

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of:)

)

Regular Meeting)

CALIFORNIA EXPOSITION AND STATE FAIR GRANDSTAND

CLUBHOUSE

1600 EXPOSITION BOULEVARD

SACRAMENTO, CALIFORNIA

THURSDAY, MARCH 24, 2016

10:00 A.M.

Reported by:

Kent Odell

APPEARANCES

COMMISSIONERS

Richard Rosenberg, Vice Chairman

Jesse Choper

Steve Beneto

Madeline Auerbach

STAFF

Rick Baedeker, Executive Director

Robert Miller, General Counsel

Phil Laird, Staff Counsel

Jacqueline Wagner, Assistant Executive Director

Mike Marten, Associate Analyst, Policy & Regulations

ALSO PRESENT

Helen Shelley, Arabian Racing Association of California

Alan Balch, California Thoroughbred Trainers

Scott Stanley, University of California, Davis

Brad McKinzie, Los Alamitos Racing Association

George Haines, Southern California Off Track Wagering

Ted Kingston, Lake Elsinore Hotel and Casino

Jim Perez, California Harness Horsemen's Association

Christopher Schick, Watch and Wager Harness

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- A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," and as authorized by Government Code section 11126(e).
- B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to this agenda captioned "Pending Administrative Adjudications," as authorized by Government Code section 11126(e).
- C. The Board may convene a Closed Session for the purposes of considering personnel matters as authorized by Government Code section 11126 (a).

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P R O C E E D I N G S

10:10 A.M.

SACRAMENTO, CALIFORNIA, THURSDAY, MARCH 24, 2016

VICE CHAIRMAN ROSENBERG: Good morning, everyone.

Ladies and Gentlemen, this meeting of the California Horse Racing Board will come to order. Please take your seats. This is the regular noticed meeting of the California Horse Racing Board on Thursday, March 24th at Cal Expo Racetrack, Sacramento, California.

Present at today's meeting are: Rosenberg, Vice Chairman; Madeline Auerbach, Commissioner; Steve Beneto, Commissioner; Jesse Choper, Commissioner.

Before we go on to the business of the meeting I need to make a few comments. The Board invites public comment on the matters appearing on the meeting agenda. The Board also invites comments from those present today on matters not appearing on the agenda during a public comment period if the matter concerns horse racing in California.

In order to ensure all individuals have an opportunity to speak and the meeting proceeds in a timely fashion, I will strictly enforce the three-minute time limit rule for each speaker. However, today we have a rather short agenda, so I may be a little bit more flexible, particularly for Mr. Balch.

1 There's a public comment sign-in sheet for each
2 agenda matter on which the Board invites comments. Also,
3 there is a sign-in sheet for those wishing to speak during
4 the public comment period for matters not on the Board's
5 agenda if it concerns horse racing in California. Please
6 print your name legibly on the public comment sign-in sheet.

7 When a matter is open for public comment your name
8 will be called. Please come to the podium and introduce
9 yourself by stating your name and organization clearly.
10 This is necessary for the court reporter to have a clear
11 record of all who speak. When your three minutes are up the
12 Chairman will ask you to return to your seat so others can
13 be heard.

14 When all the names have been called the Chairman
15 will ask if there is any more or anyone else who would like
16 to speak on the matter before the Board. Also, the Board
17 may ask questions of individuals who speak. If a speaker
18 repeats himself or herself the Chairman will ask if the
19 speaker has any new comments to make. If there are none,
20 the speaker will be asked to let others make their comments
21 to the Board.

22 Okay. Thank, Rick. Okay.

23 Item Number one is approval of the minutes of
24 February 25, 2016. Does anyone have any comments to the
25 minutes?

1 COMMISSIONER CHOPER: Yes, I do.

2 VICE CHAIRMAN ROSENBERG: Commissioner Choper has
3 a comment.

4 COMMISSIONER CHOPER: On page 1-5, at the very
5 bottom the word "the same" should be "more." This has to do
6 with the -- with the Arabian race. And my point was that if
7 they want to have a decent handle for that Arabian race
8 they've got to provide more information than they do, than
9 is provided at the county fairs when there have been Arabian
10 races fairly regularly in the past, very scanty. I hope
11 there is -- I hope there's more. Maybe they can find more.
12 But you really can't handicap that race with any seriousness
13 on the basis of what they had before. That's all I'm
14 saying. That's what I mean, more.

15 MS. SHELLEY: (Off mike.) (Indiscernible.)

16 VICE CHAIRMAN ROSENBERG: Sure. Why don't you go
17 up to the -- why don't you go up and identify yourself at
18 the --

19 MS. SHELLEY: (Indiscernible.)

20 VICE CHAIRMAN ROSENBERG: Would you go up and
21 identify yourself please?

22 MS. SHELLEY: Hello? Okay. Arabian's are just
23 like thoroughbreds --

24 VICE CHAIRMAN ROSENBERG: Your name?

25 MS. SHELLEY: -- but slower.

1 VICE CHAIRMAN ROSENBERG: Your name please?

2 MS. SHELLEY: Helen Shelley from Arabian Racing of
3 California, ARAC.

4 VICE CHAIRMAN ROSENBERG: Thank you.

5 MS. SHELLEY: And we have a form, just like the
6 other horses. They can be handicapped quite easily. We had
7 a race a couple of years ago down there and we handled \$1.7
8 million. So I guess somebody knew what to bet on. Yeah.
9 And we're not foreign, you know? We've been around for a
10 while. So there is -- they all have forms.

11 COMMISSIONER CHOPER: No, I understand. And -- I
12 think there's a big difference between you who does these
13 races all the time and the ordinary track-goer, like me, who
14 will see an Arabian race two or three times a year. So it's
15 just -- all I can do, I guess, is speak for myself. I
16 understand what you're saying.

17 MS. SHELLEY: Yeah. But the form is the form.
18 It's all written out for the Arabians, just the same way it
19 is for the thoroughbreds, the same statistics, the same
20 races. And most of these horses have been racing this year
21 already in Houston, in Texas.

22 COMMISSIONER CHOPER: Where -- where is the form?

23 MS. SHELLEY: The form is the Daily Racing Form.
24 I mean, they all have their own -- they will come out on the
25 Daily Racing Form --

1 COMMISSIONER CHOPER: Yeah.

2 MS. SHELLEY: -- just like the thoroughbreds with
3 their past performances, the races they've already had this
4 year.

5 COMMISSIONER CHOPER: Well, if -- if it is the
6 same line that they have in the Daily Racing Form, then I
7 stand corrected.

8 MS. SHELLEY: It is. Okay.

9 COMMISSIONER CHOPER: Okay. Thank you.

10 MS. SHELLEY: Different names.

11 VICE CHAIRMAN ROSENBERG: I think we're just
12 correcting the minutes. We're not going to take a position
13 on anything here.

14 Any other comments on the minutes from anyone on
15 the Board? Do we have a motion to approve the minutes of
16 February 25th?

17 COMMISSIONER BENETO: Move.

18 VICE CHAIRMAN ROSENBERG: Commissioner Beneto
19 makes the motion.

20 COMMISSIONER AUERBACH: Second.

21 VICE CHAIRMAN ROSENBERG: Commissioner Auerbach
22 seconds.

23 We're going to vote individually. And for -- as
24 we're in a big hurry today, you just state your name and how
25 you vote please?

1 COMMISSIONER AUERBACH: My name --

2 VICE CHAIRMAN ROSENBERG: Auerbach is enough,
3 okay?

4 COMMISSIONER AUERBACH: Auerbach. Yes.

5 VICE CHAIRMAN ROSENBERG: Rosenberg. Yes.

6 COMMISSIONER CHOPER: Choper. Yes.

7 COMMISSIONER BENETO: Beneto. Yes.

8 VICE CHAIRMAN ROSENBERG: The motion carries.

9 Okay.

10 The next item is the Executive Director's Report.

11 EXECUTIVE DIRECTOR BAEDEKER: Thank you, Mr.

12 Chairman.

13 Our IT staff will, this month, replace all CHRB
14 servers, as well as the outdated Dell computers at
15 headquarters and field locations. Current outdated software
16 will be upgraded. Staff will be deployed, both at
17 headquarters and all of our satellite offices over two full
18 days, the exact days to be determined, to achieve the
19 transition. As a result, our systems will be down for 24 to
20 48 hours. We will send out a notification of the exact time
21 frame once it is determined. After this upgrade is
22 completed work will begin on CRIS 2 (phonetic), which will
23 modernize our antiquated CRIS system.

