21 I just have a couple of questions I would like to
22 clarify. There had been some discussion with the TOC2
23 testing. I had received a phone call, as I understand it
24 your horses are being tested post race.

25 MR. SCHICK:

1 That is correct.

2 COMMISSIONER SHAPIRO: I don't know if it is a way to
3 make it possible to do pre race.

4 MR. SCHICK: Not that I am aware of. I know
5 going back in the standardbred industry, most of the
6 industry moved to post race TCO2 tests as opposed to the
7 thoroughbreds, they usually -- I think a big risk if they do
8 it post race. Beyond that, I really don't know, maybe
9 Dr. JENSEN could comment.

10 DR. RON JENSEN: We had that request for Kim
11 Hankins. I suggested to him that we sit down with him and
12 management to visit that possibility even though there are
13 considerable logistic differences between the two breeds.
14 The day before yesterday, I had a call from Kim Hankins of
15 the California Harness Horsemen's Association and it was stated that maybe
16 in lieu of all the difficulties in doing it pre race that they
17 would stay with the procedure that they have at this time.

18 COMMISSIONER SHAPIRO: What I don't understand, if a
19 horse is tested prior to warming up, the way we do
20 thoroughbreds and because they go out and warm up, why would
21 that affect the level of TCO2 unless they were
22 administered -- unless somebody tried to milk shake a horse
23 after the warm up, but wouldn't that be the time to detect
24 it after, when the horse has exerted all the of its energy
25 which is my understanding that it lowers the TCO2?

1 DR. JENSEN: That is correct TCO2 does lower

2 --

3 COMMISSIONER SHAPIRO: So why PRIOR to any horse warming
4 up, why wouldn't we test the horses at that time, that's
5 what we do with thoroughbreds.

6 DR. JENSEN: You could do that but you would
7 have to secure those horses at some time -- there is
8 something to prohibit someone from milk shaking a horse
9 prior to racing.

10 COMMISSIONER SHAPIRO: Would it get into their system
11 that quickly? As I understand, maybe Mr. Schick can tell
12 us -- I cannot imagine that the first warm-up of that horse
13 is any earlier than 6:00 o'clock.

14 MR. SCHICK: In the old days, they used to go 2
15 warm-up trips generally one is standard now. Usually in the
16 5th race the horse will warm up in the 2nd race.

17 COMMISSIONER SHAPIRO: If that is the case, why couldn't
18 the testing be done prior to its first warm up? It is the
19 same as what we do with thoroughbreds. What my concern is
20 that the testing may not be effective that we are doing it
21 after the horse has warmed up and then we are testing. I do
22 not understand the effectiveness of that testing.

23 MR. SCHICK: There is one other factor
24 involved. Standard horses do recover quicker after
25 strenuous exercise than thoroughbreds. People who have

1 studied TCO2 for a long time have pretty much agreed if you
2 wait until an hour and a half after the race after an
3 exercise, that you have a true reading of the TCO2 level in
4 that horse.

5 COMMISSIONER SHAPIRO: There is data that will
6 substantiate that of both testing before and after? Is
7 there data that shows if it was tested before and after that
8 supports the true level of TCO2 in a horse's system that
9 would show after is better than before.

10 MR. SCHICK: Not necessarily better, but an
11 accurate determination of TCO2 levels.

12 CHAIRMAN HARRIS: It would be a pretty easy thing to
13 test if somebody could just show us to make sure it is
14 correct.

15 COMMISSIONER SHAPIRO: The association spends a lot of
16 money to do the testing. I am not convinced. We -- maybe
17 at least should do a case study where we can test some
18 horses before and after -- maybe even the same horse, it
19 just doesn't make sense to me that after the exercise is
20 when we are doing the reading.

21 MR. SCHICK: There is breed differences in the
22 breed.

23 COMMISSIONER SHAPIRO: There is physiological
24 differences --

25 DIRECTOR FERMIN: There would have done quite a bit of

1 study -- they have looked at both and they felt that the
2 most accurate was the post racing 1 and a half to 2 and a
3 half hours afterwards. Once a horse is so tested, the horse
4 needs to be sequestered which is an impossibility --

5 COMMISSIONER SHAPIRO: It is my understanding that after
6 they warm up, they go into the detention bar where they are
7 sequestered. All I am saying, I would like -- I agree with
8 CHAIRMAN HARRIS --

9 CHAIRMAN HARRIS: Their post times are so late and I
10 just wonder about the cumbersome to do it.

11 COMMISSIONER SHAPIRO: You have people that are working
12 at 1:00 in the morning.

13 DIRECTOR FERMIN: We will look into it.

14 COMMISSIONER SHAPIRO: I was looking at your financial
15 statement and your profit and loss statement and I don't see
16 a provision for "Rent." It is my understand that you are
17 operating under a lease. Is there a reason rent is omitted.

18 MR. SCHICK: We just made our first rent payment to
19 Cal-Expo actually this past week. So rent was accrued --
20 that was October's payment, through November's statement
21 there should be a rent accrual.

22 COMMISSIONER SHAPIRO: Looking at your balance sheet and
23 profit and loss statement I don't know what the rent factor
24 would be. Are you going to be able to cover the rental
25 payment and maintain the balance sheet as you move into 2006

1 if you have rent there?

2 COMMISSIONER GRANZELLA: I see entries for rent.

3 COMMISSIONER SHAPIRO: Where? I see office rent -- that
4 is \$6,000. It is my understanding that the rent is 1.1 or
5 1.2 million dollars. I want to know that you have shown
6 that income of a negative \$46,000. If there was any
7 facility rent -- I understand say you were not operating all
8 that period, but I was trying to get an idea that you are
9 going to be able to sustain.

10 MR. SCHICK: I think the rent should be in there quite
11 frankly. For one, I don't have the statement in front of
12 me. It was somewhat difficult, this license application had
13 to be in two weeks after we opened our first week. I am not
14 asking for leniency, but it was quite difficult putting in
15 a second license application when we had just opened our
16 doors.

17 CHAIRMAN HARRIS: When actually did your meet start.

18 MR. SCHICK: September 23.

19 CHAIRMAN HARRIS: Okay. Also on the license fees
20 paid to the State, how did that work? What percent of your
21 annual fees do you pay as license?

22 MR. SCHICK: I don not really know what
23 percentage quite frankly. Maybe someone else does. I know
24 we take the audited number from our pari-mutuel auditor and
25 send off a check. The percentage is somewhere near 0.40 --

1 I am not sure.

2 CHAIRMAN HARRIS: One of the issues I seem to recall
3 that has come up in the past, there is an obligation or a
4 need to pay enough per se to pay for the cost of running --
5 the CHRB costs of our vets and stewards and all that. You
6 -- we need to make sure that threshold gets paid.

7 COMMISSIONER SHAPIRO: Lastly, you are going to apply
8 for dates later in the year as well, why did you not just
9 handle this as one application for the entire year with a
10 break in it for the fair? Was that our procedure -- rather
11 than make them come back and go through this again?

12 MS. WAGNER: I think that that is was just a
13 timing issue. We just received the information that they
14 were going to be running at the last board meeting and we
15 had to have this application in. It was more of a time
16 issue.

17 CHAIRMAN HARRIS: We are doing that with Golden Gate
18 and others except Santa Anita.

19 COMMISSIONER SHAPIRO: Okay. I move that we approve the
20 application of Sacramento Harness Association. It was a
21 very complete application.

22 MR. SCHICK: Thank you.

23 CHAIRMAN HARRIS: Do we have a second?

24 COMMISSIONER MOSS: Second.

25 CHAIRMAN HARRIS: All in favor? So moved.

1 (The motion was unanimously carried.)

2 DISCUSSION AND ACTION BY THE BOARD ON THE
3 APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC
4 RACING ASSOCIATION (t) AT GOLDEN GATE FIELDS, COMMENCING
5 February 8, 2006 THROUGH May 7, 2006, INCLUSIVE.

6 CHAIRMAN HARRIS: Next is the application of the Pacific
7 Racing Association at Golden Gate Fields.

8 MS. WAGNER: The Pacific Racing
9 Association at Golden Gate has filed its application to conduct
10 a thoroughbred race meeting at Golden Gate Fields. They are
11 proposing to race from February 8 through May 7, 65 days.
12 They are proposing to race for a total of 566 races or 8.6
13 races per day. They will be racing 5 days per week,
14 Wednesday through Sunday with 8 races weekdays and 9 or 10
15 races on weekends, holidays and specially races of interest.
16 Their application is complete. The analysis indicates that
17 the horse agreement is currently in negotiations by TOC. I
18 am pleased to tell you that we have received the signed
19 horsemen's agreement. I have everything that I need for
20 this application. So the staff recommends that the board
21 would adopt the application as presented. The applicant is
22 here to answer any question if you'd like.

23 CHAIRMAN HARRIS: Any questions or comments on this
24 application?

25 COMMISSIONER SHAPIRO: I have a couple. Can you

1 describe to us what you have done -- what maintenance
2 procedures you are making to both your track and your barn
3 area? In your application on page 15, you state that,

4 "The continuation of our on-going renovations
5 in the barn area with plans to spend \$300,000
6 in such improvements."

7 I would live like to know what those renovations
8 are and when those plans are actually going to be
9 implemented and what other aggressive plans to upgrade fan
10 amenities, what you are talk about?

11 MR. TUNNEY: I have with
12 me today Robert Hartman who is the new manager of Golden
13 Gate Fields. He comes with a background in racing from NIRA
14 and more recently the University of California at Berkley
15 which was a non racing issue. In any event, to answer your
16 question, Commissioner Shapiro, Chairman and members of the
17 Board, the upgrades we have spent in excess of \$300,000
18 annually to the barn area which includes barn renovations
19 which include taking the barn down to the studs including
20 re-roofing and re-doing tack rooms. We have a situation
21 where in the city of Berkeley which does not allow us to
22 take the barns down to the ground and build up, so we've
23 made annual improvements for the last 5, 6, 7 years for
24 \$300,000 plus a year. In addition we have some other
25 amenities and marketing issues as well. I think Mr. Hartman

1 can respond to those.

2 COMMISSIONER SHAPIRO: Have you of all the barns on your
3 backside, have you -- what stage are you in, in going down
4 and renovating down to the studs and re-building?

5 MR. TUNNEY: I will estimate that we are
6 probably 75 percent of the renovating the entire barn area
7 over that period of time. But it is an ongoing process; we
8 stable year around. And we are almost full year round.
9 These are wood barns; they do deteriorate as having a result
10 of having horses there on a year round basis.

11 COMMISSIONER SHAPIRO: What efforts are you currently
12 undertaking with respect to your track surface to make
13 insure it is safe.

14 MR. TUNNEY: We have a track man who has been
15 a consultant to us the last year or so and he has been there
16 now for approximately 3 months since we started. He had
17 previously been a track man years ago at Santa Anita and
18 more recently at Lone Star, Ron Ward is his name, his
19 father was the long time track superintendent here at
20 Hollywood Park, as you will remember. He was very
21 competent and we are confident that we have a kind surface
22 now which seems to be the feeling of the horsemen. To
23 date, we have had a few limited horses been vanned off the
24 track in the morning and afternoon. We have the statistics;
25 we are proud of the fact that this track has turned around

1 now in the last couple of years.

2 COMMISSIONER SHAPIRO: Thank you.

3 CHAIRMAN HARRIS: One item that gets a lot of
4 discussion in racing is the Polytrack. Do you see at
5 Golden Gate looking at Polytrack as a final solution to
6 some of the track issues.

