

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of:)

)

Regular Meeting)

GOLDEN GATE FIELDS

BAYVIEW LOUNGE (TURF CLUB)

1100 EASTSHORE HIGHWAY

BERKELEY, CALIFORNIA

THURSDAY, APRIL 21, 2016

10:00 A.M.

Reported by:

Kent Odell

APPEARANCES

COMMISSIONERS

Chuck Winner, Chairman

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

Rick Arthur, Equine Medical Director

Mike Marten, Associate Analyst, Policy & Regulations

Jeff Salmon, Track Safety Program

ALSO PRESENT

John Valenzuela, President, Parimutuel Employees Guild,
Local 280

Alan Balch, California Thoroughbred Trainers

Dorothy Burt, Arabian Racing Association of California

Chris Korby, California Authority of Racing Fairs

Jerome Hoban, Alameda County Fair

John Barr, Oak Tree Racing Association

Sherwood Chillingworth, Oak Tree Racing Associations

Kelly Olds, San Joaquin County Fair

APPEARANCES

ALSO PRESENT

Scott Daruty, Golden Gate Fields

Joe Morris, Golden Gate Fields

George Schmidt, Owner/Breeder, California Thoroughbred
Breeders Association

Nick Coukos, Thoroughbred Owners of California

Larry Swartzlander, California Authority of Racing Fairs

Dan Schiffer, Pacific Coast Quarter Horse Racing Association

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| 4. | Discussion and action by the Board on the request
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June 15, 2016 through July 5, 2016; California Exposition and State Fair, July 6, 2016 through July 26, 2016; Humboldt County Fair at Ferndale, August 17, 2016 through August 30, 2016; San Joaquin County Fair at Stockton or (CARF at Alameda County Fairgrounds), September 21, 2016 through October 4, 2016 and the Big Fresno Fair, October 5, 2016 through October 18, 2016.

6. Discussion and action by the Board on the (115)
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| 8. | Public hearing and action by the Board regarding the proposed amendment to CHRB Rule, 1689.1, Safety Vest Required, to include any person licensed by the Board that is mounted on a horse while on a racetrack to the list of those required to wear a safety vest. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.) | 134 |
| 9. | Discussion and action by the Board regarding the proposed amendment to CHRB Rule 2071, License to Conduct Advance Deposit Wagering by a California Applicant and CHRB Rule 2072, Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant, to amend the application forms to require all applicant business structures to submit financial information. | 136 |
| 10. | Discussion and action by the Board regarding the proposed addition of CHRB Rules 1597.5, Microchips Required for All Horses on Grounds; Rule 1597.6, Tampering with Microchips and the proposed amendment to CHRB Rules 1554, Duties of Horse Identifier; Rule 1581.1 Entries; Rule 1588, Horse Ineligible | 141 |

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to Start in a Race and Rule 1597, Association to Maintain Records of Horses on Its Grounds, to implement the requirement that horses be microchipped in order to race in California.

11. Closed Session: For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by section 11126 of the Government Code. 146
- 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).

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- 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

10:00 A.M.

(The meeting was called to order at 9:59 A.M.)

BERKELEY, CALIFORNIA, THURSDAY, APRIL 21, 2016

CHAIRMAN WINNER: Ladies and Gentlemen, this meeting of the California Horse Racing Board will come to order. Please take your seats.

And let me also remind the people behind us, or if you're going to be behind us at the bar, please, if you're going to have a conversation go outside of the glass doors because it really does affect the sound in here if you're talking at the bar behind us.

This is the regular noticed meeting of the California Horse Racing Board on Thursday, April 21, 2016 at Golden Gate Fields, Berkeley, California.

Present at today's meeting are: myself, Chuck Winner, Chairman; Richard Rosenberg, Vice Chairman; Commissioner Madeline Auerbach; Commissioner Steve Beneto; Commissioner Jesse Choper. Commissioner Krikorian and Commissioner Solis are not in attendance..

Before we go on to the business -- excuse me -- 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

1 those present today on matters not appearing on the agenda
2 during a public comment period if the matter concerns horse
3 racing in California.

4 In order to ensure all individuals have an
5 opportunity to speak and the meeting proceeds in a timely
6 fashion, I'll strongly enforce the three-minute time limit
7 rule for each speaker. The three-minute time limit will be
8 enforced during discussion of all matters as stated on the
9 agenda, as well as during the public comment period.