24 CHRB has three investigator vacancies. We have an
25 investigator position open at Golden Gate Fields, two

1 supervisor positions, one at -- for the North, and one for
2 the South located at Santa Anita. If you know any potential
3 candidates for these sworn peace officer positions, please
4 invite them to check our webpage for information on
5 submitting an application.

6 CHRB Staff, including myself, Phil Laird, Jackie
7 Wagner, and our Equine Medical Director Dr. Arthur met with
8 our counterparts at the California Veterinary Medical Board.
9 We discussed the following issues relative to the practice
10 of veterinary medicine on our backsides.

11 Interestingly, at the meeting that we had last
12 week at Santa Anita it was suggested that several of the
13 items or issues that were discussed could be, in fact,
14 pursued with the Veterinary Medical Board. And we're
15 already kind of down that -- going down that path.

16 We talked about cases, isolated cases, obviously,
17 where there's indiscriminate use of medication or improper
18 labeling of drugs. The big issue now in all sports is the
19 improper compounding of drugs, and also the creating of
20 false medical records. Some of these things would be
21 violations of CHRB Rules, other things would not and -- but,
22 however, would violate a Veterinary Medical Board rule. So
23 we just stalked about common areas of interest. We have --
24 now have a very good working relationship with the
25 Veterinary Medical Board. And so we're looking forward to

1 working together in the future.

2 AB 558, maybe somebody can comment on this because
3 we've had questions. I know that this is the one that will
4 allow the Arabian Race to take place at Santa Anita.
5 Technically, it allows for six non-thoroughbred races to be
6 run at a thoroughbred meet with the approval of the
7 horsemen's organization.

8 I think it's passed both houses. Has it been
9 signed yet?

10 MR. LAIRD: Phil Laird, CHRB Staff.

11 The bill has currently been enrolled, and
12 therefore is on the governor's desk. The last I heard it
13 could be signed by the end of the week.

14 EXECUTIVE DIRECTOR BAEDEKER: Okay. Thank you.

15 The amendment to Rule 1658, which voids a claim if
16 a horse has bled through the nostrils, has been approved by
17 the Office of Administrative Law and will become effective
18 on July 1st.

19 The financials for the month were not -- are not
20 very good. Business was down. Daytime business was off by
21 3.7 percent. Nighttime business had one extra day of racing
22 and gained 6.2 percent. Everything in, total California
23 business was off 2.8 percent for the month. Combined with
24 results for January, the year-to-date numbers are just about
25 level with last year.

1 And that's my report, Mr. Chairman.

2 VICE CHAIRMAN ROSENBERG: Thank you.

3 Is there -- are there -- anyone want to -- the
4 public want to speak under public comment at this time?
5 That's -- certainly, the numbers.

6 EXECUTIVE DIRECTOR BAEDEKER: Yeah. That's the
7 number on the agenda.

8 MR. BALCH: Alan Balch, California Thoroughbred
9 Trainers.

10 Ladies and Gentleman, and also for the millions
11 listening worldwide, I just wanted to stand before you on
12 behalf of the Arcadia Historical Society which in 2014
13 inaugurated the Walk of Champions in Arcadia. And this is
14 the downtown part of Arcadia which will be getting a great
15 deal more traffic now that a new -- the new Gold Line train
16 has been extended to Arcadia. And they've -- they've placed
17 bronze plaques in the sidewalks there of a great many
18 historical figures in racing.

19 And this -- this coming May 24th, which is a
20 Tuesday, Tuesday, May 24th they are producing a Solute in
21 Red and Black -- pardon me -- a gala fundraiser for the
22 inductees for this year and last, which are highlighted by
23 Zenyatta, Love A Man, Chris McCarron, Gary Jones, Mel Stewdy
24 (phonetic), Ron McKinley (phonetic) and Buddy Johnson, Old
25 English Rancho, with special recognition for all his

1 contributions to the sport of Victor Espinoza (phonetic),
2 Tuesday, May the 24th at the Arboretum. It will be an
3 evening event, a gala fundraiser.

4 And I'll be selling tickets on behalf. And I'm
5 sure we can work out a special rate for Commissioners, but
6 everybody else will have to pay a lot more. So please put
7 it on your calendar and we'll look forward to seeing you
8 there. It should be really, seriously a very fun evening
9 and a great cause for the history of racing in California.

10 And I'd always be happy to answer any questions.
11 Thank you.

12 VICE CHAIRMAN ROSENBERG: Dr. Stanley?

13 DR. STANLEY: Scott Stanley from UC Davis.

14 I just wanted to make an announcement for the
15 Board Members and folks that are here today that UC Davis
16 has finished a search that we did for a new faculty chemist.
17 The faculty chemist will work in conjunction with myself and
18 Dr. Knich (phonetic) to advance the drug testing program.
19 Dr. Ben Molar (phonetic) was selected from a group of
20 candidate on a nationwide search to come in. He'll be
21 starting in June.

22 He'll be advancing our program in the large
23 molecule or proteomic section primarily, but he'll be
24 contributing substantially to the program to expand what
25 we're doing at the laboratory and start to get some coverage

1 for some of the future challenges or emerging threats that
2 we want to see covered by the drug testing program at UC
3 Davis. As I said, he'll be coming in at a faculty member at
4 UC Davis in the School of Veterinary Medicine. I just
5 wanted to make the Board Members aware of that.

6 If you have any questions or if we have an
7 opportunity shortly thereafter I'll be bringing Dr. Molar to
8 one of the Board meetings and introducing him to everyone.

9 VICE CHAIRMAN ROSENBERG: Thank you.

10 DR. STANLEY: Thank you.

11 VICE CHAIRMAN ROSENBERG: That's it, huh? Number
12 seven only?

13 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

14 VICE CHAIRMAN ROSENBERG: All right. Okay.

15 Item number four, discussion and action by the
16 Board on the application for license to conduct a horse
17 racing meeting of the Los Alamitos Thoroughbred Club at Los
18 Alamitos Race Course, April 13th through May 3rd, 2016,
19 inclusive.

20 MS. WAGNER: Jackie Wagner, CHRB Staff.

21 Before Mr. McKinzie comes before the Board to make
22 his presentation, I just wanted to let you know that the
23 package indicates that there was a missing item on the
24 application. I'm pleased to report we have received that
25 information and the application is now complete.

1 MR. MCKINZIE: Brad McKinzie, Los Alamitos Racing
2 Association.

3 By the way, that's the first complete homework
4 assignment I have every turned in, so I'm very proud of
5 myself.

6 As you know, Los Alamitos on April 14th will start
7 our first, in our long history of thoroughbred racing, our
8 first spring meet, which replaces our -- the summer season
9 that we conducted the last two years. We're excited about
10 the opportunity to race during April. We're also a
11 little -- you know, there's some concern. There's some
12 elements that come into an April meet that we don't face in
13 the summer, such as weather, possible rain. But we're
14 overall excited about the opportunity.

15 Our stakes' schedule is highlighted by the
16 \$200,000 Grade 2 Great Lady M, and the \$100,000 Grade 3 Los
17 Angeles Stakes. So we've been able to keep two graded
18 races, which I know is important to those of us in the
19 California horse racing industry.

20 After some consultation with horsemen we've also
21 added the \$150,000 California Chrome Stakes which is a
22 three-year-old race at a mile-and-a-sixteenth. It's
23 designed for horses who, for whatever reason -- my cord is
24 too short -- for whatever reason miss the --

25 COMMISSIONER AUERBACH: (Off mike.)

1 (Indiscernible.)