7 MR. TUNNEY: Mr. Chairman, I don't know that
8 -- the jury is still out on the Polytrack. All of
9 the reports are good. I guess the concern that the board
10 might have and the horseman might have is the consistency of
11 racing surfaces. Aside from the issue of relating of
12 relating to the turf course, we have in excess of 180 horses
13 that have come to Golden Gate and run in other races -- non
14 turf races -- from Southern California so far this year, 25
15 days. So there are horses that train on one surface and
16 come to another. We have no objections to a Polytrack.
17 All the reports are that it is good. Whether it would be --
18 we may have the same inquiries about the Polytrack -- where
19 we are located that Del Mar is now going through and we
20 would like to see the results of those. We are close to the
21 bay. We do have run off to the bay. We do collect the
22 water from the stable area and retention things like that.
23 From an environmental standpoint, we haven't looked at that
24 again, but we are hoping to look at anything that will
25 reduce injuries --

1 CHAIRMAN HARRIS: I agree the jury is still out than
2 a year ago. It is a major costs. I see racing in general
3 has to look at to see what the pay back is. It could well
4 be a significant pay back in the number of horses that stop
5 that -- due to having injuries. As understand that there is
6 a lot less track maintenance so there is payback of some
7 number of years on that side if you can also make a case
8 that it helped on the income side. I hope that it is
9 something that Golden Gate will keep on their radar screen.
10 You have horses every day of the year. Just from a horseman
11 standpoint if it will work anywhere, it will work well
12 there.

13 MR. TUNNEY: We are watching it.

14 COMMISSIONER BIANCO: My question is, have you been able
15 to higher a packaging engineer? A packaging engineer --
16 that is a private joke.

17 MR. TUNNEY: We shifted a trophy to
18 Commissioner Bianco last year in January and through some
19 shipping errors, the horse arrived headless. The head was
20 in the box but they were not together and then we
21 subsequently shipped the second one and in the process of
22 shipping, the label came off.

23 COMMISSIONER SHAPIRO: Is it the Godfather trophy?

24 MR. TUNNEY: I would like to ship one to Ron
25 Macanelly [sic] that just walked in -- it is a long story.

1 We finally shipped it in tact to Golden Gate Fields and it
2 was hand delivered to COMMISSIONER BIANCO. Thank you for your sense
3 of humor about it.

4 CHAIRMAN HARRIS: At least you won a trophy.

5 Any other comments? Golden Gate was one of the
6 first tracks I ever went to and it is still going.

7 COMMISSIONER SHAPIRO: I move to accept the application.

8 CHAIRMAN HARRIS: Is there a second.

9 COMMISSIONER GRANZELLA: Second.

10 CHAIRMAN HARRIS: All in favor.

11 (The motion was unanimously carried.)

12 DISCUSSION AND ACTION BY THE BOARD REGARDING
13 SPECIAL EVENTS RACES TO BE HELD AT GOLDEN GATE FIELDS AND
14 PURSE MONEY PROVIDED FROM HOLLYWOOD PARK.

15 Chairman HARRIS: Is someone to cover this.

16 MR. MINAMI: (CHRB): Basically this issue
17 arose because of cancellation of turf racing at Hollywood
18 Park. I believe the board and chairmen are looking for ways
19 to explore ways of augmenting purses at Hollywood park for
20 the dirt races or augmenting purses for the turf races at
21 Golden Gate Fields. So this item is on the agenda for
22 discussion.

23 CHAIRMAN HARRIS: I think there some different
24 opinions on this. My concern, I don't want to be a skunk at
25 at picnic that messes up anyone's plans on supplementing

1 races at Golden Gate but my concern is that we have State
2 law on this, 19613, which says that portions of purses,
3 pursuant to this chapter, shall be paid to the benefit of
4 the horseman racing at the racing meeting. The concept is
5 if you race at a track and horses are bet on at that track,
6 that money stays at that track. I think TOC had a proposal
7 sort of to not do that but to take money from the purse
8 funds at Hollywood park and put them into supplemental
9 purses at Golden Gate. I would like to see purses anywhere
10 as high as they could be. I am just concerned that the law
11 didn't give us the flexibility. I am not sure if it is
12 particularly a good idea anyway because first of all
13 Hollywood Park is not having that good of a meet; apparently
14 they are down. They may need those purses here to save
15 them. Southern California population -- I just felt that
16 this wasn't a situation where the board was faced with such
17 an emergency or something where they could override the law.
18 If it was a rule we could override, but a law, it would have
19 to be a pretty good precedent to do that but we cannot.
20 That was the reason I was concerned with this transfer. I
21 am sure that Drew Couto from TOC would have some concern
22 also.

23 MR. COUTO: (Thoroughbred Owners California):
24 As our exchange in E-mails has indicated, it is quite
25 possible for two reasonable minds to disagree on this issue.

1 I think the characterization under the law that this is a
2 reduction of the purse funds available at Hollywood Park
3 under 91613, misunderstands the effect of what we are
4 proposing under 19164.3, and that is by altering the
5 division of revenues between purses and commissions, that
6 money never becomes purse money from the outset. Due to the
7 contract, it immediately becomes commission -- increased
8 commission revenue, so you are not reducing what would have
9 been purse money at Hollywood Park. But by agreement which
10 that statute allows to us do, we alter it from the outset so
11 you are not shifting one from the other. Maybe technically,
12 you might characterize it as a technically legal maneuver,
13 but I believe under the statute, under that statute that
14 we've pointed out, CHAIRMAN HARRIS, I do not see a
15 prohibition on what is being proposed and agreed to by the
16 parties in this particular instance that there is no
17 limitation on where that money goes once the parties agree
18 to an alteration.

19 Our position again, under these very unique
20 circumstances, the desire with both parties, the racing
21 association and TOC as the official representative of the
22 Thoroughbred owners in the State of California was that we
23 would best serve the interest of racing and best serve the
24 interest of owners by taking a very small amount of money
25 and shifting it to supplement races up north so as not to

1 deprive owners who had relocated horse here, who had been
2 sitting on horses intending to run on the turf, we provided
3 an opportunity to do that. I think the agreement between
4 the two parties reflects that we both think it is in the
5 best interest of racing in California to do that. So I
6 disagree with the characterization that it is a legal
7 maneuver. I think it is authorized by the statute and I
8 also think it is within the best interest of this state.

9 CHAIRMAN HARRIS: The part I think you are
10 referencing is 19614.3, which talks about the racing
11 association organization representing horsemen may agree to
12 reduce the portion deducted from the Pari-mutuel
13 pool for purses and commissions provided that the change only
14 effects funds available for purses or commissions. As I recall the
15 purpose of that statute was, if perhaps you had a situation
16 and wanted a lower take out, basically that lower take out
17 would increase -- so we have a 15 percent take out or you
18 had 13 percent take out -- more people would come to the
19 races and it would be a win-win situation. But to achieve
20 that, we would have to have both the association and the
21 horsemen agree to do that which is what purpose -- I don't
22 think the purpose of that statute has any legislative
23 history saying that was envisioned as to what was proposed
24 here. It only talks about reduce -- I doesn't say reduce it
25 from the horseman side and then increase it on the

1 commission side and use the commissions do something else
2 with it. It seems like it is hard to get there in the law.

3 MR. COUTO: As it were, Mr. Harris, I tend to
4 avoid arguing what the purpose of the statute is,
5 particularly when there is no clear indication except to
6 itself was the purpose is. You may see the purpose for the
7 intent of one thing and someone else may see it as another.
8 When I look at the statute and the language of the statute,
9 there is no prohibition on what is being proposed here. And
10 the reduction -- the language regarding reduction -- relates
11 to two elements, purses and commissions. Those are the two
12 element that it relates to. What we are doing is reducing
13 the purse revenue or the allocation -- we are not reducing
14 the purse -- the allocation initially to purses so as to
15 increase commissions so that they can pay the supplemental
16 purses up north. So again, you may read the purpose as one
17 thing. There is no clear indication in the statute that we
18 can argue what the purpose was.

19 CHAIRMAN HARRIS: I don't see how if you reduce how
20 you get more money. It doesn't say reduce or increase it
21 just says, "reduce" --

22 MR. COUTO: We are reducing that which would
23 otherwise be purse revenue. If your question is that the
24 statue is ambiguous as to whether or not you can thereafter
25 shift that to commissions, I don't see a prohibition on that.

1 I just see that you are asserting that there is some
2 ambiguity in the statute.

3 CHAIRMAN HARRIS: It seems pretty clear. I do not
4 know where the board is on that.

5 COMMISSIONER SHAPIRO: If I could comment on that. When
6 this matter came up at our last board meeting, it was my
7 understanding that there was an agreement between the
8 parties and other business -- I in fact was advocating that
9 I thought more money should be provided so that there was
10 opportunity for some of the state's horses. I was told at
11 that time that if the parties have an agreement, why don't
12 we allow them to do it. My concern was coming from the
13 perspective that we have a very unfortunate situation where
14 we have a group of horse that are here in California with no
15 place to run as a result of the turf course not being
16 operable at Hollywood park. I think it is in the best
17 interest of horse racing in California that we provide an
18 opportunity for those horses that had planned to race to
19 give them a venue and an opportunity to maintain their
20 condition and races they can compete in during this period
21 where there is not a turf course. I think that is in the
22 best interest of the State and in the best interest of our
23 horsemen and our horse population.

24 It is my understanding that while the law may not
25 be totally clear on this, and I do not really support the

1 notion that we should be shifting any purses from one track
2 to another track or from one jurisdiction to another. I am
3 agreeing that I don't believe it is something that we should
4 look to. But from an unforeseen circumstance which is truly
5 an emergency for some horsemen that don't have a place to
6 run their horses, I think there is a loophole that we take
7 advantage of. I am not asking that we commit tax evasion,
8 but all of us look for tax avoidance. I would say in this
9 situation -- we can ask our DAG to weigh in -- if there is a
10 legal means with which we can effectuate \$166,000 to be
11 allocated to races at another California venue and we can
12 retain those horses and we can provide an opportunity to our
13 horsemen and our owners that they are able to keep their
14 horses racing in California, it is incumbent upon us to
15 support that. We have an extreme horse shortage. It is
16 difficult in California. Since the parties Bay Meadows Land
17 Company and TOC are supportive of this and I have yet to
18 hear any outcry from any trainers or owners that are
19 objecting to it, I think it is this board's role to support
20 California racing. I think that while we call it special
21 events, I wouldn't like to see this done again unless an
22 emergency situation exists. I think the Board should
23 support this transfer of money.

24 CHAIRMAN HARRIS: Isn't there some funds available.
25 See, I thought if you were going to do something like this

1 it should be more looked at like the supercharging of races
2 to the CMC fund and some of that possibly would clearly be
3 legal to do it that way -- why wasn't that looked at?

4 MR. COUTO: There is no funding available in
5 the 2005 budget through CMC for this purpose. That would
6 also require that all of the other racing associations who
7 were not responsible for the condition to contribute to
8 remedy this condition.

9 CHAIRMAN HARRIS: One of my concerns is that I just
10 haven't had any public outcry from horsemen or trainers that
11 it's really an important thing to do this. Agreed in the form
12 that they didn't impact any of the State's races and the
13 horses are shipping around to Louisiana Downs and Florida
14 and here and there, Santa Anita is going to start --

15 COMMISSIONER SHAPIRO: That goes to the very point. We
16 are losing horses --

17 CHAIRMAN HARRIS: No, we've already lost them now.
18 That has been mitigated to this even if --

19 COMMISSIONER SHAPIRO: Well we have lost perhaps in the
20 State's horses; however, if we are able to keep those horses
21 that are not State's horses in California and provide them
22 racing opportunity, we need to do that.

23 MR. COUTO: One reason -- the reason you
24 haven't have not heard about it is that horsemen have been
25 largely satisfied by what we did. We've received dozens of

1 thank you's and congratulations. I think Mr. Charles can
2 tell you he has received dozens of thank you's. We have
3 seen from the results of the races conducted up north that a
4 fair number -- high number -- of Southern California horses
5 have traveled up north to take advantage of those races.
6 There is not an outcry because people are happy and also TOC
7 represents the horsemen and we made that decision and it has
8 been popular with our members.

9 COMMISSIONER MOSS: Is there a chart that would show how
10 that money is spread out.

11 MR. COUTO: I will turn this over to
12 Mr. Tunney -- let me just add, there was a schedule of purses
13 put out by Golden Gate Fields to make sure that horses down
14 South would were fully advised what races are going on up
15 North would be set before them so they could plan to run
16 there. We made every effort to assure that horses down
17 South were notified of that. And yes, Mr. Tunney has
18 some backup information.