10 There's a public comment sign-in sheet for each
11 agenda matter on which the Board invites comments. Also,
12 there is a sign-in sheet for those wishing to speak during
13 the public comment period for matters not on the Board's
14 agenda if it concerns horse racing in California. Please
15 print your name legibly on the public comment sign-in sheet.

16 When a matter is open for public comment your name
17 will be called. Please come to the podium and introduce
18 yourself by stating your name and organization clearly.
19 This is necessary for the court reporter to have a clear
20 record of all who speak. When your three minutes are up
21 I'll ask you to return to your seat so others can be heard.

22 When all the names have been called I'll ask if
23 there is anyone else who would like to speak on the matter
24 before the Board. Also, the Board may ask questions of
25 individuals who speak. If a speaker repeats himself or

1 herself, I'll ask if the speaker has any new comments to
2 make. If there are none, then I'll ask the speaker to let
3 others make their comments to the Board. Thank you.

4 Okay, the first item on the agenda is approval of
5 the minutes from the March 24th meeting. Are there any
6 additions or corrections to the minutes?

7 Vice Chairman Rosenberg?

8 VICE CHAIRMAN ROSENBERG: Yes. I have a comment.

9 On page 10 of 110, the report from the Medication and Track
10 Safety Committee, I believe that this -- this should be
11 corrected in the way it's worded, not worded but punctuated.
12 Because it appears as if, if you read this, Commissioner
13 Auerbach reported on the entire very long meeting. And it
14 makes it sound as if the people who were later quoted in
15 there were at the Board meeting, rather than at the
16 Committee meeting.

17 So I'm suggesting that the first sentence, instead
18 of being a period it says -- it should read "Commissioner
19 Auerbach reported on the Medication and Track Safety
20 Committee Meeting held on March 16th at Santa Anita:" and
21 then a new paragraph starts, so it's clear that everything
22 that was said after that was done at the Committee meeting,
23 not at the Board meeting.

24 For example, to give you an example, the quote
25 from Dr. Arthur. The next sentence starts, "Dr. Rick Arthur

1 stated," as if he's saying it at the Board meeting.

2 So does that make -- is that clear?

3 CHAIRMAN WINNER: Yeah.

4 VICE CHAIRMAN ROSENBERG: Okay.

5 CHAIRMAN WINNER: Uh-huh.

6 Any other comments? Is there a motion to approve
7 with -- as amended by Vice Chair Rosenberg?

8 COMMISSIONER BENETO: So moved.

9 CHAIRMAN WINNER: Commissioner Beneto moves.

10 COMMISSIONER CHOPER: Second.

11 CHAIRMAN WINNER: Commissioner Choper seconds.

12 All in favor?

13 I think we have to have a roll call; right?

14 MS. WAGNER: Yes.

15 CHAIRMAN WINNER: Bob?

16 MR. MILLER: Yes?

17 CHAIRMAN WINNER: Good morning. I think we have
18 to have a roll call; correct?

19 MR. MILLER: That's correct.

20 CHAIRMAN WINNER: Even on the minutes? Okay.

21 Commissioner Auerbach?

22 COMMISSIONER AUERBACH: Yes.

23 CHAIRMAN WINNER: The Chairman votes yes.

24 Commissioner Rosenberg?

25 VICE CHAIRMAN ROSENBERG: Yes.

1 CHAIRMAN WINNER: Commissioner Choper?

2 COMMISSIONER CHOPER: Yes.

3 CHAIRMAN WINNER: Commissioner Beneto?

4 COMMISSIONER BENETO: Yes.

5 CHAIRMAN WINNER: The motion carries.

6 Now we'll go on to the Executive Committee's [sic]
7 report.

8 Mr. Baedeker?

9 EXECUTIVE DIRECTOR BAEDEKER: Thank you, Mr.
10 Chairman.

11 Changes to Rule 1489, adding criteria for
12 permitting the denial, suspension or revocation of a
13 license, have been adopted by the Office of Administrative
14 Law and become effective on July 1st.

15 Last month the Board considered changes to the
16 riding rule, after it was returned from 45-day public
17 comment. The Board made two minor changes to the proposed
18 text. The Office of Administrative Law determined that
19 these changes only required a new 15-day comment period,
20 which has been completed. The rule now will be sent to OAL
21 for final review.