2 MR. MCKINZIE: Pardon me?

3 COMMISSIONER AUERBACH: (Indiscernible.) I don't
4 see it on here.

5 MR. MCKINZIE: Yeah. It should be on there.

6 VICE CHAIRMAN ROSENBERG: Yeah.

7 COMMISSIONER AUERBACH: I have a Shared Belief
8 Stakes.

9 MR. MCKINZIE: Oh, no, that's -- that was --
10 it's -- the name of that race has been changed to the
11 California Chrome.

12 There was a shared -- there was a conflict with
13 the Shared Belief people or something. That's the
14 California Chrome Stakes. It's written for three-year-olds
15 who, for whatever reason, missed the Santa Anita Derby or
16 were late for the Santa Anita Derby, but possibly want to
17 prep maybe before the Preakness or another race.

18 As far as marketing, we're doing pretty much what
19 we've done in our past meets, although we are doing a couple
20 things that -- to try to drive on-track business which is
21 obviously the challenge that everybody has been facing
22 lately.

23 We're going to have a Welcome Home Chrome Day.
24 Hopefully, he successfully comes back from Dubai. He's
25 developed quite a following there in our local area, and

1 we're going to try to take advantage of that.

2 And then we're also hosting what we think will
3 probably be the largest handicapping contest around. Where
4 most handicapping contests offer maybe one, possibly two
5 seats in the National Handicapping Championship, we at Los
6 Alamitos have secured five seats for the National
7 Handicapping Contest. So on one day at Los Alamitos with a
8 \$30,000 guaranteed purse and five seats to the National
9 Handicapping Contest we're hoping to draw ADW players, some
10 satellite players, some people that normally bet somewhere
11 else to come to Los Alamitos and get them on track. So
12 that's the -- one of the highlights of our marketing plan.

13 COMMISSIONER CHOPER: Well, how many seats are
14 there altogether?

15 MR. MCKINZIE: You know what, Commissioner Choper,
16 I don't know. There's -- at the National Handicapping
17 contest, I don't know. I mean, there's quite a few. I
18 mean, it's -- they come from all over the country.

19 COMMISSIONER CHOPER: But there's a limited number
20 of seats?

21 MR. MCKINZIE: There's -- I believe there limited.

22 COMMISSIONER CHOPER: Yeah.

23 MR. MCKINZIE: We had to negotiate with him to get
24 the five. So I --

25 COMMISSIONER CHOPER: I got you.

1 MR. MCKINZIE: -- I don't know exactly what the
2 number is.

3 COMMISSIONER CHOPER: Right.

4 MR. MCKINZIE: Also for this meet, and hopefully
5 even before it, we have finally, what we feel anyway,
6 completed what has turned out to be a very arduous
7 bureaucratic exercise with Orange County which will enable
8 us finally to have paramedics on our ambulance crew. We --
9 I meet -- I go back tomorrow. We're actually retrofitting
10 the ambulance to make them paramedic capable. We've hired
11 the paramedics. We just need to get the final blessing from
12 the Orange County Emergency Medical Services, which we're
13 told we're going to great. It has been a long process, but
14 we're happy to report that that process is finally over.

15 And with that, I will answer any questions.

16 EXECUTIVE DIRECTOR BAEDEKER: Brad, just to follow
17 up on that point, will there -- will there still be the same
18 transporting of injured riders or --

19 MR. MCKINZIE: Yes.

20 EXECUTIVE DIRECTOR BAEDEKER: -- with the transfer
21 made to the -- the Orange County paramedics?

22 MR. MCKINZIE: Right. The protocol will stay the
23 same. There will be -- the transfer will still be made to
24 the fire department paramedics. However, with a paramedic
25 on our ambulance crew, in the event they can -- there's a

1 few more advanced life support procedures they can perform
2 in the interim, in the very short interim before we get them
3 to the fire department paramedics. They will also be
4 licensed to administer pain-killing drugs if that is, you
5 know, required or, you know, necessary.

6 But the protocol? The protocol stays the same.

7 COMMISSIONER AUERBACH: And I have a question on
8 the stakes' schedule.

9 MR. MCKINZIE: Sure.

10 COMMISSIONER AUERBACH: When did -- when did you
11 do that name change? Is -- that was -- because that's what
12 we have in our application.

13 MR. MCKINZIE: Right. I apologize for that. We
14 did it sometime after we originally turned in the license
15 application.

16 COMMISSIONER AUERBACH: Okay. All right. And I'm
17 curious, you made that \$150,000. I'm curious how -- how did
18 you determine that? I mean, you've got a Grade 3 race
19 that's going in at -- I'm sorry, at \$100,000, and the Grade
20 2 is going in at \$200,000, and this is a non-graded race.
21 And I know your -- your current purse position is not
22 that -- you don't have money to throw away. I'm wondering
23 why you've got that kind of a money in an overnight stake
24 like that?

25 MR. MCKINZIE: Well, because as always, when we --

1 when we have these short meets our -- our goal is -- I mean,
2 the \$150,000 purse is to try to attract, hopefully, a couple
3 of names, good three-year-olds who might be pointing towards
4 a bigger race that will not only give us some recognition,
5 but will center some national attention on that race. We
6 have found that when we can attract a name horse and make
7 something of a headline race, that our handle, particularly
8 our out-of-state handle benefits.

9 COMMISSIONER AUERBACH: Okay.

10 MR. MCKINZIE: Because it focuses the attention,
11 the national attention in this very, very crowded satellite
12 menu on Los Alamitos. And it's -- it's difficult for us,
13 you know, to get their attention right off the bat and keep
14 it for those -- those three weeks. So that's -- that is the
15 reason. Quite frankly, that is the reason that we did it.

16 COMMISSIONER AUERBACH: That replaces your L.A.
17 Derby?

18 MR. MCKINZIE: No. We've been -- in talking with
19 the -- in cooperation with the Thoroughbred Owners of
20 California. They have requested that we continue to run the
21 Los Alamitos Derby. Obviously, the Los Alamitos Derby
22 wouldn't fit well in April because it -- a \$250,000 race I
23 think would be in conflict with the Santa Anita Derby as
24 opposed to complimenting the Santa Anita Derby. So it is
25 our plan to run the Los Alamitos Derby during our September

1 fair meet.

2 COMMISSIONER AUERBACH: Okay. Thank you.

3 MR. MCKINZIE: You're welcome.

4 VICE CHAIRMAN ROSENBERG: Brad, on the marketing
5 budget of \$336,800, how does that compare with the marketing
6 budget for the prior meetings you've had, not at this time
7 of year but in December, for example? How many racing days
8 here, 12?

9 MR. MCKINZIE: There's 12. We're spending --

10 VICE CHAIRMAN ROSENBERG: How many --

11 MR. MCKINZIE: We're spending a little more.

12 VICE CHAIRMAN ROSENBERG: Proportionately more?

13 MR. MCKINZIE: Yeah, just -- just a little more.

14 We're just -- you know, Commissioner Rosenberg, I mean,
15 we're -- I wish somebody could give us the -- the secret
16 plan that drives on-track business. We -- we're -- I mean,
17 we struggle with it, but we're trying some different things.

18 And this is -- this is a 12-day meet. It's our first April
19 meet, so we think it's important that we're as successful as
20 we can be, so we are spending more marketing money.