19 MR. TUNNEY. Thank you. We have collected
20 statistical information on all of the races that have been
21 funded. The actual race was itself was funded by Golden
22 Gate Fields and these amounts, 5, 6, \$7,000 are supplements
23 on top of that, without being -- making this an arduous
24 task, we have statistical information in these races, as
25 many as 70 to 80 percent are horses from Southern California

1 but the norm is about 50 percent, half of the horses North,
2 half of the horses South. They have been very competitive
3 racing, and there are some trainers here today that can
4 attest to that.

5 CHAIRMAN HARRIS: Historically horses that ship
6 North return for races. It's no like we never ship North
7 and suddenly the purse is big -- they are probably getting
8 more now but it is not unheard of to ship North.

9 MR. TUNNEY: It is not the ability to ship
10 North, it is the opportunity to provide the turf course.
11 The statistics are irrefutable.

12 CHAIRMAN HARRIS: Should we take money from one
13 purse to another to enhance it all. Any other comments?

14 COMMISSIONER MORETTI: I would have a question of Derry.
15 I would like Derry Knight to comment.

16 MR. KNIGHT: (Deputy Attorney General): We have
17 looked at the issue. And our view is that should the board
18 decide it wants to do this, we think there is a legally
19 defensible mechanism to do it that has been examined by the
20 TOC. If the board were to do this, I would urge you to take
21 action to waive your definition of special racing event
22 which you have authority to do as part of any motion that
23 you would bring. I also have an issue that I haven't talked
24 to Drew about and that is -- I read at agreement that you
25 have, the way it portrays is that the racing would be --

1 actually Hollywood's racing -- these would be Hollywood's
2 special racing events --- the concern I have with that is
3 that racing day issues and all kind of other things. And I
4 was concerned about that.

5 MR. COUTO: The language for handling that if
6 there is an amendment to the purse agreement which is being
7 -- I shouldn't say negotiating -- work between Mr. Liebau
8 and myself to modify the purse agreement so that it will be
9 consistent. With regard to the Hollywood Park races
10 sponsored by -- they would be no different than any other
11 sponsorships, special event sponsorship that the racing
12 associations have done over the years where they have an
13 outside sponsor who comes in and commits purses to the fund.
14 It is the same mechanism. So it wouldn't change the racing
15 days just simply the source of the funding. And that source
16 would be a contribution of commissions earned by Hollywood
17 Park.

18 MR. KNIGHT: Just to clarify, we are
19 not advocating one way or the other. We were asked if it
20 was legally defensible. That is our view that it would be.

21 COMMISSIONER MORETTI: We need to make a decision.

22 CHAIRMAN HARRIS: I agree. I can say if Derry says
23 we can defend it, I am saying we can also defend not doing
24 it. My concern is it is more than this issue -- I would
25 like to give Golden Gate a couple million dollars -- as a

1 board -- if it wasn't my money. As a board, I think we get
2 into thin ice if we start pushing the envelope on the law.
3 It is cumbersome to get laws changed, but there is a purpose
4 for it. Back to the reference of taxes, it is sort of like
5 pornography, you are going to know it when you see it --

6 MR. COUTO: I would hate to believe this is
7 equivalent to pornography. Chairman Harris, let me give
8 you the assurances that TOC recognizes that this is an
9 exception and that the resolution is a very unique
10 circumstance. We have never before attempted to do this and
11 we are faced -- all of us recognize -- with a situation that
12 is very unfortunate and very unique and requiring an
13 innovative solution. I can give you our assurances that
14 this is not creating a precedence for us to do this in the
15 future with other meets, but it allows of board and the
16 participants particularly when they agree, some flexibility
17 to devise a solution that we all feel together serves the
18 best interests in the State of California. I can assure you
19 that is all we are after.

20 CHAIRMAN HARRIS: Any comments?

21 COMMISSIONER MOSS: I think we should accept it, it goes
22 without saying an exceptional circumstance.

23 I make a motion that we approve that the proposed
24 purse agreement at Golden Gate Fields as we discussed that
25 we permit \$166,000 and shipping costs and everything else

1 that the parties agree to, that the board authorize it.

2 CHAIRMAN HARRIS: I don't know if it would be that
3 exact amount --

4 MR. COUTO: It would be up to \$166,000.

5 COMMISSIONER SHAPIRO: I will amend the motion to be up
6 to \$166,000 plus the other costs and pursuant to the
7 agreement between the parties.

8 MR. COUTO: I believe Mr. Knight asked if we
9 could waive the definition of special events.

10 COMMISSIONER SHAPIRO: And the further amend the motion
11 including the definitional changes and the finding that this
12 is a special racing event under the circumstances.

13 COMMISSIONER BIANCO: I second.

14 CHAIRMAN HARRIS: All in favor? Opposed; 1 opposed,
15 myself -- and Commissioner Granzella, 2 oppose; it passes.

16 (The motions passes with 2 opposed.)

17 DISCUSSION ON THE JOCKEY'S GUILD AND THE CALIFORNIA
18 HEALTH AND WELFARE PLAN.

19 CHAIRMAN HARRIS: Next discussion is the Jockey's
20 Guild.

21 MR. MINAMI: (CHRB): This item was put on the
22 agenda to update the board on recent congressional hearings.
23 Commissioner Shapiro and Isabella Terry [sic] testified
24 before the congressional hearing on the Jockey's Guild. At
25 the same time, I believe there are some other new

1 developments concerning the Jockey's Guild management. So
2 basically this is just a discussion issue and I turn it over
3 to Commissioner Shapiro.

4 COMMISSIONER SHAPIRO: I think everybody in the room
5 knows there has been a change in the management of the
6 Jockey's Guild with the removal of Dr. Gertmenian and the
7 rest of the cronies. Currently the Jockey's Guild is
8 reformulating itself. I have been in constant contact with
9 Barry Broad and Darryl Hare. The jockeys are currently in
10 Kentucky trying to discuss issues between Churchill Downs
11 and trying to go reformulate themselves. I think it is
12 critical for us to recognize that the Guild is moving
13 offices today into new headquarters. And the most critical
14 thing facing the jockeys right now is going to be their
15 health insurance. The operators who called the health
16 insurance program -- well, essentially, they have no money.
17 We have tried to put them in touch with some insurance
18 people and are continuing to put them in touch with
19 insurance people to try and make sure that our jockeys
20 maintain their health insurance. I will say at the hearing,
21 it was a bright day for California, because nearly everyone
22 in the room agreed that California was the best state on a
23 number of issues including health insurance and a lot of
24 other issues that they kept referring back to the way it is
25 done in California. With respect to our health and welfare

1 plan, we have transmitted to the Jockey's Guild, \$300,000
2 toward the 2005 payment of California's approximate
3 \$1,000,000 contributed each year. Prior to that time we had
4 not made any donations to the California Health and Welfare
5 plan. It is a very fluid situation, and I think it will
6 take all the industries throughout the country to help the
7 Jockey's Guild get back on its feet. I think the support of
8 this board will be helpful to them.

9 CHAIRMAN HARRIS: Do we actually need to approve
10 that transfer?

11 COMMISSIONER SHAPIRO: I don't think we do. I don't
12 know that we could take action because this is not an action
13 item on our agenda. So we probably should come back next
14 month and ratify this action. But we have in fact looked at
15 the audits that we have received on reconciliations, the
16 money that have been provided to the health and welfare
17 plan. We also independently, as you recall, the board
18 authorized that we would do an investigative audit into the
19 Guild. It is my understanding that audit is going to
20 recommence if it hasn't. If it didn't yesterday, it will
21 recommence shortly. But we had auditors there the day that
22 the fight broke out and we had to send them home.

23 MR. MINAMI: At this time, the board staff is
24 in the process of getting the department of finance auditors
25 together. We were going to start right away, but the staff

1 didn't finish because of CFO or the Jockey's Guild was let
2 go and yesterday I talked to Darryl Hare and he indicated
3 that there is a new CFO, Steve Rice. So now I've instructed
4 our staff in Sacramento to coordinate a revisit on the
5 audit with the new CFO.

6 COMMISSIONER SHAPIRO: Because they are relocating their
7 offices today, they will probably need a little bit of time
8 to get settled. But I will tell you Barry Broad and Darryl
9 Hare have both told me we can have full run of the place and
10 full cooperation. I am a little frightened as to what we
11 are going to find out in terms as to where all the money has
12 gone; nevertheless, I will have full cooperation and I think
13 we will be able to better track the process in the future.

14 COMMISSIONER BIANCO: Roy, is there errors and omissions
15 any professional insurance against the Guild that the guild
16 had in place?

17 COMMISSIONER SHAPIRO: I can answer that. The guild did
18 have errors and omission insurance; however, the likelihood
19 of that insurance standing behind them that in light of the
20 actions of the management is probably pretty slim. There
21 are claims that have been made against the guild including a
22 10 million dollar claim by Gary Burser and there will be
23 claims forthcoming both civilly and criminally against
24 Dr. Gertmenian and Robert Phitz [sic] and others as well so
25 it is probably doubtful that they will get coverage under

1 the EO insurance.

2 (Item 5 tabled as an Action Item.)

3 CHAIRMAN HARRIS: We will come back to Item 6 and go
4 direct to item 7 because we have trainers here in the
5 audience that would like to discuss.

6 DISCUSSION AND ACTION ON THE CONCERNS FOR TRACK
7 SURFACE SAFETY AND CONSISTENCY.

8 Item 7 is discussion and action by the board of and
9 the concerns for track surface safety and consistency. Who
10 will -- Ed, would you like to lead off on this?

11 MR. HALPERN: (California Thoroughbred Trainers): This
12 issue of track safety, in my belief, is probably the most
13 important that this board has faced in the six years that I
14 have been coming to board meetings. There are two
15 critical issues in this industry; one being where we get
16 owners to buy horses and 2, how we keep those horses on the
17 track. I would like to reserve most of my comments and let
18 you hear from the number of trainers that are here that have
19 some comments. But I would like to point out that Rick
20 Arthur and I were talking yesterday or the day before, and
21 just as a ruff estimate, we would guess that in Southern
22 California alone, we are losing six to seven million dollars
23 worth of horses every month in on-track breakdowns. That
24 figure is probably dwarfed by the number of horses that come
25 back to the barn and don't run again. That figure may even

1 be dwarfed by the expensive training horses that come back
2 to the barn and cannot make it back to the track for 1, 2 3,
3 6 months a year. You are talking about 10 to \$50,000 for
4 those horses that are laid up before they get back to the
5 track. This is one of the reasons that it is inexplicably
6 intertwined with the lack of ownership -- this cost factor.
7 So that having been said, Howard Zucker is here, he is the
8 head of our Track Safety Committee for the CTT and I know he
9 has been following the issue very closely and he has some
10 comments he would like to make.

11 MR. ZUCKER: (CTT SAFETY COMMITTEE): Thank
12 you for hearing us today. We are here as a result of
13 Commissioner Shapiro's invitation. We had a meeting at
14 Santa Anita several weeks ago. At which 20 or 21
15 trainers attended. The meeting was billed as a forum for
16 trainers to express their concerns. Usually when we come to
17 board with our concerns, we are coming to you with concerns
18 about jockey weights or medication issues. I walked in 2
19 minutes late to that meeting, Bob Baffert was already
20 talking about track safety and injury rates. And around the
21 table it went where 20 out of 21 trainers talked about their
22 injuries for about an hour and a half. Commissioner Shapiro
23 hear nothing but injury, injury, injury. We all the know
24 there are a lot of factors that go into makes for
25 an injury happening. Also we know injury is just one factor

1 in the equation of what how many injuries we get, what kind
2 of card we put together. It is a big factor in injuries.
3 Trainers want to enter their horses; they want to run. We
4 are down to five-horse fields in a lot of cases. We have
5 been watching the fields dwindle. I think injuries is one
6 of the largest part of that equation.