22 The trainer's test, I just wanted to update the
23 Commissioners on work that's being done on that test. In
24 order to become a trainer in California, currently the
25 applicant must first pass a written test, then a

1 horsemanship test before two volunteer trainers and a safety
2 steward, and finally an interview with the official
3 veterinarian to prove competency in medication rules.

4 CHRB Steward Kim Sawyer has been working with Rita
5 Baker of our staff to improve the test. It now includes 220
6 questions, about 80 of which are new. They did considerable
7 research of similar tests from around the country, including
8 some that was furnished by -- were furnished by the NTRA
9 Safety Committee. And so they've taken out some antiquated
10 questions and added some -- some newer ones.

11 The next steps in this effort are to work with CTT
12 to better coordinate the horsemanship part of the test.
13 Sometimes it's difficult to get trainers that are available
14 and sometimes it's rushed, and so we want to look at that
15 process as well.

16 And finally, we are proposing that after those
17 three steps are completed, that the applicant appear before
18 a board consisting of stewards, a representative of the
19 trainers, and also possibly the official veterinarian, so
20 that that group can determine whether or not the applicant
21 should serve a period of apprenticeship before becoming a
22 licensed trainer. So more on that as it develops. We're
23 going to have probably amend Rule 1503, so we'll be bringing
24 that to the Board when it's ready.

25 Also, Staff will be conducting a workshop in May

1 to evaluate the current Out-of-Competition Testing Program
2 and related enforcement topics, with the goal of expanding
3 the program over the next couple of years. Those are
4 primarily budget issues.

5 The financials for the month, for the month of
6 March, the daytime business, even though there was an
7 additional day of racing, was down a quarter of one percent.
8 The nighttime business, I had two fewer days of racing than
9 last year and was down almost 11 percent. For the year, if
10 we look at everything in, even though both day and night
11 have a net additional one day of racing for January,
12 February and March, daytime business is down half of 1
13 percent, nighttime down 1.8 percent, and all together down
14 .65 percent.

15 But it's interesting to note that the rain totals
16 this year versus last, last year, down south in Arcadia, for
17 January and February and March there was a recorded 1.87
18 inches of rain, compared to this year, 9.3 inches over the
19 same period of time. As a matter of fact, in March on a
20 Saturday -- I'm sorry, on Sunday, March 6th, Santa Anita
21 received 1.3 inches of rain, and then on a subsequent
22 Saturday, a half inch of rain. So that certainly
23 contributes to the -- to the numbers being down a little
24 bit.

25 Up here it's even more dramatic. Over January and

1 February and March last year, Berkeley received 3.2 inches
2 of rain, and this year, 16.7 inches of rain. So the
3 numbers, I think, looked at in that context are certainly
4 better than they appear.

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

6 CHAIRMAN WINNER: Thank you very much.

7 Let' move on then to the public comment period. I
8 have two or three different cards here for people who wish
9 to speak. So let's start with John Valenzuela, representing
10 Local 280.

11 John, are you here? There you are.

12 MR. VALENZUELA: Good morning everybody, Chairman,
13 Vice Chairs, Executive Directors and Commissioners.

14 What I'm here for is, first --

15 CHAIRMAN WINNER: First of all, John, identify
16 yourself for the record.

17 MR. VALENZUELA: Oh, my -- I'm sorry. My name is
18 John Valenzuela, Parimutuel Employees Local 280 Guild --
19 Parimutuel Employees Guild, Local 280, President. I'm here
20 for two -- two comments or two issues.

21 The first issue is I would like to request that on
22 the next agenda, that the ADW licensing issue with Local 280
23 be put on the agenda. I'm asking orally, here at this
24 meeting, and I will follow up with a letter to both Rick
25 Baedeker, Jackie Wagner, and Philip Laird.

1 The next point I would like to make is it was
2 brought to my attention by one of my members to look at the
3 TVG website, and the Channel 602 on DIRECTV. As I was
4 watching the TVG there was a marketing for anybody that has
5 an account to go to any 7-Eleven store to deposit cash money
6 into their account so that they can make -- you know, for
7 their account for betting purposes. So in other words, any
8 individual could go to a 7-Eleven store, and if they wanted
9 to deposit whatever amount of money, cash money, \$40.00,
10 \$100, whatever, to -- to fill their account for betting
11 purposes, they could do it at any 7-Eleven store in the
12 State of California.