21 VICE CHAIRMAN ROSENBERG: Okay. Any other
22 questions?

23 Any public comment? No.

24 Do I have a motion? Do I have a motion to approve
25 the meet?

1 COMMISSIONER AUERBACH: I'll make the motion.

2 VICE CHAIRMAN ROSENBERG: Commissioner Auerbach
3 makes the motion.

4 COMMISSIONER CHOPER: Second.

5 VICE CHAIRMAN ROSENBERG: Commissioner Choper
6 seconds.

7 Now the vote. Please state your name and --

8 COMMISSIONER AUERBACH: Auerbach. Yes.

9 VICE CHAIRMAN ROSENBERG: Rosenberg. Yes.

10 COMMISSIONER CHOPER: Choper. Yes.

11 COMMISSIONER BENETO: Beneto. Yes.

12 VICE CHAIRMAN ROSENBERG: Motion carries
13 unanimously.

14 MR. MCKINZIE: Thank you.

15 VICE CHAIRMAN ROSENBERG: Item five is discussion
16 and action by the Board on the application for license to
17 operate a mini-satellite wagering facility at the Sahara
18 Dune Casino dba Lake Elsinore Hotel and Casino in Lake
19 Elsinore, California.

20 EXECUTIVE DIRECTOR BAEDEKER: I might point out to
21 the Commissioners while -- while the folks are coming
22 forward, this one, like Oceans 11 before it, is simpler
23 because these entities are already licensed by the
24 California Gaming Commission. So a good deal of the -- of
25 the background work has already been completed. They've

1 been in operation and licensed for a long time as a gaming
2 facility. But it makes our job just a little bit easier in
3 this situation.

4 VICE CHAIRMAN ROSENBERG: Please identify
5 yourselves.

6 MR. HAINES: George Haines, Southern California
7 Off Track Wagering.

8 EXECUTIVE DIRECTOR BAEDEKER: Pull the mike up
9 close.

10 MR. HAINES: George Haines, Southern California
11 Off Track Wagering.

12 MR. KINGSTON: And Ted Kingston, Lake Elsinore
13 Hotel and Casino.

14 VICE CHAIRMAN ROSENBERG: Any comments? Tell us
15 about the --

16 MR. HAINES: Well, the license --

17 VICE CHAIRMAN ROSENBERG: Tell us more about --

18 MR. HAINES: -- is before you. But just going
19 back a few years, we identified the Lake Elsinore Casino as
20 a place that would be a prime candidate for a mini-
21 satellite. It's about 14 miles away from Lake Perris. We
22 were able to obtain a waiver from Lake Perris to begin
23 operations at the Lake Elsinore Casino.

24 There is an extensive remodel project being done
25 on the facility that will have the horse racing in it. So

1 it's a great opportunity for California horse racing to be
2 in that market. Lake Elsinore is expanding rapidly. And
3 it's a customer base that we think will be enticed by horse
4 racing.

5 EXECUTIVE DIRECTOR BAEDEKER: You want to
6 introduce yourself and just tell us a little bit about
7 your -- our history?

8 MR. KINGSTON: Yeah. Ted Kingston, Lake Elsinore
9 Hotel and Casino.

10 Our facility there that we have, we have -- the
11 gaming floor is 6,000 square feet. The restaurant and the
12 lounge area, which is going under a complete remodel, when
13 it's done it will give us just a little over 3,500 square
14 feet for off track betting. We have food and beverage.
15 We're licensed to sell alcohol. And there's 100 hotel rooms
16 on the -- on the property. And we're on about 12 acres,
17 just off the freeway.

18 Just recently, at the end of December we were able
19 to work with the city. We put up a digital billboard that's
20 close to the freeway, right on the edge of our property
21 which we own, which we'll be able to do marketing and
22 advertising to be able to let the people on the 15 Freeway
23 know what we have available for them, especially in the off
24 track betting part.

25 And that's basically an overview. If you have any

1 questions, I'd be happy to answer.

2 VICE CHAIRMAN ROSENBERG: Yeah. Was the waiver
3 that you received from the entity that was within the 20-
4 mile radius --

5 MR. KINGSTON: Yes, it was.

6 VICE CHAIRMAN ROSENBERG: -- was it a contractual
7 waiver or was it just like to just --

8 MR. KINGSTON: It was contractual. It was signed.
9 And we were able to achieve that from Perris.

10 VICE CHAIRMAN ROSENBERG: What I meant is -- was
11 the consideration passed for this? In other words, are they
12 getting something out of this? Because we've had that
13 happen before. Just curious.

14 COMMISSIONER CHOPER: Did it cost you anything, is
15 what he's asking?

16 MR. KINGSTON: Oh, yes. Yes. I'm sorry. Yes.

17 VICE CHAIRMAN ROSENBERG: Okay.

18 COMMISSIONER AUERBACH: Was it your first born or
19 was it --

20 MR. KINGSTON: It was. It seemed like it was,
21 yeah.

22 COMMISSIONER AUERBACH: Okay. What -- so what
23 kind of occupancy do you have there in that space for this
24 enterprise?

25 MR. KINGSTON: We can start with the hotel. The

1 hotel occupancy is about -- run close to 70 percent. Our
2 hotel is -- the flag that we're under is Choice Hotels, and
3 so we franchise through them. And they have a national
4 exposure on the reservation system. The -- it's an Ecolodge
5 is the name of the -- the hotel. The occupancy I guess for
6 the rest of the property, we see -- if our casino is full we
7 can seat close to 400. And if the restaurant and the lounge
8 is full, maximum capacity is about 135 seats.

9 COMMISSIONER AUERBACH: I was trying to get an
10 idea of how many people could actually access the -- what
11 we're talking about here, for racing --

12 MR. KINGSTON: The --

13 COMMISSIONER AUERBACH: -- gambling on racing.

14 MR. KINGSTON: Right. The -- when the area gets
15 done we figure our fire, what we're asking for, because
16 there will be a large patio that goes with it, but we feel
17 like that it will be close to 300.

18 MR. HAINES: In addition to that, we also are
19 going to put parimutuel machines in the card room --

20 COMMISSIONER AUERBACH: Okay.

21 MR. HAINES: -- so the card players will be able
22 to access the machines.

23 VICE CHAIRMAN ROSENBERG: George, can you explain
24 the difference between the deal here that SCOTWINC made with
25 other prior mini-satellite applications? Because you made

1 reference to the fact of Roberts Communications in supplying
2 the -- some of the technology, televisions, et cetera;
3 correct? Roberts Communications Network will provide the
4 satellite, receivers and decoders.

5 MR. HAINES: Right.

6 VICE CHAIRMAN ROSENBERG: But what about the TVs
7 and everything?

8 MR. HAINES: That's a good question. This is a
9 unique site because this is the first SCOTWINC-developed
10 site. In the beginning Sportech had identified --

11 VICE CHAIRMAN ROSENBERG: Yeah.

12 MR. HAINES: -- this site as a place where they
13 were going to develop the facility. They chose not to. And
14 when they chose not to, SCOTWINC, through the SCOTWINC
15 Board, went forward to assist the casino in developing the
16 area for horse racing. So Mr. Kingston will provide all the
17 TVs that will be in the facility, and we will provide the
18 signal to those TVs. So we will have all the down --
19 downlink equipment, and then the switchers that go out to
20 the TVs.

21 VICE CHAIRMAN ROSENBERG: So I have two questions.
22 On the -- first, on the deal, the sort of collaboration with
23 the Los Angeles Turf Club and SCOTWINC, is Los Angeles Turf
24 Club one of the partners in this venture? This is the
25 introduction to the subject matter that somebody wrote,

1 there was collaboration. It

2 "Sahara Dunes, Lake Elsinore Hotel and Casino, in
3 collaboration with Los Angeles Turf Club and Southern
4 California Off Track Wagering, SCOTWINC, filed an
5 application."

6 MR. HAINES: It's --

7 VICE CHAIRMAN ROSENBERG: That's incorrect; huh?

8 MR. HAINES: It's incorrect.

9 VICE CHAIRMAN ROSENBERG: Okay. And the second
10 thing was, what's the status of Sportech in general in terms
11 of activity in the mini-satellite area? I know we have --
12 Striders is there operation; correct?

13 MR. HAINES: Yeah. Sportech is focusing all their
14 energy right now on the Striders' location. It is doing
15 better. It was a soft opening. But all their focus -- and
16 they have a lot of capital invested in the Striders'
17 location, so they are focusing there.