7 There are other considerations that go into the
8 injury equation, but we feel track safety is one of the
9 biggest. We felt for a long time that although if you ask
10 you trainers what kind of track they want, they will all
11 give you a different answer, but the one answer they will
12 all giver you is a safe track. We feel we have not been
13 given that. We feel you, as owners, have not been given that.
14 There have been some scientific studies in the last few
15 years, CTT has taken a great part in helping track safety
16 study that Dr. Macelry [sic] started with the American
17 Quarter Horse Association's money. Dr. Peterson, Dr. Arthur
18 have come on board, and we've carried this through Dolly
19 Greens -- we have come up with some instrumentation that we
20 didn't have before to measure tracks and quantify what we
21 are going over and make tracks more consistent by
22 quantifying them. I didn't get much past begging for
23 \$10,000 per track to further that study. Since these
24 instruments are now invented, we need to produce them. One
25 in particular needs to go in to production and the tracks

1 need to start using them. In the mean time we need to hear
2 plans from the tracks on how they intend to improve their
3 racetracks. Not longer term, scratch-the-surface solutions
4 to Polytrack, which we will hear quite a bit about, but also
5 in the short term how we are going to improve the organic
6 tracks that we are dealing with.

7 As a result of our first meeting, quite a lot of
8 noise was raised amongst the trainers. As the Track Safety
9 Committee Chairman, I do look at the figures of how many
10 breakdowns we have, but I also try to keep a hand on the
11 pulse of what the trainers are thinking. I don't go by one
12 or two trainers or just my own injuries, but I hear the
13 noise level overall. We went somewhere along the line from
14 orange alert to red alert and your entries show it -- the
15 number of injuries show it. We cannot go any further or we
16 will be match racing out there. I see as a result of these
17 meetings -- the last meeting and this meeting and increased
18 interest in the track to talk about what their plans are.
19 We came here to you to ask you as our governing body to
20 resolve to help the tracks get their plans approved, whether it
21 be help with the coastal commission for Del Mar or some
22 guidance if we are not going to do Polytrack, what are we
23 going to do? I am pleased to say that we had a great
24 meeting with the MAGNA representatives on Tuesday, 25
25 trainers or so, Hall of Famers like we have here, sons of

1 Hall of Famers like we have here. And MAGNA brought out
2 several track experts who we haven't seen much before. And
3 they came up with a new plan on how to maintain that track.
4 And I applaud Ron Charles and his group for at least coming
5 to us with some offer of help and give us a chance and we
6 will see if this doesn't improvement. I have had discussion
7 with Hollywood Track's superintendent just this morning and
8 he seems amiable to talking over what long term plans
9 and short term plans we can have for this track. Del Mar
10 has always been receptive to improving their track, perhaps
11 more generous in spending money on their track than anyone.
12 We expect to hear some short and long term plans from them.
13 You are going to find when the trainers -- we all become
14 Polytrack advocates. I, myself am a vet from Kentucky that
15 takes care of the horses and have found that the injury
16 rates have dropped dramatically, bone injuries are almost
17 non existent. There is a lot to be said for it, but I many
18 sure there may be a lot to be said against it. Whether it
19 will suit us here in California, I don't know. I don't know
20 if there is a silver bullet that's going to fix us all, but
21 I know we can do better than what we have done. I hope to
22 hear not just the trainers but from the tracks in response
23 to this. Thank you.

24 MR. HALPERN: I think you see from the presence
25 of the trainers how important this issue is. Also there is

1 a warning against using big words. Before, I think I said,
2 "inexplicably intertwined" and what I mean is, inextricably
3 intertwined.

4 CHAIRMAN HARRIS: The track surfaces are a very,
5 very important issue. It seems we need better diagnostic
6 tools to really define what track is at a given point where
7 we can correlate that to a good track or bad track. I know
8 that study is going on, the quarter horse folks started it
9 -- it seems to me that has stalled out.

10 MR. HALPERN: It seems to stall out this time
11 every year. Our engineer is the head of the Engineering
12 Department at the University Of Maine. He comes and goes on
13 this study along with his schoolwork. He is available on
14 vacations, he's measured the Polytrack twice now to see
15 what the difference in weather brought to it. He has been
16 out on our tracks three weeks at a time when he is
17 measuring and calibrating a new insurance instrument which
18 is really ready to go in to production now. It is expensive
19 to think of one unit being made. It is a quarter million
20 dollars to make one unit and that includes engineering
21 support for a year. If we make 3, it will be \$500,000 for
22 3, and it will go down -- I wish the track men across the
23 country to raise the money to each have one of those devices
24 because one of our track men worked very closely with Nick
25 and was able to produce a very consistent track. They did

1 wait until there was consensus of trainers saying that that
2 track was safe and then they dialed in to those numbers. So
3 there is some equipment available but when -- who puts up that
4 money and have it become part of our regular maintenance
5 program, it could be very valuable as far as spitting out
6 numbers for the races. That track could be measured in the
7 morning for workouts and you would correlate workouts with
8 the way the track was and look at the races the same way and
9 get track variance out of that kind of a number. But again,
10 quantifying things is always difficult. Some tracks are
11 going to be different than others; they all have their own
12 characters. Even the Polytracks seem to vary widely
13 between one another. We are not here to be engineers or
14 doctors of this, we are asking the tracks to have the
15 experts to put down a safe racetrack. We know the injuries
16 have increased. Dr. Bell is over all the hospitals
17 on our tracks and he has told me surgeries have increased
18 dramatically of the last year; Dr. Macelry says the same
19 thing. Of late, they say even more so. I go by other
20 numbers that are available, but the numbers don't always
21 tell the whole picture. The outcry of the trainers tells us
22 more of the picture and the size of your fields tells you
23 more of the picture that we need safer tracks. What is a
24 safer track? The two people that came from MAGNA seem to
25 know, they probably have about 80 years of experience

1 between the two of them. Hopefully the tracks will bring
2 more experts on board. Our engineer that's done the track
3 safety projects thinks that he can design a very safe
4 organic track. We need to get more interest in looking into
5 that.

6 COMMISSIONER SHAPIRO: If I can comment on this. I
7 attended the first meeting the second meeting with the
8 trainers. There was a wide cross section as Mr. Zucker said
9 and Mr. Halpern said, but one thing I found to be very
10 passionate group of people about the horses the future of
11 California horse racing. We sit here on our island and we
12 certainly have our challenges some of which we would like to
13 help and fix such as slots and certain things that are beyond
14 our control but I do think we need to hear from each of our
15 track partners with respect to what they are going to do to
16 maintain safer tracks. The number of breakdowns has been
17 alarming. The rate of injuries is unacceptable.

18 I received a letter last evening from a trainer,
19 Eoin Harty. I would just like to read a bit because I think
20 it is indicative of what the problem is. He says,

21 "In the interim, something must be done
22 immediately about the surface at Santa Anita.
23 I have horses stabled at Santa Anita and Palm
24 Meadows and there is no comparison between the
25 two surfaces. My stable is comprised mostly

1 of well-bred young horses and I have been
2 fortunate enough to train for some high
3 profile clients. Unfortunately due to the
4 conditions of your tracks in Southern
5 California and the injuries incurred, my
6 biggest client, Schickh Mohammed bin Rashid Al
7 Maktoum, refused to send anymore horses to
8 California and will now only race on the East
9 Coast. Likewise, I was able to pick up Mr. &
10 Mrs. Aaron Jones as new clients earlier in the
11 year, but 6 of the 8 of them were injured by
12 August and they you ultimately sent their
13 horses back to the East Coast. The Joneses
14 had not raced in Southern California for
15 several years due to the conditions of tracks;
16 however, they live on of the West Coast own a
17 house in San Marino and enjoy coming to Santa
18 Anita in the morning to watch their horses
19 train and decided to give California a chance.
20 After the injuries, who could blame them for
21 leaving again.

22 I recently took the time to go through all the
23 horses I have trained since January 1st.
24 Although I do not have a huge stable and no
25 claiming clients to keep my barn re-stocked, I

1 have been forced to stop and turn out 49
2 horses since January 1st. Of the 49, only 6
3 are back in training. Nineteen of them will
4 never race again and the remained are either
5 still on the farm or have been sold or left
6 the state.

7 I don't consider myself a trainer who is hard
8 on horses, and therefore these numbers are
9 staggering. I am sure that I am not an
10 exception among trainers in California."

11 I must parenthetically tell you, at the meeting I do
12 think Ron Charles was very forthcoming with respect to
13 working with the trainers to come up with a plan bringing
14 the gentlemen out and who are going to return in a few weeks
15 to monitor the situation.

16 I think that says volumes and everything I heard
17 from the trainers was much the same, and I think we should
18 ask that each of our tracks come up and advise us what they
19 are going to do to solve this problem. This is something
20 that is in our control. Whether we get the slots is not in
21 our control today. We cannot continue to allow our fields
22 and betting cards we put before the wagering public to
23 diminish.

24 I don't know if this board should look to each of
25 the tracks and ask that their tracks be rebuilt or Polytrack

1 be instituted by a date certain. I don't know if we
2 come up with getting a reward to the first track that puts
3 it in and we find money out of CMC or some other fund to
4 offset the costs, but we have to solve this track problem.

5 CHAIRMAN HARRIS: I agree completely. Why don't we
6 get a couple more comments. There are a few trainers here
7 that would like to speak. I see Richard Gambel back there
8 and Patrick.

9 MR. GAMBEL (Trainer): I wasn't going to
10 speak but Jenine thought I should. The first thing I would
11 like to say is I have been head of a track and I would like
12 to commend Howard Zucker on the job he has done. We are
13 horse trainers. We are not public relations people or
14 specialists at making speeches or anything like that. We
15 all do the best we can. I have been in the position that he
16 is in and I have watched him do it; he has worked very hard.
17 I went to the meeting at San Santa Anita two days ago and
18 was impress that he had had a large a group as he did in
19 full agreement of what was being asked for. You all being
20 regulators of this industry know if you get 10 of us
21 together you could get at least 8 different opinions. I
22 commend Howard on the job he has done and support everything
23 he has said and done very strongly. Something I would -- I
24 don't think there is fully secret as to the weakness in our
25 program on the racetrack side. That answer about people not

1 wanting to ship people out here because of racetrack is a
2 well known answer. If the racetrack people asked people
3 back east they might not get the same answer as a trainer to
4 a trainer or us in the working ranks would get just out of
5 respect or for the fear factor they may want to come here
6 some day and they do not want to hurt anyone's feelings.
7 But it is a fact that people do not want to send horses
8 out here. I was impressed that Howard brought some people
9 out here with different ideas and I think there is a chance
10 they can improve the situation there.

11 I would say the long term, the word "Polytrack"
12 comes up over and over. And anything that I have seen or
13 people I have discussed it with from Europe are just in awe.
14 And I think it is a chance for the future to really turn our
15 game around. You are going to hear some the opposition say
16 there is a lot of kickback at Turfway Park. Please realize
17 that was a park that was put in for 0 degree weather, facing
18 freezing circumstances. And they cannot bind the material
19 together with the wax product that they use and long as they
20 would like because they are afraid of how it is going to
21 react in the freezing weather. With the weather we have in
22 California that's obviously not going to be a problem and
23 they can make it as good in that area as any track we've
24 ever seen. I think it really deserves a big chance here.
25 And anything we can do to get it done at Del Mar needs to be

1 pushed long. Thank you.

2 MR. BIANCONE: (Trainer): I am one of the
3 ones coming to California in the winter. I am just letting
4 you know, nobody want to come here for the reason Richard
5 said. The reason I am here is I think telling that train
6 Turfway for more than 2 months it is a great surface. What
7 is good about it, No. 1, none of the trainers from Turfway
8 reporting the accident anymore. No. 2, the horses are not
9 sore anymore; we never see the ambulance for two months. We
10 are talking about very poor off season, because as everybody
11 knows turf race really is the scale of racing, with no prize
12 money as far as that, we have the best track in the country.
13 In the rain, the track don't change. It is 0 or 12 degrees,
14 track was the same; sunshine, track is the same. What I
15 think that all the trainers like. We have and study to be
16 done, but it is the safest track that it I have in and
17 around for 40 years.

18 CHAIRMAN HARRIS: You are a trainer at Turfway.

19 MR. BIANCONE: Yes, Turfway.

20 CHAIRMAN HARRIS: Do you train on any of the poly
21 tracks in Europe.

22 MR. BIANCONE: No. I left before the make
23 it. Each track has a different Polytrack because different
24 parts of the weather so it has to be all weather but in a
25 place where you train to be another kind. Turfway is a

1 different one because the winter is extremely cold and they
2 don't want to have any accident.

3 CHAIRMAN HARRIS: To interpret real quickly, he
4 really likes Polytrack.

5 Are there any other trainers that would like to comment
6 before we go to the track operators? This is obviously one
7 of the key issues.

8 MR. HALPERN: (Birmingham): Excuse me for
9 saying, I know how we get there or at least one way to help
10 us get there. That is, there are only three things that
11 make the tracks -- make the investment in modern racing
12 surfaces and that is either the attrition in horses caused
13 by current losses or about owners and trainers refusing to
14 race their horses -- which is generally not an acceptable
15 solution -- or that third and most likely solution, that
16 this board use the power that it has in both race date
17 allocation and job owning [sic] to force these corporations
18 to take the actions that need to be taken. We are here to
19 ask this board, as individual members, to use the power and
20 that you have and take that action.

21 COMMISSIONER MORETTI: Could we hear form Dr. Arthur, I think I
22 saw him in the audience. Rick, would you care to make a
23 comment from your point of view on this?

24 DR. RICK ARTHUR: I think it is very
25 interesting when you look at some of the data from Turfway,

1 in 21 days of racing that they just completed, not one horse
2 needed the ambulance to leave the racetrack in morning
3 training. In California, we lose a third of our -- well,
4 catastrophic for fatal injuries are from training injuries
5 which is phenomenally high number compared to elsewhere
6 around the country. In 21 race days there were only 10
7 horses that did not finish and from talking to people who
8 are partners in Turfway, only 3 of those were per lame.
9 Several years ago we did a discussion group, Del Mar Turf
10 Club and Oak Tree put together, looking at this issue and
11 the attrition rate is phenomenal. The race life of a horse
12 in California is 12 months. It doesn't mean that they are
13 necessarily injured but they leave our race surface for one
14 reason or another a lot of them never to race again.
15 Basically if you extrapolate out -- I think Ed Halpern
16 pointed this out -- if you look at the inventory that we
17 estimated and the attrition rate we are losing about 4.2
18 percent of horses per month and that is roughly 130 horses.
19 If you put an average value of \$50,000 on a horse an our
20 circuit, that is \$6,000,000 a month. Even though I am the
21 director of Oak Tree, I would say that in the capitol
22 expenditure aspect of this, if you think that it costs
23 roughly \$6 million dollars to put a new racetrack in, the
24 horse owners are loosing \$6 million dollars a month in
25 horses. If you just work with these numbers a little bit,

1 if you get one more start per year out of our population of
2 horses, that is the equivalent of adding 500 more horses to
3 our circuit and again using that \$50,000 number, that is \$25
4 million dollars in horses if we can get one more start out
5 of a horse. And everybody knows what all these do to field
6 size. The attrition rate -- as a veterinarian -- I will
7 tell you is phenomenal. It is disappointing. The tracks
8 are hard and inconsistent. The fact of the matter is our
9 trainers train, very, very hard. You have to be on this
10 competitive surface. If you look on the same information we
11 put together a few years ago, the numbers of works per horse
12 in California is twice what is it in Kentucky and 50 percent
13 more than what it is in New York. So there are a lot of
14 factors here involved and any way we can put in a kind
15 racing surface is going to benefit us. The advantage of
16 Polytrack, it is a consistent surface. The information
17 from Mr. Peterson, with his equipment, indicates it is about
18 the same hardness as some of our racetracks but it is a very
19 consistent surface and horses like it. It is very much like
20 a turf course because when the horses plants its feet they
21 are comfortable. When they plant their feet and they know
22 they are not going to slip they protect themselves better.
23 If the racetracks were paying for the capitol expenditures
24 for the horses that the owners are, we would already have
25 Polytrack in Southern California. That is the bottom line.

1 I realize it is a major expenditure. The racetracks don't
2 want to spend money on a surface they aren't positive about.
3 We did have an issue a few years ago where Equi track was
4 the end all. But this Polytrack has gone through the test
5 of time. It has been used in Europe for 10 years. It has
6 been used very successfully in the last few years in this
7 country. And I think we have to move forward.

8 COMMISSIONER SHAPIRO: If I could ask you a question.
9 In terms of respiratory problems with Polytrack. You have
10 spoken with the vets that when they scope horses, they don't
11 find any increase of material that is down in their throat
12 and it is proven to be safer.

13 DR. ARTHUR: The information I have is that
14 the kickback we are seeing on the television is a very light
15 kickback that is filtered out through the nasal cavity. As
16 you know, the horse has a elongated nasal cavity and can
17 filter these things out. Very of it gets into the lungs.
18 There has been no evidence from any people that I have
19 talked to of any increased lower respiratory problems. The
20 other thing, in Europe they don't use toe grabs. My
21 understanding is they are still using toe grabs which
22 wouldn't be necessary if you wanted to take that action. We
23 certainly do that in turf courses, we could do that in a
24 Polytrack. There are other ways to manage the racetrack
25 and reduce the kickback. When you look at the horses that

1 you are running at Turfway, they sure as heck do not have as
2 much kickback as horses do here at Hollywood park at the
3 winner's circle. I have scoped many, many horses here at
4 Hollywood Park I can see sand down in the trachea as far
5 down as I can see with my endoscope. There is no comparison.
6 It is not an issue.

7 COMMISSIONER MORETTI: Other than the costs what down
8 sides have they found? Any?

9 DR. ARTHUR: None. It is all money.

10 CHAIRMAN HARRIS: It seems like it would be a
11 win/win, situation for everybody if we could figure some way
12 to get Polytrack. But to do it, it may have to be a team
13 effort.

14 MR. COUTO: Before I answer that question I
15 would like to express the appreciation of owners. We are
16 thankful for and proud of the comments made by the trainers,
17 here this morning. While we invest in these horses and pay
18 the bills, the trainers are responsible for the day-to-day
19 care of these horses. They, overall, do an outstanding job.
20 Their concerns about the track surfaces mean a lot to us.
21 We find their input being very important. Again, we
22 appreciate their concern as expressed today.

23 I will just echo what I think Ed said, it is long
24 overdue given the investments by the owners on a monthly
25 basis and an annual basis that it is long overdue the racing

1 associations respond with the same investment in terms of
2 protecting the inventory -- the natural resource that keeps
3 their business going. We are pleased by the representations
4 that Hollywood Park and Bay Meadows made to this board
5 throughout the summer. And all by November of next year,
6 they intend to have a Polytrack surface here. They made
7 that assurance to us if we supported their request for 3
8 years of dates and they have been advised that we do. So
9 hopefully they will honor the promise to us and have a poly
10 track surface here November of next year. We think our
11 colleagues and partners at Del Mar are committed to
12 having a Polytrack surface here as soon as possible. It
13 may not happen as fast as we'd like, but we would like to
14 see it happen.

15 As far as incentives go, we have talked about the
16 possibility of using some funds whether it is part the CTBL
17 funds or stable funds to try and find some innovative way to
18 get the tracks to do that. Obviously we don't want to be
19 acquiring an asset for privately owned companies, but we are
20 willing to work with them in any way possible to expedite
21 their investment in these surfaces. I think they know that
22 -- none of us have yet to come up with the answer, but we
23 are willing to do that.

24 COMMISSIONER MORETTI: I think I heard Commissioner Shapiro
25 mention CMC, it would seem to me this is a marketing effort.

1 Why couldn't we suggest to CMC --

2 COMMISSIONER SHAPIRO: I would rather see Polytrack at
3 our tracks than a radio show talking about results and
4 future races and when you look, CMC has \$5 million dollars a
5 year --

6 CHAIRMAN HARRIS: More like 6.

7 COMMISSIONER SHAPIRO: Five to \$6 million dollars a
8 year, I would think the racing industry is better served to
9 allocate the CMC money to pay for Polytrack at all of its
10 major tracks and continue to the Fair circuit.

11 MR. COUTO: CMC is one source of revenue --

12 COMMISSIONER SHAPIRO: I agree. Then, what I am also
13 curious to know -- perhaps some of the track people could
14 tell us -- with the amount of water savings -- when I was at
15 Kneeland, they said they have not put a drop of water on the
16 track; I heard at Turfway they don't put water on it. In
17 California there are a number of conservation measures where
18 you would get tax incentives or tax credits. I wonder if
19 these tracks would qualify under energy savings between the
20 fuel savings and water savings, if there aren't some tax
21 situations that we could look to or help the tracks qualify
22 for as a result of these costs saving measures. We need to
23 get creative, but we need to get these tracks in now.

24 MR. COUTO: I would like to defer answer that
25 question to Craig, he has spent a lot of time analyzing the

1 cost savings in terms of maintenance which would include
2 water, not in the same way you are referring to, but there
3 is a tremendous maintenance saving in that Polytrack allows
4 a racetrack to enjoy --

5 COMMISSIONER SHAPIRO: When I went to Kentucky, I met
6 with Ms. Nicholson and Roger Dietz. What they told me is
7 that essentially you can pay off your Polytrack in
8 maintenance savings alone over three or four years depending
9 on where you are.

10 CHAIRMAN HARRIS: I think I saw maybe 8 years but
11 that is still a pay back.

12 MR. COUTO: There is one other source of
13 funding that I think we are going to take a more serious at
14 going forward. I referenced that and that is the CTL
15 funding which is largely a worker's compensation fund that
16 we created. We have having the surplus. We are in the
17 process of having the program evaluated by an outside source
18 per the Code. We think it is logical that if you prevent
19 injuries to horses particularly catastrophic injuries, you
20 are likely to prevent injuries to the riders as well. By
21 reducing the number of injuries to riders, we will lower our
22 over all costs to worker's comp. It is one way which we
23 might be able to use some of that money to help to move this
24 along. You have our assurances that we will work with the
25 racetracks and even encourage them. I think you have their

1 attention now. We appreciate it. Thank you very much.

2 COMMISSIONER GRANZELLA: How long does the product last?

3 MR. COUTO: I will defer to Craig, he is
4 probably the most knowledgeable of Polytrack surface of any
5 of us out here today.

6 MR. Fravel: Listening to Mr.
7 Biancone and everybody else. I don't think there is a
8 question about Polytrack. I have been to England looked at
9 the track at Lane Field and the training centers at New
10 Market which has been in Lane Field for over 4 years, New
11 Market for over 10 or 11 years, with very little replacement
12 of material. I have been to Turfway on the High Point
13 Training Center in Kentucky and the Judmont [sic] training
14 track that has been recently installed in central, Kentucky.
15 I think all of the questions that have been raised about it
16 have been for the most part answered in my mind. I am one
17 of the most vocal advocates to move forward on this project.
18 We have been working with Kneeland since early this summer
19 on planning, evaluating the process and working with their
20 engineers to develop the plans to try to do it as soon as we
21 can. But in terms of the maintenance issues, we have found
22 costs studies on that, we think in the case of Del Mar the
23 savings are conservatively half a million dollars a year
24 just judging from our current level of the maintenance
25 costs -- what you spend on water. You don't really have to

1 work this thing. Those of you who know the situation at Del
2 Mar, we have a lot of horses there which creates problems --
3 we are glad to have them but the wear and tear on the track,
4 if you are out there first thing for workouts it is a much
5 more difficult situation than anyone would like. The
6 interesting thing about Polytrack is after a horse runs
7 over it -- I know it is sounds ridiculous but you are hard
8 pressed to see the horse's hoof print hit the ground. I
9 think as a long term solution and I say that in a near long
10 term solution. We are not five years away from this as soon
11 as we can get moving on it and do it right. It is important
12 to do it right. I think the frustration for track managers
13 is not the lack of desire, typically until the issue of poly
14 track came to our attention I don't honestly felt like we
15 had a really good answer. I personally believe we have a
16 really good answer. I think it is great to examine those
17 others sources of funding because I think it is very
18 legitimate in terms of safety. I think it will save lives
19 of horses and humans ultimately. I cannot tell you
20 definitively when it will go in. One thing I suggest is we
21 keep working with Howard and his committee, the board, I
22 would suggest you form a special committee on track surface.
23 And that we hold monthly meetings to update or progress on
24 these things. We are more than happy to bring this the same
25 experts from MAGNA or NTRA or anywhere else to see if we can

1 improve our track in the short term. I know one thing when
2 you manage a racetrack, you are never really confident on
3 why the track is good one day and why it is not so good the
4 next day. Part of that is filtering through the various
5 sources of information we get. I know we try hard at it.
6 ^(name) is out there in the back stretch every morning so he
7 is getting feedback directly. I am out there on the back
8 stretch and talking to Howie or Mandela or whoever is a
9 round to get their feedback. It is certainly not for lack
10 of effort, but sometimes it is hard to get the secret. I
11 think the secret is represented by this new surface. I
12 would just ask you guys to do whatever you can to form
13 whatever committees you need to push it forward as quickly
14 as we can.