18 Unfortunately, that has delayed another
19 development that they have applied for in Norco. And
20 they've asked for -- that if we could let them start
21 development in Norco in about the fourth quarter. But they
22 don't want to divide their energy between San Diego and
23 Norco right now until they -- they want to get the San Diego
24 operation to where they want it with the market share and
25 whatever, so they're delaying their -- their future

1 projects.

2 VICE CHAIRMAN ROSENBERG: Because about two or
3 three years ago they made a presentation saying they were
4 going to invest and they were going to operate up to eight
5 new places. And have they pulled out, other than those two
6 locations pretty much?

7 MR. HAINES: Right. Those two locations are the
8 ones that are identified right now. San Diego, naturally,
9 is already in operation. But the Norco site will be the
10 next one they have. As far as operations after that, they
11 have not yet identified those.

12 VICE CHAIRMAN ROSENBERG: Okay. Thank you.
13 Any other questions? Questions? Do I have a
14 motion to approve?

15 COMMISSIONER BENETO: I'll make the motion.

16 VICE CHAIRMAN ROSENBERG: Commissioner Beneto
17 makes the motion to approve.

18 COMMISSIONER CHOPER: Second.

19 VICE CHAIRMAN ROSENBERG: Commissioner Choper
20 seconds.

21 Commissioner Auerbach?

22 COMMISSIONER AUERBACH: Auerbach. Yes.

23 VICE CHAIRMAN ROSENBERG: Rosenberg. Yes.

24 COMMISSIONER CHOPER: Choper. Yes.

25 COMMISSIONER BENETO: Beneto. Yes.

1 VICE CHAIRMAN ROSENBERG: The motion carries
2 unanimately.

3 MR. HAINES: Thank you.

4 MR. KINGSTON: Thank you.

5 COMMISSIONER AUERBACH: Good luck.

6 MR. KINGSTON: Thank you.

7 VICE CHAIRMAN ROSENBERG: Item number six,
8 discussion and action by the Board to suspend the authorized
9 administration of clenbuterol for all horses participating
10 in quarter horse races for 12 months pursuant to CHRB Rule
11 1844.1, Suspension of Authorized Medication, to ensure that
12 thoroughbreds and Appaloosas competing in such races are
13 subject to the same conditions as quarter horses.

14 MR. LAIRD: Phil Laird, CHRB Staff.

15 This item is before you. As you know, just last
16 month the Board did approve a permanent regulation
17 prohibiting use of -- any unauthorized use of clenbuterol in
18 quarter horses. Since then it's been brought to our
19 attention that there's concern that that creates an
20 unlevelled playing field for Appaloosa and thoroughbred
21 horses that are permitted to race in these mixed -- limited
22 mixed-breed races, often conducted at Los Alamitos, I think
23 occasionally at the fairs as well.

24 So the point of this agenda item is essentially to
25 prohibit use of clenbuterol in all horses participating in a

1 mixed-breed race, which is officially designated as a
2 quarter horse race under Rule 1743. The intention then is
3 that Staff will, in the next month or two, then be bringing
4 before you a permanent change if that's how the Board wishes
5 to proceed with this adjustment.

6 But generally speaking, I just want to really make
7 clear that this is, in my opinion, a separate issue from
8 what the Board confronted last month. There, you know, the
9 Board took action against what's been an epidemic in quarter
10 horse racing specifically regarding clenbuterol, and this is
11 really to make a policy adjustment moving forward.

12 So happy to answer any questions at this time.

13 COMMISSIONER CHOPER: Has the OAG said anything
14 more since we last heard about whether that Superior Court
15 decision saying that it cannot be made retroactive or
16 whatever it is, that it doesn't apply --

17 MR. LAIRD: Uh-huh.

18 COMMISSIONER CHOPER: -- to the case before us,
19 are they going to appeal that or are they still making up
20 their minds?

21 MR. LAIRD: Oh, regarding the current litigation?

22 COMMISSIONER CHOPER: Yes.

23 MR. LAIRD: That I will probably defer to -- at a
24 later time. We're -- Staff is still speaking with the
25 Attorney General's Office at this time regarding that case.

1 And otherwise I'm sure our chief counsel would be happy to
2 brief you in closed session regarding that.

3 COMMISSIONER CHOPER: Okay.

4 COMMISSIONER BENETO: Do we need to make a motion
5 on that?

6 VICE CHAIRMAN ROSENBERG: Any other questions?
7 Any comments?

8 We do have to make a motion, don't we?

9 MR. LAIRD: We do. We do.

10 VICE CHAIRMAN ROSENBERG: Okay.

11 MR. LAIRD: So just --

12 VICE CHAIRMAN ROSENBERG: Why don't you make the
13 motion for us?

14 MR. LAIRD: -- to assist, I think the motion is
15 properly to suspend the authorized use of clenbuterol in all
16 quarter horse races for the next 12 months --

17 COMMISSIONER CHOPER: So moved.

18 MR. LAIRD: - throughout the state of California.

19 VICE CHAIRMAN ROSENBERG: Commissioner Choper
20 moves that motion. I'll second it.

21 COMMISSIONER AUERBACH: Auerbach. Yes.

22 VICE CHAIRMAN ROSENBERG: Rosenberg. Yes.

23 COMMISSIONER CHOPER: Choper. Yes.

24 COMMISSIONER BENETO: Beneto. Yes.

25 VICE CHAIRMAN ROSENBERG: Are we okay, Mr. Miller?

1 MR. MILLER: Yes.

2 VICE CHAIRMAN ROSENBERG: Okay. The motion passes
3 unanimately.

4 Item number seven. I have a comment card for Mr.
5 Schick, but do you want to say something first?

6 MR. LAIRD: Yes. Again, Phil Laird, CHRB Staff.

7 This item is again before this Board. I believe
8 August was the last time you heard a version of the whipping
9 rule for the harness racing industry. And since then, as
10 instructed by the Board, Staff has worked closely with
11 industry stakeholders to achieve what we all think at this
12 point is consensus on the most appropriate amendments to
13 this rule.

14 The one thing I should note from the version of
15 the amendments in your Board package is there has been
16 discussion by a number of stakeholders regarding a minor
17 change to what would be on page 7-3, subsection (b)(6),
18 where it says, "Use of the whip when the horse does not
19 appear to be advancing through the field of horses or is no
20 longer in contention.

21 VICE CHAIRMAN ROSENBERG: (B)(6)?

22 MR. LAIRD: Towards the bottom of the page.

23 VICE CHAIRMAN ROSENBERG: Yeah.

24 MR. LAIRD: And some stakeholders, and I think
25 you'll hear something -- something to this effect during the

1 comment period, have requested that be specifically limited,
2 either to no longer in contention for purse money or no
3 longer in contention for a fifth race or better. Staff has
4 evaluated that request and we don't see any problem with it,
5 but we thought we would leave ultimately that decision to
6 the Board is they want to make that additional clarification
7 in the language.

8 VICE CHAIRMAN ROSENBERG: You don't see the
9 problem with the language as it exists or as it's suggested
10 to be amended?

11 MR. LAIRD: We think either language would be
12 sufficient personally.

13 VICE CHAIRMAN ROSENBERG: Either language?

14 MR. LAIRD: But if the Board hears from the public
15 today and believes that addition should be made, Staff does
16 not have an issue with that.

17 EXECUTIVE DIRECTOR BAEDEKER: Excuse me. In
18 talking about this at the staff level, that we believe that
19 the proposed change of that wording would not be substantive
20 in terms of how the rule was implemented or the effect of
21 it.

22 MR. LAIRD: I agree with that. If anything I
23 think it would just create probably some more clarity for
24 those it applies to. But as written, and it's been used in
25 other rules, just the phrase "no longer in contention." So

1 however the Board wishes to proceed we think is fine.