15 COMMISSIONER SHAPIRO: What if our suggestion was for
16 you to require it in by 2007? We don't really need a
17 committee to license. Everybody seems to agree that it is
18 the answer. And our problem is that we just want to see it
19 in as quickly as we can. If this board took the actin of
20 saying we mandate your license condition of putting it in by
21 2007, what would happen?

22 MR. FRAVEL: Let me answer that on a personal
23 basis. Because I do not speak ultimately for the funding
24 decisions on this stuff so I do not want to commit people to
25 something they haven't gotten the full information on. From

1 a personal standpoint I wouldn't object to that in the
2 least.

3 CHAIRMAN HARRIS: I guess the issue would be if the
4 tracks didn't have it, where would we race?

5 MR. FRAVEL: Logistically speaking, I talked with
6 Howie about this in length the other day. Whenever you do
7 this, you want to make sure you do it right. It is not
8 simply a matter of tearing out the old surface and -- it is
9 a very clearly orchestrated project. From day 1, the
10 delivery of materials, you are talking about 14 and 20,000
11 tons of sand that has to be sourced and delivered and then
12 mixed with the materials. We have been work with Kneeland
13 to develop the time lines on that. It is not a two week
14 process. You cannot say, tomorrow I am going to put in poly
15 track and two weeks later you have it in. I have a video
16 that I would be happy to show anybody. You are basically
17 building a roadbed, an entirely new surface with a
18 permeable asphalt base and a fresh drainage system. It is
19 a very sophisticated grading effort with computerized laser
20 technology and the dance has to be orchestrated very
21 clearly. At Del Mar, ultimately, it is not that problematic
22 it because you have a fair amount of time between the end of
23 the races and the next year. For Santa Anita and Hollywood
24 typically the only time you have to do the installation at
25 those because of the use of the track and training is to do

1 it at an interval when they are not running which is
2 typically every other year when Del Mar is running. That is
3 why we need to work together on this. If possible if Del
4 Mar could take place of Hollywood as a training center for
5 Santa Anita for one year -- I can't make that call. But it
6 needs to be coordinated and orchestrated --

7 COMMISSIONER SHAPIRO: In your case, we want the fair to
8 hear that you need to do this. Maybe you will come up with
9 the money from the fair to put in the track. I said it
10 somewhat facetiously, but also, we have to have some form of
11 a hammer and couple that with the incentive of whether it is
12 the CMC money or whether it is the other money Mr. Couto
13 referred to where maybe we can help to divert some monies in
14 any way that we can to incentively get the tracks to do it.
15 But what we don't want is to be back here next year saying
16 that we are getting closer. I don't know if this body can
17 add some weight to give incentive and also somewhat of a
18 hammer to make it happen.

19 MR. FRAVEL: In terms of our situation. I would
20 invite anyone -- we have a couple meetings coming up with
21 the fair board where those item will be discussed and
22 some other meetings with the staff there. We would
23 love to here from trainers and other interested parties. It
24 is having a very hope mind. I think it is important that
25 they hear from you.

1 COMMISSIONER SHAPIRO: I am trying to make people
2 understand that this is urgent --

3 MR. FRAVEL: I understand --

4 COMMISSIONER SHAPIRO: I know you do. Who do we need to
5 talk to wherever, whether it is the Costal Commission or
6 Fair Board people need to understand the urgency to get this
7 in at all of our tracks now. Private companies may have a
8 different issues and we have to work with them too. I know
9 that Mr. Charles has promised that he will be meeting with
10 Mr. Stronich. And we did bring it up the people that
11 were there -- we asked for him to come out here and meet
12 with us hear directly from us.

13 MR. FRAVEL: I would ask that the board form a
14 committee and that we have one or two of you available to
15 come to meetings with us and go through it with people. I
16 think once the case is made and the analysis is done --
17 candidly we have done more work on it than anyone other than
18 Kneeland. My comfort level is extraordinarily high in terms
19 of the performance of the surface. So the more help we can
20 get and the more support -- Howie and Richard and whoever
21 else wants to come along, we would be happy to include you
22 in that.

23 COMMISSIONER ANDREINI: This is aside -- where they race 11 and a
24 half months out of year -- just food for thought -- it would
25 be a very difficult thing -- unless they could run at

1 thoroughbred track if the quarter racing would be out of
2 business.

3 MR. FRAVEL: As I said it is an orchestrated dance.
4 I personally don't think it would be any different in terms
5 of performance for quarter horses or thoroughbreds in terms
6 of the safety. We went to England, we met with 10 trainers,
7 I talked to owners like Patrick Biancone, Wayne Lucas, three
8 or four other trainers at Turfway Park. I have yet had a
9 trainer complain about it --

10 COMMISSIONER SHAPIRO: I will top you. I was at
11 Kneeland and I ran into Bobby Frankel [sic]. I walked up to
12 him and I said, "So what do you think of this track?" He
13 said, "It's the greatest thing in the word." He had a big
14 smile and he couldn't have been happier.

15 MR. FRAVEL: Well I think the fact that you can't
16 find a complaint speaks for itself.

17 CHAIRMAN HARRIS: Clearly, we have a nuclear weapon
18 at some point we can use, but certain tracks cannot absent a
19 Polytrack. I think the real solution is to get the
20 horsemen and the tracks and the trainers together and really
21 weigh it.

22 COMMISSIONER SHAPIRO: I totally agree. I think as Mr.
23 Fravel suggested, it is a good one, we should establish a
24 track committee, but that we clearly establish goals and
25 objectives; we simply cannot permit this to come back and be

1 one of those issues that just floats around.

2 CHAIRMAN HARRIS: Yeah, like the last two meetings
3 we were conferring on was the jockeys' weights and that
4 hasn't moved too quickly.

5 COMMISSIONER SHAPIRO: True. We have to steady going
6 forward -- that was a cheap shot.

7 CHAIRMAN HARRIS: We will be ready to retire.

8 Okay let's move on. Mr. Charles, I am sure has all
9 the solutions.

10 MR. CHARLES: (MEC): First of all let me
11 backtrack a little bit about the meeting that was discussed
12 we will 3 days ago with the trainers and the CTT. We
13 probably had 20 or 25 trainers who gave up their own time
14 and are genuinely concerned about the racing concerns. They
15 are frustrated; they want to see a change. They want to be
16 able to be told that the track isn't going to stay the same.
17 They are asking for a safer track. They are asking for a
18 more consistent track. We flew out Bill Murphy and Ted
19 Malloy. Ted Malloy put in Palm Meadows; he put in Gulf
20 Stream. He is certainly the premier expert for racing
21 surfaces at MAGNA. It is a wide open discussion. It was
22 pretty much for to us listen to the consumers and problems
23 the trainers legitimately have over the racing surface over
24 at Santa Anita. I can tell I that we are absolutely
25 committed in both short and long term to do what we can. We

1 walked out of that meeting with changes that have already
2 been implemented as to how our surface is being dealt with
3 on a maintenance daily. We are going to be keeping a very
4 close watch on that. We have a December 26, opening date.
5 I think most people that are out at that time see them out
6 there in the morning. I will be asking even more now to see
7 that we are moving in the right direction. Ted Malloy will
8 be back out Monday for an entire week, supervising what is
9 taking place. Again, doing the best we can for the upcoming
10 meeting.

11 With regard to Polytrack, I agree with everything
12 he said. I am 100 percent behind it. I have seen it in 2
13 tracks in England myself. Ted Malloy and Bill Murphy will
14 be at Turfway, maybe MAGNA is a little slow getting started
15 moving on this, but now I think they understand the
16 seriousness. I think they are genuinely touched by the
17 sincerity of the trainers. We talked about marketing and
18 CMC funds. People get tired when you say -- you cannot
19 market a bad product. And right now, 4, 5 and 6-horse
20 fields is a bad product. We need to improve our product.
21 We need to better our racing surfaces. We are 100 percent
22 behind it. As I said, Ted and Bill will be going Turfway
23 and at that time in either the end of December of the first
24 week or two in January, you will be sitting down with Frank
25 Stronich and having a serious talk as to what we can do

1 and when we can do it. All I can tell you, as someone who
2 started out as a racing fan, been an owner and now in
3 management, I truly have actually have the opportunity to do
4 something constructive and make a difference, I can
5 guarantee you, I will be speaking out as strongly as I can
6 to try to improve the surface at Santa Anita.

7 CHAIRMAN HARRIS: That is encouraging.

8 (A break was taken at 11:28 A.M.)

9 (Proceeding resumed at 11:45 P.M.)

10 Back on record.

11 CHAIRMAN HARRIS: Did anyone have anything on the
12 track issue?

13 MR. HOFFMAN: Over the years I have always
14 gotten 10 or 15 horses a year from back east or Kentucky.
15 Over the past 5 years, I have not gotten 1. I talk with
16 people about that of course they say it is our racetracks.
17 Our reputation as far as Kentucky, and every as far as
18 racetracks are concerned, people want to come -- they want
19 to come here to race. They want to be in California to
20 race. I was at Paseo this year and several people
21 approached me and asked, "what are you doing about your
22 tracks? When can we send you some horses?" I think that
23 this board takes a firm stand with the racetracks and you
24 have to stay on top of the racetracks. I have been around
25 for many years. I have heard promises and heard committees

1 that are planning to meet and it doesn't happen. So I think
2 you really have to stay on top of these guys and we will
3 work with them as much as we can. I think just having this
4 open meeting and having people speaking and coming here and
5 showing an interest will get out into the press and that
6 will do more for us than trainers talking when we go back to
7 Kentucky. Again I have to reiterate, people want to come
8 here and race in California. We just have to make it safer.

9 COMMISSIONER SHAPIRO: Are you just trying to get Grant
10 to come back.

11 MR. HOFFMAN: Sure. He's taken two of my
12 horses.

13 MS. SAHADI (Trainer): I think
14 everybody is in agreement that the Polytrack is the way to
15 go and that might be the way of the future. My only concern
16 is dealing with the problems we have on hand right now. I
17 can tell you after leaving the meeting the other day with
18 Mr. Charles, Ron made it perfectly clear that they would
19 were going to make an effort as much as possible to solve
20 the problems we have at Santa Anita. I think each racetrack
21 needs to address that now. There are problems at Del Mar
22 and problems at Hollywood Park. I think tracks need to make
23 an effort to get a short term solution right now. The
24 attrition rate is huge. Trainers are working harder than
25 ever to keep horses going at whatever level it is. Our

1 card's garbage. It is embarrassing to come to the races.
2 People don't want to bet on the races. And if we do not
3 start from this point forward and try to provide a surface
4 where you can get a horse up to 5/8 of a mile before they
5 not chin buck after a half of 48 and 2, we have a chance.
6 Polytrack is all fine and well but we have to deal with the
7 problems we have with the surfaces right now because two
8 years from now we may be in big trouble. All I am saying,
9 it was very much appreciated by everybody that attended the
10 meeting the other day. Mr. Charles was straight up with us.
11 He brought in people that gave us a very high level of
12 confidence. I think all the racetracks need to work with us
13 as far a that; we all want the same thing. We all want to
14 run our horses; we all want to win. Medications come into
15 play and there are things that are going to happen to horses
16 no matter what you do or how conservative or safe you are,
17 and we all recognize that. But the numbers have gotten to a
18 point where there a is a problem that everyone needs to
19 recognize and we need to work right now on fixing the issues
20 that we have and not assume that the Polytrack, two years
21 or a year and a half from now, is going to be there. I am
22 totally in favor of the Polytrack but it is not going to do
23 us any good because in two years, I don't know how many
24 horses we will have.

25 CHAIRMAN HARRIS: Thank you. Anyone else?

1 COMMISSIONER SHAPIRO: Can we hear from Hollywood park.

2 MR. LIEBAU: What Jenine just said is
3 recognized by all the racetracks, certainly by Hollywood
4 Park. We will do everything we can as far as short and
5 longer term solutions. I would like to say at the outset
6 that I am not an officer or director of being in the plan
7 company which owns Hollywood park, with that said, I would
8 like to reiterate what was stated before. When the Bay
9 Meadows Land Company acquired Hollywood Park there was a
10 discussion of putting a Polytrack and it was assumed that
11 the cost would be in the neighborhood of \$5,000,000.
12 Assuming those facts, we are still in business so to speak.
13 We are preceding with what I could call all delivered speed.
14 We accepted without question that the Polytrack is the
15 answer to things, we would welcome participation in the
16 process as it goes forward, starting tomorrow. As far as
17 our further investigation of our Polytrack and what the
18 problems are, there are problems in locating sand. There is
19 some thought there is sand in Modesto. There is some
20 thought that Modesto does not have enough for production and
21 cannot do the 2000 tons that we need to do our track. I
22 also understand that there is some sand in Nevada that could
23 supply the sand. It is a major, major expenditure for the
24 sand. There is also talk that the price has escalated
25 because of the price of oil and things of that nature. We

1 don't have the answers to that, so we have engineers here
2 next week doing preliminary work on our track. Again I
3 would say we are preceding with all delivered speed. If we
4 can get it in with an economic figure, we would like to get
5 it in as soon as possible after a meeting this summer. I
6 would welcome if we could get some people to work with us or
7 if we monitor outside marketing and from the horse racing
8 board and from the trainer's organization and the owner's
9 organization. If we think it is a project that we should
10 all participate in. Any questions?

11 CHAIRMAN HARRIS: Any questions?

12 COMMISSIONER MOSS: When you mention the 5,000,000 is that for
13 the purpose of installing the Polytrack?

14 JACK LIEBAU: Yes. That was a preliminary
15 figure when we started. It was my understanding that from
16 people that would know -- the Turfway was about 5,000,000
17 and it was more emphatic in places like that so that was
18 looked upon is a good number.

19 CHAIRMAN HARRIS: I think we need to quantify that
20 number but hopefully look at the payback in track media but
21 also the income side if you could increase field size, I
22 think that is where the real benefit is going to be.

23 SPEAKER: If any member or the board or staff of the
24 board would like to participate in with monitoring? They
25 are certainly more than welcome.

1 CHAIRMAN HARRIS: I suggests we have a board
2 oversight committee to work with these different facets.

3 COMMISSIONER SHAPIRO: I agree. I think we should, as a
4 result of this discussion, re calendar this to being re
5 discussed in two months on our agenda, and in the interim
6 that there be a committed of the board formed to meet with
7 the trainers the track representatives so that we can make
8 sure that monitor progress is being made, and that we will
9 diligently pursue all means of investigation to see what
10 funds are available to supplement or defray the costs of
11 installing Polytrack at all of our tracks, also what
12 measures are being taken to make sure track maintenance of
13 existing surfaces are being made as safe as possible. If we
14 can get Del Mar to listen to the people at MAGNA and
15 Hollywood listen -- whatever is sharing information to make
16 these surfaces safer in the interim, as Jenine said, that is
17 something that we need to do that. What I would like to see
18 that a committee of the board be formed and that we put on
19 our agenda that we will be here back on the issue in two
20 months so we can update the progress.

21 CHAIRMAN HARRIS: Who would like to be on that
22 committee?

23 COMMISSIONER SHAPIRO: I would.

24 COMMISSIONER MOSS: I would.

25 CHAIRMAN HARRIS: If we could have more than two

1 people. I would put Commissioner Shapiro and Commissioner
2 Moss on it.

3 MR. KNIGHT: As long as it is agendized, it is not a
4 problem.

5 (Item 7 tabled for update in two months.)

6 CHAIRMAN HARRIS: Back to item 6.

7 DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL
8 OF STEWARD AND OFFICIAL VETERINARIAN CONTRACTS.

9 Roy Minami: (CHRB): This item is technical in
10 nature. We need the Board's approval to augment two
11 stewards' contracts. And also we need the Board's approval
12 to add a new interim, official Veterinarian, Dr. Beck. So
13 we need the Boards' approval for those three individuals.

14 CHAIRMAN HARRIS: We need to make sure it is clear
15 that all of these appointments are contracts and do not
16 imply continued employment beyond the need that they are
17 assigned at. Because you see a person's name there doesn't
18 necessarily mean they have that position any indefinite
19 amount of time it is just that time so that we afford the
20 flexibility to make the assignments.

21 CHAIRMAN HARRIS: Motion to approve.

22 COMMISSIONER MORETTI: Second.

23 COMMISSIONER GRANZELLA: Second.

24 CHAIRMAN HARRIS: All in favor; pass.

25 (The motion was unanimously carried.)

1 CHAIRMAN HARRIS: Okay. We are going to delete
2 items 8 and 9 because the some of the people to discuss
3 those are not going to be here. We will move those to the
4 January meeting.

5 (Items 8 and 9 deleted and rescheduled to January)

6 DISCUSSION AND ACTION BY THE BOARD ON CAPITOL
7 RACING LLC'S REQUEST TO BE RELEASED FROM VARIOUS SECURITIES
8 HELD BY THE BOARD REGARDING THE IMPACT FEE LITIGATION IN
9 CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION v. CHRB,
10 SACRAMENTO COUNTY SUPERIOR COURT NO. 03CS01033.

11 COMMISSIONER SHAPIRO: On 10, I would recommend that
12 matter be deferred and not heard as a result that the
13 litigation is not final. I understand that there is a
14 possible appeal and I believe it is too premature for us to
15 get into at this. I would move that we defer that matter at
16 this time.

17 MR. MARCO: May I be heard before the motion
18 is voted on.

19 CHAIRMAN HARRIS: Let's get a second and then
20 discuss.

21 COMMISSIONER BIANCO: I second.

22 CHAIRMAN HARRIS: Go ahead with discussion.

23 MR. MARCO: I am lawyer that represents
24 Capitol Racing. I just want to make sure that the board is
25 aware that the security that was posted that we are asking

1 to be released was posted pending the outcome of the case in
2 the Superior Court -- that's what it says in the record at
3 the hearing in February of 2005. That is over and there
4 was a final judgment in this case. So therefore appeals are
5 irrelevant to the continue holding. In addition the bonds
6 specifically require as a condition of their exercise that
7 there be a judgment against Capitol Racing in the Superior
8 Court; that has not happened, so therefore they cannot be
9 exercised. By failing to release them, all the board does
10 is incur costs for Capitol Racing and there is a credit that
11 cannot be exercised. So please release this. Thank you.

12 COMMISSIONER SHAPIRO: We are not looking to incur costs
13 for Capitol Racing, but I believe that there is still
14 discussions with respect to the appeals and other matters it
15 was our understanding that that would be dealt with after
16 there was a final resolution, so that's the reason.

17 I am asking that we defer the matter.

18 CHAIRMAN HARRIS: All in favor.

19 (Item unanimously carried.)

20 DISCUSSION AND ACTION BY THE BOARD ON TERMS WITHIN
21 THE JUNE 7, 2005 SETTLEMENT AGREEMENT BETWEEN THE CALIFORNIA
22 HARNESS HORSEMEN'S ASSOCIATION AND LOS ALAMITOS QUARTER
23 HORSE RACING ASSOCIATION IN CALIFORNIA HARNESS HORSEMEN'S
24 ASSOCIATION v. CHRB, SACRAMENTO COUNTY SUPERIOR COURT, NO --
25 3C20133, SUGGESTING AN IMPACT FEE AGREEMENT BETWEEN

1 CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION, SACRAMENTO
2 HARNESS ASSOCIATION AND LOS ALAMITOS QUARTER HORSE RACING
3 ASSOCIATION.

4 MR. LONG: (LOS ALAMITOS RACE COURSE): We
5 are currently working on a motion for a new trial. If we
6 are not successful with that, we will in fact be filing an
7 appeal. The matter is not final. There is no final
8 judgment in this matter until the opportunity for a new
9 trial has been exhausted; until there has been an
10 opportunity for appeal. I agree with Mr. Shapiro that it is
11 premature for this request to be made. Thank you.

12 CHAIRMAN HARRIS: Any other discuss on this?

13 All in favor of the motion.

14 COMMISSIONER SHAPIRO: I.

15 COMMISSIONER MOSS: I.

16 COMMISSIONER BIANCO: I.

17 CHAIRMAN HARRIS: Okay. We will leave Item 11. We
18 will review that in the January meeting.

19 (Motion unanimously carried.)

20 ELECTION OF BOARD CHAIRMAN AND VICE CHAIRMAN.

21 CHAIRMAN HARRIS: Item 12 to elect a Board Chairman
22 and Vice Chairman, I would like to say at this point I have
23 been very honored to be the Board Chairman after two years.
24 I feel now it is a good time to step down although I will
25 remain on the board. I will thank Ingrid for the great job

1 she has done since January. She has really hit the ground
2 running and we communicated a lot. She is a very good asset
3 to the board and a very hard working person, along with all
4 the rest of the staff. With that said, I would like to open
5 the nominations for chairperson.

6 COMMISSIONER GRANZELLA: I would like to nominate
7 Mr. Shapiro.

8 COMMISSIONER MOSS: Second.

9 COMMISSIONER BIANCO: Second.

10 CHAIRMAN HARRIS: Any more nominations?

11 COMMISSIONER ANDREINI: John, I am a new kid on the block here
12 and I would just like to say, you have done a great job and
13 in a way it is kind of a shame to see you step down, so I
14 will nominate you.

15 CHAIRMAN HARRIS: I appreciate that but I have to
16 decline. Richard is really a quite type of person for the
17 job.

18 Assuming the nominations are closed. All in favor
19 of Commissioner Shapiro, Richard Shapiro.

20 (The motion unanimously carried; Richard Shapiro
21 was duly elected Thursday, December 1, 2005 to the
22 position of Board Chairman.)

23 When is the actual shift in position?

24 MR. MINAMI. You will stay Chairman until
25 January.

1 CHAIRMAN HARRIS: I will open the nominations for
2 Vice Chairman.

3 COMMISSIONER SHAPIRO: I would like to nominate Marie
4 Moretti.

5 COMMISSIONER MOSS: Second.

6 CHAIRMAN HARRIS: Do you accept?

7 COMMISSIONER MORETTI: I accept.

8 CHAIRMAN HARRIS: All in favor of Marie Moretti for
9 Vice Chairman.

10 COMMISSIONER GRANZELLA: All.

11 (The motion unanimously carried; Marie Moretti
12 was duly elected Thursday, December 1, 2005 to the
13 position of Vice Chairman.)

14 MR. MINAMI: (CHRB) Mr. Chairman, I would like
15 to make a correction, the current Chairman, Mr. Harris, will
16 stay Chairman through December, and new Chairman,
17 Mr. Shapiro, will take over as of January 1.