2 VICE CHAIRMAN ROSENBERG: We have two --

3 EXECUTIVE DIRECTOR BAEDEKER: I want to --

4 VICE CHAIRMAN ROSENBERG: Oh, I'm sorry.

5 EXECUTIVE DIRECTOR BAEDEKER: I'm sorry.

6 VICE CHAIRMAN ROSENBERG: Go ahead.

7 EXECUTIVE DIRECTOR BAEDEKER: I want to point out
8 one -- one correction that needs to be made in case it
9 caused any confusion among the Board Members.

10 On page 7-2 in the top paragraph, about halfway
11 down it says "including above the level of the shafts of the
12 sulky." That's not correct. It should say "including below
13 the level of the shafts of the sulky." Just to point that
14 out in case it caused any confusion for anybody.

15 VICE CHAIRMAN ROSENBERG: Okay. We have two
16 comment cards here.

17 Mr. Perez, you're first.

18 MR. PEREZ: Good morning, Commissioners. Jim
19 Perez, Executive Director, California Harness Horsemen's
20 Association.

21 Our Vice President Dave Siegel has worked with
22 Commissioner Solis, going back and forth on this rule. I
23 spoke to Phil. We agree and support the rule. The only
24 problem we have is with the word contention. And we just
25 want it to be more clear and not so vague. So as Phil said,

1 adding the word "contention for purse money," the two words,
2 it would just make it completely clear and without a
3 question. And that's all we're asking, for the change.
4 Everything else is fine.

5 VICE CHAIRMAN ROSENBERG: Leave the word
6 "contention?"

7 MR. PEREZ: No, we could keep the word contention,
8 but put "contention for purse money."

9 VICE CHAIRMAN ROSENBERG: For purse money.

10 MR. PEREZ: And, you know, it's not just purse
11 money. Also, we have the Bet the High Five where the
12 horse -- it's the fifth-place horse that's in the bet. So
13 it should be -- and purse money, I guess, is top five, so
14 that includes the High Five bet. A lot of times our purse
15 money is a big deal, not just because it's purse money, but
16 because we rely on that for a stake event. If there's two
17 legs to a series or a late closer, the highest money winners
18 are eligible for the final.

19 VICE CHAIRMAN ROSENBERG: Now are you speaking for
20 the association --

21 MR. PEREZ: Yes.

22 VICE CHAIRMAN ROSENBERG: -- which is composed
23 of -- I realize that as compared to the thoroughbreds, you
24 have driver-trainers. So your members, a number of them are
25 drivers and trainers; correct?

1 MR. PEREZ: Yes. And I'm speaking on behalf of
2 the -- of the industry.

3 VICE CHAIRMAN ROSENBERG: And are there are
4 drivers who only drive these days or are they -- most of the
5 people who drive up there are trainers, as well, or some of
6 them catch drivers?

7 MR. PEREZ: Both. I mean, the majority of
8 trainers drive here a lot. Depending, there's a few catch
9 drivers. But nowadays basically the trainers drive their
10 own and there's -- and they drive for other people but they
11 train their own barn, so it's not --

12 VICE CHAIRMAN ROSENBERG: So you think that you're
13 drivers are willing to live with this language --

14 MR. PEREZ: Yeah. The -- I mean --

15 VICE CHAIRMAN ROSENBERG: -- with that change you
16 mentioned?

17 MR. PEREZ: Change, you know, everybody's afraid
18 of change. But, you know, they've -- they've driven for 50
19 years, some of these guys, 40 years. So it's going to take
20 time for them to get --

21 VICE CHAIRMAN ROSENBERG: Yeah.

22 MR. PEREZ: -- to get used to it, but they have
23 agreed to it. And we just want to make that last word, that
24 last sentence clear in that part and --

25 VICE CHAIRMAN ROSENBERG: Because as I -- as I

1 read this it's much more specific and challenging for the --
2 challenging for the stewards because there's very specific
3 language in here that could cause problems in
4 interpretation. And as long as the -- as long as the
5 drivers are not complaining about it, I don't think we
6 should complain about it. But for example, raising the
7 elbow above the driver's shoulder height, I mean, that's a
8 touchy evaluation.

9 MR. PEREZ: It is, I mean, but that's -- that's
10 the --

11 VICE CHAIRMAN ROSENBERG: And the same thing,
12 raising the elbow. And then allowing the hand holding the
13 whip to reach behind the driver during the use of the whip.

14 MR. PEREZ: No, there's a lot to look at there. I
15 mean, that's -- the stewards have to -- have to look at it
16 really good. I mean, if a driver gets that fine he gets to
17 come into the stewards for a hearing and they can look at it
18 on TV, on the -- and if they didn't do it, they have a valid
19 case right on TV, they didn't do it, on the replay.

20 So it's really -- I mean, it's up to the stewards
21 to call it. And then there will be a hearing before the
22 fine if the driver chooses that, basically. And they go in
23 and they watch the race and you can see it right on film.
24 If you -- if you violate that rule it's going to -- you get
25 fined. It's going to be change. Actually, the change, it's

1 going to be -- it's going to take a while for these guys to
2 get -- to get used to it. But these rules have been changed
3 throughout the country and they've -- they've gotten by with
4 them.

5 VICE CHAIRMAN ROSENBERG: Are the pretty much
6 similar to ours?

7 MR. PEREZ: Very similar.

8 VICE CHAIRMAN ROSENBERG: Okay.

9 MR. PEREZ: Yeah, very similar.

10 VICE CHAIRMAN ROSENBERG: Thank you.

11 The next -- the next comment card is from
12 Christopher Schick.

13 MR. SCHICK: Good morning, Chairman Rosenberg and
14 Members of the Commission. Christopher Schick, Watch and
15 Wager, Harness.

16 We want to rise in full support of the amendments
17 to 1734. As. Mr. Perez mentioned and Mr. Baedeker
18 mentioned, we went back to the drawing board after this rule
19 was first heard by the Board last fall. We've worked
20 closely with the CHHA. We worked closely with the staff.

21 I'd like to publicly thank some of the staff that
22 worked really hard on this. Tom McCarthy worked -- was kind
23 of our front man on this, along with Phil Laird. Also, our
24 stewards who are here today were very much involved in this
25 process. And we think that a number of meeting that we had,

1 we produced a good rule here. And we certainly -- we
2 certainly want you to support the rule, send it for a 45-day
3 comment period.

4 VICE CHAIRMAN ROSENBERG: Thank you.

5 Any questions?

6 COMMISSIONER AUERBACH: I -- it's not specifically
7 about this, but I'm uncomfortable with this, and I'll tell
8 you why.

9 We are, as far as I know, we're still in the
10 process of looking at the -- at the whipping rule as it
11 pertains to the rest of horse racing, not -- I'm not talking
12 about your portion of horse racing, I'm talking about maybe
13 ways of improving what we've done or making it more user
14 friendly. And my discomfort is, is that if we're going to
15 need to make some adjustments in thoroughbred racing, I
16 would like to get that resolved before we put more rules on
17 the books that we would have to go back potentially and look
18 at, because it's so difficult to get something done.

19 I appreciate the fact that everybody has worked
20 together. And I see nothing wrong with everybody riding in
21 that fashion that you've described and doing it the right
22 way, et cetera, et cetera. But I'm uncomfortable with us
23 going down this path again, I just am. I don't see anything
24 wrong with putting it out for a 45-day comment period. I
25 don't have a problem with that. Let everybody talk about

1 it. But I'm still not comfortable with the original
2 whipping rule. And so to me we're layering it and layering
3 it, and I'd rather have it built on solid layers than on
4 layers that have difficulties. That's just the way I feel
5 about it.