18 CHAIRMAN HARRIS: Thank you. So I have another 30
19 days to give stage.

20 Just a point of clarification on item 10, it moved
21 that Commissioner Andreini recused himself because he was
22 formerly on the board of the Quarter Horse Racing
23 Association, that was involved in litigation, so he has
24 recused himself from that vote.

25 Next we have a staff report on the Oak Tree Racing

1 Association.

2 STAFF REPORT ON THE OAK TREE RACING ASSOCIATION AT
3 SANTA ANITA FROM SEPTEMBER 28 THROUGH NOVEMBER 6, 2005.

4 ROY MINAMI: (CHRB): For this item, we have
5 the report on the concluded race for Oak Tree Racing.
6 Unless the board -- any board member has any comments
7 concerning the concluded race report?

8 CHAIRMAN HARRIS: I was disappointed in Oak Tree was
9 off. I think they finished up pretty well. As I
10 understood, the first part of the year was off and then they
11 finished on more of a high note. Mr. Chillingworth would
12 like to comment on what went right and wrong?

13 MR. CHILLINGWORTH: (OAK TREE): I would love
14 to comment. Also what went right with our race. You do not
15 realize how exciting it is to be a racetrack manager when
16 your on track handle is down 22 percent with 10 days to
17 go, and your over payment on your purses is \$108,000 and
18 you guaranteed TOC you had wipe that out. Anyway, we went
19 to work and some of that -- the first part of our meet, we
20 had 10 days of racing where the thermometer was somewhere
21 between 90 degrees and 100 degrees. Secondly, I don't think
22 we -- we are going to correct this and take responsibility
23 for this -- we didn't promote the opening day of our meet,
24 we concentrated on the first Saturday. We thought that was
25 a better way to spend money. Next year we will do better on

1 that. Our attendance was down. We are not doing any more
2 Friday evenings or Saturdays evenings -- it turned out to be
3 a good experiment with a bad result. One of the things we had a
4 problem with -- which Rick Arthur can speak on -- about 25
5 percent of horses shared [sic] the costs, we therefore did
6 not have the inventory to put on 8 or 10 horse fields. One
7 of the great things I think we did this year, we guaranteed
8 \$400,000 on Pick fours on all weekend days. We made every
9 one of them. We guaranteed \$200,000 on weekdays and we made
10 every one of those. Albeit a couple times we had the slow
11 the pedal down and walk to the gate. But we did achieve all
12 of that. We had a great Cal Cup Day. Our final pool was over
13 a million point 6. The final pools distributed was 1.6
14 million plus on Sunday.

15 CHAIRMAN HARRIS: What do you mean the final pool?

16 MR. CHILLINGWORTH: When you take into
17 consideration of money that was bet that day and money was
18 carried over from the previous day, your total pool
19 distributed was 1.63 million. We experimented with our
20 freebee days where we gave away free parking, free
21 admission, and free racing forms. I think we learned a
22 lesson there. The first thing we did we -- our prior
23 attendance was 4,000 on Cal Cup Day and we did 8,000, we
24 doubled. The next time we did it two weeks later, we got
25 7,000 instead of 4,000, and the third day we did it we got

1 6,000 instead of 4. So there was a process of diminishing
2 returns. I do not think you cannot that thing all the time
3 because it was losing its impact. But it did stir up a lot
4 of interest. People were at the track are and people your
5 stimulated. You feel like racing was like it was 10 or 15
6 years ago. I think the industry should cut back on giving
7 away free things that people don't really care about and
8 give some benefits to people that are bettors. The bettors
9 come and they don't go and go home, they stay and bet. So
10 we will look at that for next year. We want to do something
11 incisive to the fan that comes to the track. With racing,
12 you need some not talking to you and telling you how the
13 race is going, you get involved with other people and that
14 gets people interested in coming back later on.

15 I think also we have to get back to our normal post
16 times. We experimented with 2:30; it worked the first year
17 but it didn't work last year. When you think that we were
18 22 percent below our average on track daily handle, 10 days
19 before the meet was over and we ended up .5 percent. I have
20 to give a lot of credit to the people on the staff to make
21 everything possible. We got lucky with good weather. The
22 fields increased. And the people really worked hard. When
23 you are in adversity you find out who the real players are.
24 When you are having a good time nobody picks out the good
25 guys. But when you are under a problematic situation, and

1 have those people that come at 7:00 in the morning do not
2 leave until 7 at night, you have a good group. I think we
3 learned a lot from this meet. I think we ended up on a very
4 high note. I also meant to mention we were \$102,000
5 overpaid, 10 days out -- we ended up \$122,000 underpaid 10
6 days later. It was a remarkable recovery. How much of that
7 was due to working hard and good manage and how much was
8 good luck and the weather, although it started very slowly
9 but we are very happy with the way it ended.

10 COMMISSIONER SHAPIRO: Is it true that Commissioner
11 Harris was there for the last week of the meet.

12 CHAIRMAN HARRIS: I have to say that was a good
13 report of the ups and downs.

14 Next we have report of the Pari-Mutuel Operations
15 Committee.

16 REPORT OF THE PARI-MUTUEL OPERATIONS COMMITTEE.

17 COMMISSIONER MOSS: We had a very stimulating meeting
18 yesterday. First of all, there was a lot of discussion
19 about what happens when one member of an entry scratches and
20 should anyone making a wager be stuck with a horse that they
21 didn't want. I sort of sympathize with that approach. And
22 I want to bring it up to the board maybe in the next few
23 days. I don't think in this time of high technology that
24 anybody coming to the track should be stuck with a horse
25 that they didn't bet on. The remedy suggested was that the

1 remaining horse in an entry be left as a non wagering
2 interest and the horse runs for a purse. We can discuss
3 this further. We can discuss entries. At this point we can
4 create more betting interest all together -- that is another
5 subject we need to discuss. I think it is something that
6 will be resolved in the certainly in the next couple of
7 meetings, either way.

8 I think we brought up the idea of maybe the advent
9 of addressing the issue of setting up more areas in which
10 people can make a bet in the State of California. Right now
11 we are short of limited. At this same time, I am asking
12 Derry to see what the limitation is. I hear we are not
13 supposed to have competitive gambling areas within 20 miles
14 of each other. We can certainly find that out. But
15 certainly, in discussing it with Ron Charles, there are
16 areas that would seem like prime real estate for perhaps
17 gambling entities, for example, China town, San Francisco
18 areas of the San Fernando Valley. There are areas that
19 would be right for this because there are people interested
20 in making an investment to make this happen. We want to be
21 able to assist them if such a thing is legal and if the
22 board felt that it was advisable.

23 Santa Anita also announced what they would like to
24 do as a situation -- we are dealing with areas -- John
25 assisted me with all this yesterday -- where we can make a

1 bigger the bigger bet at the track and people would -- let's
2 say -- reap the bigger benefit from going to the track to
3 make a bet than they would from doing it on their TV sets or
4 their computers. And as a start -- it is a start -- Ron
5 recognized it, and I believe he is going to put in place, a
6 situation where if there is one pick six holder and he is at
7 the racetrack, he will get a hundred thousand dollars bonus.
8 That only happens if there is one winner of the Pick six and
9 that man or woman is on the track. So it starts -- Pick six
10 wagering represents the minority the gambling pool but it is
11 a start. I think it would have some benefit from people
12 that gamble in that area, might be perhaps encouraged to
13 leave their couches. You have to go to the racetrack to
14 make this wager.

15 I think there have been other things that came up
16 yesterday of interest. We had a good meeting. We had Bay
17 Meadow here from Coastal Pacific. I will be writing some
18 more things on this, but I think we had a good time.

19 CHAIRMAN HARRIS: I thought it was at a good
20 meeting. We don't want to things too complicated but we
21 always need to be looking toward how to better the game and
22 some of those are working looking into.

23 Next is General Business.

24 GENERAL BUSINESS: COMMUNICATIONS, REPORTS,
25 REQUESTS FOR FUTURE ACTION OF THE BOARD.

1 MR. ABRAMS: We are addressing
2 problems we are having here in California with the
3 officiating. We are addressing issues with the horse
4 races and the track conditions. A result, we are losing
5 bettors in California. If you walk around in the casino or
6 walk around the simulcasting facility all you hear, is that,
7 we do not want to bet California races. You listen to the
8 TVG analysis and they watch people from all over the
9 country. A soon as an inquiry from California comes up they
10 turn their heads. We don't know what could happen here,
11 they say that the stewards in California are very
12 unpredictable. We are losing a lot of bettors because we ae
13 not addressing them. We need to address that and let the
14 horse racing board do their own surveys better in Las Vegas,
15 the analysts for the TV stations -- if this continues we are
16 going to lose all or bettors. To watch an inquiry 10 times
17 and people are telling me that the stewards are looking for
18 a reason to disqualify horses instead of reason not to
19 disqualify a horse. If you had to watch it 10 times,
20 obviously you are looking for a reason to take it down.
21 This is on behalf of all the trainers that bettors that bet
22 the races. I am a bettor too but I am not against the
23 stewards, but behave a problem here.

24 COMMISSIONER SHAPIRO: Can I suggest, perhaps Mr.
25 Chairman, we can reschedule a Stewards Committee Meeting. I

1 think probably where making a Stewards Committee Meeting, we
2 could have this -- and we can each concur and report back to
3 the board.

4 CHAIRMAN HARRIS: It is a key issue and I think we
5 are all concerned that any call made in California is the
6 right call. It is just as human nature, I don't know if
7 anyone can say that always, absolutes happens. We tend to
8 believe the steward does the right thing. Not every state
9 has exactly the same rules. California did some action of a
10 horse interfere with the placing of another horse, case in
11 point the race last weekend. I think we hear you, but I
12 think we need to approach it systematically and see if there
13 is commonalty to see if is there is something we can all
14 look at.

15 DIRECTOR FERMIN: I would like to say from personal
16 experience, that because stewards are looking at something
17 over and over does not mean they are trying to find a way to
18 take horses down. Every steward hopefully wants to
19 leave an order of finish alone. That is certainly the most
20 preferable thing to do. We have planned, and I have spoken
21 with several of the commissioners, that we will be having
22 the Steward Committee Meeting in January. It will be
23 scheduled and you are more than welcome to attend and
24 participate.

25 MR. ABRAMS: Just walk around -- send people to where they

1 send all the tracks not just California and 9 out of 10 had
2 tell you that they do not want to bet California tracks, and
3 I said why are you leaving they say --

4 CHAIRMAN HARRIS: How long do you think this has
5 continued.

6 MR. ABRAMS: I just noticed this after Del
7 Mar, that's truthful. Winners are taken down when they had
8 their money to win on the horse -- after watching 15
9 minutes, you keep seeing replay, replay, replay -- all of
10 you watch TVG, what does the analyst say, we can't believe
11 this; we can't believe this. Why don't they say that about
12 Kentucky or Chicago, Ohio, they never say that, every state
13 they never say that.

14 CHAIRMAN HARRIS: I think it has changed a lot. We
15 are getting races from all over the country. There is HRTV
16 and TVG and a there are a lot more commentaries on a call --
17 there is a whole new area now, which makes it interesting.

18 MR. ABRAMS: It is not just my opinion but
19 it is there.

20 CHAIRMAN HARRIS: We will have an agenda for the
21 next meeting and report back --

22 COMMISSIONER: At that time we will he have an agenda to
23 discuss consistency of all calls. You are right. I know
24 that I personally talked with our executive director about
25 continuing education and consistency. Taking races and

1 viewing them at the last steward meeting, we ran races that
2 were controversial calls and we had all the stewards there.
3 We do have to improve it. You are right.

4 MR. ABRAMS: We can have all the bets we
5 want but with no bettors it doesn't matter. We are losing
6 them.

7 Do we have any other comments or questions?

8 (No response.)

9 Thank you for coming; it was a good meeting.

10 (Proceeding adjourned at 12:29 P.M.)

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1 STATE OF CALIFORNIA.)
) SS.
2 COUNTY OF LOS ANGELES)
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