6 VICE CHAIRMAN ROSENBERG: I'm not sure I agree
7 with you, but I might -- I understand your --

8 COMMISSIONER AUERBACH: Well, no, I --

9 VICE CHAIRMAN ROSENBERG: -- I understand your
10 point because there's two different, totally different --

11 COMMISSIONER AUERBACH: I understand.

12 VICE CHAIRMAN ROSENBERG: -- types of whips, types
13 of riding on the carts.

14 COMMISSIONER AUERBACH: I understand. We're
15 talking --

16 VICE CHAIRMAN ROSENBERG: Yeah.

17 COMMISSIONER AUERBACH: -- apples and oranges.

18 VICE CHAIRMAN ROSENBERG: So I don't -- I don't
19 disagree if -- if this was approved -- if it goes out for 45
20 days and it came back -- and it comes back and it's approved
21 at that time we can reevaluate it then. I really don't see
22 how it impacts on the other which is really --

23 COMMISSIONER AUERBACH: I have -- I have no
24 problem with letting this go forward if that's what
25 everybody wants it to do.

1 VICE CHAIRMAN ROSENBERG: Okay.

2 COMMISSIONER AUERBACH: But I do have a problem in
3 putting another layer into regulation that once again we're
4 going to have to look at again and reevaluate and think
5 about. There aren't enough erasers on pencils for all this
6 stuff. And I just want us to be really clear on what we're
7 doing.

8 VICE CHAIRMAN ROSENBERG: Okay.

9 MR. SCHICK: Mr. Chairman, if I could address
10 Commissioner Auerbach's point there?

11 With regard to this specific rule, when we finally
12 arrived at a consensus on this rule we, as Watch and Wager,
13 adopted this rule as a house rule. So we've been operating
14 essentially under this rule since Christmastime. And I
15 think, as the staff analysis pointed out, that we've had
16 very, very good results with this rule. The drivers have --
17 yes, there was some changes the drivers have adopted very
18 well. The stewards have -- have worked really well with the
19 industry in terms of developing this. So we -- we not only
20 feel confident that it's a good rule, but it's actually got
21 a couple of months of actual practicality and use to prove
22 that it is a good rule.

23 COMMISSIONER AUERBACH: Okay.

24 VICE CHAIRMAN ROSENBERG: Okay. Any other
25 comments? Any questions?

1 COMMISSIONER CHOPER: I guess there's no harm in
2 putting it out. I mean, it will be there. If we wanted
3 change --

4 COMMISSIONER AUERBACH: That's fine, putting it
5 out for the public comment.

6 COMMISSIONER CHOPER: Yeah.

7 COMMISSIONER AUERBACH: But I would hope that --

8 COMMISSIONER CHOPER: We get this done before too
9 long?

10 COMMISSIONER AUERBACH: Well, and I would hope --

11 COMMISSIONER CHOPER: Yeah.

12 COMMISSIONER AUERBACH: -- that people would be
13 really candid and really speak their minds --

14 COMMISSIONER CHOPER: Oh, yeah.

15 COMMISSIONER AUERBACH: -- as opposed to worrying
16 about who they might offend or not offend. And I would like
17 to really -- for people to be very candid with us in dealing
18 with this.

19 EXECUTIVE DIRECTOR BAEDEKER: I would point out,
20 Commissioner Auerbach, that we had those conversations at
21 headquarters. And we had David Siegel there who was a
22 driver and in direct contact with the -- with all the other
23 drivers, as well as management. And Wayne Oke participated,
24 our steward, one of our stewards. And so we did kind of
25 learn a lesson from the experience that we'd had to date and

1 so far, so good.

2 So I really appreciate the fact that -- that
3 they -- it was -- it was positive, it was cooperative. We,
4 Staff, initially thought that a rule that was in place in
5 Pennsylvania was a model -- was a model that we should
6 pursue. And after these discussions we were convinced that
7 the guys here knew more about -- about what would work, and
8 so we did work together and it was a good process.
9 Regardless of where it goes, I just want to point out that
10 the harness industry up here was really cooperative and it
11 stayed positive from start to finish.

12 VICE CHAIRMAN ROSENBERG: So do we have a motion
13 to approve to send it out for 45-days?

14 MR. LAIRD: Pardon me. Before we move forward I
15 do want to just clarify whether or not the Board, if they're
16 making the motion, wants to --

17 VICE CHAIRMAN ROSENBERG: Oh, right, I have to
18 deal with that issue.

19 MR. LAIRD: -- amend the language for -- to add
20 the three words "for purse money" at the end of subsection
21 (b)(6).

22 VICE CHAIRMAN ROSENBERG: As long as the others
23 seem to favor that, I think it's okay.

24 COMMISSIONER BENETO: I have a question.

25 VICE CHAIRMAN ROSENBERG: Yeah.

1 COMMISSIONER BENETO: You say that any horses
2 that's sixth or -- so you can be sixth, seventh, eighth, he
3 can't use a whip down the stretch, just the fifth --
4 first -- one through five can?

5 EXECUTIVE DIRECTOR BAEDEKER: It has to be in
6 contention for fifth place. So any place that has a chance
7 to be fifth is in contention for fifth place for purse
8 money, yeah.

9 COMMISSIONER BENETO: Well, that -- I've watched
10 harness races. I've watched thoroughbred racing all --
11 practically all my life. Sometimes the sixth horse coming
12 down the stretch, the guy, the jockey hits two or three
13 times and all at once he fires and he wins the race. If a
14 guys is sitting in sixth place and he can't use his whip
15 when he knows he's got --

16 EXECUTIVE DIRECTOR BAEDEKER: Commissioner, he --

17 COMMISSIONER BENETO: -- trying to get the horses.
18 attention --

19 EXECUTIVE DIRECTOR BAEDEKER: Commissioner, he can
20 use the whip because he is in contention, so --

21 COMMISSIONER BENETO: At the sixth place?

22 EXECUTIVE DIRECTOR BAEDEKER: Yeah. If he has any
23 chance of -- of being in contention for --

24 COMMISSIONER BENETO: Well, whose going to monitor
25 that?

1 EXECUTIVE DIRECTOR BAEDEKER: The stewards, as
2 they monitor everything else.

3 COMMISSIONER BENETO: Okay. The riders -- the
4 riders -- he's in sixth position so he cracks it and the
5 horse don't fire, what happens then?

6 EXECUTIVE DIRECTOR BAEDEKER: It's a judgment
7 call. But he'll be -- if the stewards want to talk to him
8 about it they will and they'll -- they'll make -- it's just
9 like a careless riding car now with the flats or with the --
10 with the harness. The -- the driver or the jockey talks
11 about it, look at the films, talks about it with the
12 stewards, and the stewards make a decision. That's -- we
13 have that almost every day that we have racing currently.

14 COMMISSIONER BENETO: I'd like to see the whips go
15 away, period. That's my comment.

16 VICE CHAIRMAN ROSENBERG: Is that a motion? Yeah,
17 was that a motion?

18 COMMISSIONER AUERBACH: A motion for the whips
19 going away?

20 VICE CHAIRMAN ROSENBERG: Commissioner Auerbach,
21 would you like to make the motion? Would you like to make
22 the motion to send it out for 45 days?

23 COMMISSIONER AUERBACH: Me.

24 VICE CHAIRMAN ROSENBERG: Yeah.

25 COMMISSIONER AUERBACH: Sure, why not?

1 VICE CHAIRMAN ROSENBERG: Okay.

2 COMMISSIONER AUERBACH: I'm willing to listen.

3 COMMISSIONER CHOPER: I made the motion.

4 VICE CHAIRMAN ROSENBERG: Oh, you did? You did?

5 COMMISSIONER CHOPER: I think so.

6 VICE CHAIRMAN ROSENBERG: Okay.

7 COMMISSIONER CHOPER: It doesn't make any
8 difference to me.

9 VICE CHAIRMAN ROSENBERG: Well, then if you'd like
10 to second the motion that Commissioner Choper made?

11 COMMISSIONER AUERBACH: Sure.

12 VICE CHAIRMAN ROSENBERG: Okay. Thank you. And
13 we can now vote.

14 COMMISSIONER AUERBACH: Auerbach. Yes.

15 VICE CHAIRMAN ROSENBERG: Rosenberg. Yes.

16 COMMISSIONER CHOPER: Choper. Yes.

17 COMMISSIONER BENETO: Beneto. Yes.

18 MR. MILLER: Just for clarification, is the change
19 in the wording --

20 VICE CHAIRMAN ROSENBERG: Yes.

21 MR. MILLER: -- included? Very good.

22 VICE CHAIRMAN ROSENBERG: Just the way we read it;
23 correct?

24 MR. LAIRD: Correct.

25 VICE CHAIRMAN ROSENBERG: Okay. Okay. I guess

1 we're done at a world record's time here.

2 COMMISSIONER AUERBACH: Now, I still have -- I
3 have one more thing.

4 VICE CHAIRMAN ROSENBERG: We do? What?

5 COMMISSIONER AUERBACH: Yeah, me.

6 VICE CHAIRMAN ROSENBERG: Oh, okay. Oh, I'm
7 sorry, we're not done in a world record time.

8 COMMISSIONER AUERBACH: That's okay. You want me
9 to go ahead. Okay.

10 We had a --

11 VICE CHAIRMAN ROSENBERG: This is a report from
12 the Medication --

13 COMMISSIONER AUERBACH: Medication and --

14 VICE CHAIRMAN ROSENBERG: -- and Track Safety
15 Committee.

16 COMMISSIONER AUERBACH: -- Track Safety Committee
17 meeting on March 16th at Santa Anita. And before we started
18 the meeting it became evident to me that the meeting was
19 important for not only trainers, but for vets to be there,
20 and there was not one vet there. And the reason for that
21 was the meeting started at 10:00, and most vets can't get
22 anywhere before 11 o'clock. So we did make a decision
23 together that the next time we hold one of these meetings it
24 will not start before 11 o'clock so that interested parties
25 can attend.

1 And so I'm going to read what happened at the
2 meeting, sort of. And this meeting, the intent of this
3 meeting was to have discussions, and we had a lot of
4 discussions. We weren't proposing any rules. We -- there
5 was nothing set in stone. And the meeting got a little
6 sideways because maybe it wasn't framed comfortably enough.
7 So that was -- that's an overview of the meeting.

8 Anyway, we had discussion about the feasibility of
9 amending Rule 1658, to require the trainer of record of a
10 horse that is claimed to provide the new owner with a record
11 of all joint injections within the last 30 days. And Dr.
12 Arthur referring to the first three items on the agenda,
13 this was item one, said a continual medical record would
14 greatly benefit the health of the horse. He said these
15 requirements already are in place in other jurisdictions."
16 And he said the purpose of these discussions is to obtain
17 input from the industry on whether to pursue these goals the
18 best -- and the best way to proceed. And Rick Baedeker
19 emphasized that this was for discussion only and only as a
20 starting point.

21 And Darrell Vienna said that the client-veterinary
22 confidential protection does not allow the trainer to reveal
23 these records. And Dr. Arthur said the owner-vet records
24 would not be involved.

25 Phil Laird said it would be a trainer-generated

1 record operating on a separate track from the veterinary
2 record, not veterinary medical records but rather trainer
3 treatment records. Vienna disagreed with their reasoning,
4 but he agreed with the goal of somehow legally making
5 veterinary records more transparent.

6 Ron Ellis said the information would not alter the
7 way he would manage a horse following a claim. And he
8 believes he is a representative of most trainers. And he
9 questioned whether trainers would tell the truth in such
10 records. He said the CHRB already has access to accurate
11 owner-veterinary confidential records.

12 Jim Cassidy questioned the motivation of this
13 proposal. And Madeline Auerbach said her concern is the
14 horse and that the proposal is not negative on anybody. She
15 said she doesn't care how we do it, just as long as we get
16 it done.

17 Alan Balch suggested there might be a voluntary
18 way to accomplish this without the need for a CHRB rule.
19 And he suggested that the Board give the CTT and the TOC
20 time to work with all the interested parties to perhaps come
21 up with a suggested solution.

22
23 Nick Coukos thanked the Committee for having these
24 discussions. He agreed with Balch's idea for putting
25 together a task force for further discussion of these

1 matters. And Dino Perez said quarter horsemen would like to
2 be involved in these discussions. I couldn't believe
3 somebody actually volunteered to get involved, but he did.
4 Bless him.

5 Discussion of requiring trainers to maintain full
6 and accurate records for all treatments given to a horse,
7 including veterinary procedures performed, and all
8 medications administered to be available for inspection by
9 representatives of CHRB. Commissioner Auerbach asked if
10 this would be a duplicate of what we already have. Dr.
11 Arthur said, no, each trainer keeps records in a different
12 way, some in great detail, other superficially. And some
13 trainers use multiple vets from different practices which
14 may not communicate with their respective treatments. And
15 he said most medications are administered orally by
16 trainers.

17 All medications administered by trainers are the
18 number -- the largest source of medication violations at the
19 CHRB. And I think that that -- we're all pretty much aware
20 of that, that that's where we seem to get our overages and
21 our concerns in medication is usually a mix-up in the barn
22 and somebody orally giving the horse something that they're
23 not supposed to have in that timeframe.

24 And this proposal would require more detailed
25 records than we currently have. And some international

1 communities have these records already.

2 And Commissioner Auerbach suggested that a task
3 force should address this issue, as well, and Coukos agreed
4 and asked her to participate. And Balch cautioned the
5 inclusion of veterinary treatment would violate
6 confidentiality, and on and on and on. This was a very
7 detailed meeting in our discussions.

8 The third item was discussion requiring that all
9 veterinary treatments and procedures must benefit the horse
10 and must be justified by a medical condition and based on
11 advice of the veterinarian. And my point was I believe that
12 veterinarians are required to do this as part of their
13 practice. And Dr. Arthur felt that we should expand this
14 responsibility to trainers as well.

15 And Rick Baedeker said the discussion is designed
16 to discourage the indiscriminate use of medication. And he
17 said that the CHRB is having discussions with the Vet Med
18 Board, and you talked about it earlier.

19 And then we also talked about out-of-competition
20 testing, and that we already have a very robust program.
21 And we looked at more than 1,500 samples last year of out-
22 of-competition testing results. And the draft model rule
23 list prohibited drugs and practices on the World Anti-Doping
24 Agency Prohibited List defines horses eligible, requires
25 owners and trainers to cooperative, designates personnel who

1 collect these samples, and the chain of custody and
2 procedures.

3 And I know that was a lot of information but we
4 did not come to anything substantive. We didn't change
5 anything. We basically were airing a lot of laundry and
6 things that will be coming up in the future and that we need
7 to discuss. Thank you.

8 VICE CHAIRMAN ROSENBERG: Thank you.

9 COMMISSIONER AUERBACH: Does anybody have any
10 questions? Thank you.

11 VICE CHAIRMAN ROSENBERG: So I guess we have a
12 motion to adjourn?

13 COMMISSIONER AUERBACH: So moved.

14 COMMISSIONER BENETO: Second.

15 VICE CHAIRMAN ROSENBERG: Seconded. All in --
16 well, do we have to vote?

17 Commissioner Beneto, why don't you start on this
18 end this time? You go first.

19 COMMISSIONER BENETO: Yes.

20 VICE CHAIRMAN ROSENBERG: Say Beneto.

21 COMMISSIONER BENETO: Beneto. Yes.

22 COMMISSIONER CHOPER: Choper. Yes.

23 VICE CHAIRMAN ROSENBERG: Rosenberg. Yes.

24 COMMISSIONER AUERBACH: Auerbach. Yes.

25 VICE CHAIRMAN ROSENBERG: Thank you. Meeting

1 adjourned.

2 (Whereupon the Regular Meeting of the California Horse
3 Racing Board adjourned into Closed Session at 11:09 a.m.)

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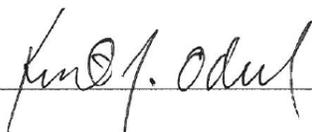
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REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of March, 2016.



Kent Odell
CER**00548

CERTIFICATE OF TRANSCRIBER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.



MARTHA L. NELSON, CERT**367

March 28, 2016