13 Now my concern on this issue is, we're already
14 having a problem with on-track wagering. And if that would
15 become the norm and they were to go to a 7-Eleven, there
16 will be nobody on track, which is going to effect on-track
17 wagering, meaning that our purse money would be affected, if
18 I'm not mistaken. I think it's an eight percent take for
19 the purses. Whereas an online wager from an ADW company,
20 there's only two percent for purses.

21 Now this is going to effect on-track handle,
22 attendance. And all in all it's going to affect the -- the
23 whole industry here on track. And I wanted -- that was my
24 main concern, that we need to look into and bring it to the
25 attention of everybody here.

1 The other thing I wanted to say is the company is
2 called pay -- PayNearMe. And they're, I guess,
3 subcontracted by TVG, but they're not licensed by the State
4 of California to be -- take parimutuel accounts. And
5 anybody that would take the money, they're not licensed by
6 the State of California. And you're looking at over 8,500
7 locations in the State of California.

8 So I'd like to bring that to your attention, and
9 we should look into it.

10 CHAIRMAN WINNER: Thank you very much.

11 Are there any questions for John? Anybody have a
12 question for John? No.

13 MR. VALENZUELA: I do want to comment.

14 CHAIRMAN WINNER: Please. Please.

15 MR. VALENZUELA: I think what they're doing is
16 they're targeting -- they're targeting a group of people or
17 demographics of people that are not -- they don't have
18 electronic means or debit cards or anything of that nature
19 to deposit money in their account online. So what they're
20 doing is they're attracting a 25-28 percent demographics of
21 people that only use cash, and that's what their main target
22 is.

23 VICE CHAIRMAN ROSENBERG: I do have a question.

24 John --

25 MR. VALENZUELA: Sure. Go ahead.

1 VICE CHAIRMAN ROSENBERG: -- do you know whether
2 the -- a person can open an account for TVG at a 7-Eleven,
3 or is it just depositing money into an existing account? Do
4 you know the answer to that?

5 MR. VALENZUELA: Actually, at this time I did
6 get -- one of my employee -- or our members down at Los
7 Alamitos was taking a gentleman that was cashing, you know,
8 taking a withdrawal from the account. And he told her that
9 he has used it already. At this time he was just depositing
10 money. I'm not sure if they can withdraw or not.

11 VICE CHAIRMAN ROSENBERG: Withdraw. Can you open
12 an account at 7-Eleven or must --

13 MR. VALENZUELA: I'm not sure.

14 VICE CHAIRMAN ROSENBERG: Yeah.

15 MR. VALENZUELA: I'm not sure.

16 VICE CHAIRMAN ROSENBERG: I don't think so. Okay.
17 Thank you.

18 CHAIRMAN WINNER: Well, that is a key question
19 that -- obviously that impacts this whole discussion, not
20 just whether they can go there to deposit money, but whether
21 or not they can actually open an account there, which I
22 would doubt. But it's something that we ought to find out.

23 MR. VALENZUELA: Well, I think -- I think my main
24 concern is that, you know, everyone in -- everybody that's
25 in this -- in this room here that's involved in horse

1 racing, whether it's the entity of a racetrack or something,
2 has to be licensed through the CHRB.

3 CHAIRMAN WINNER: Yeah.

4 MR. VALENZUELA: Any individual that's working on
5 the racetrack has to be licensed through the CHRB. So --
6 and --

7 EXECUTIVE DIRECTOR BAEDEKER: Well, I would just
8 point out there, John, I think that perhaps, and I don't
9 know, I'm guessing, but perhaps this -- this is a function
10 like PayPal.

11 MR. VALENZUELA: It is.

12 EXECUTIVE DIRECTOR BAEDEKER: Well, they're not
13 licensed. They're licensed by a different California
14 regulatory body as part of a banking industry. They
15 wouldn't, as a matter of fact, be -- unless they were
16 somehow participating, you know, in the opening of an
17 account for ADW or somehow related to the wagering, I don't
18 think they'd be licensed by this Board.

19 MR. VALENZUELA: Well, this institution is
20 basically used for people to pay their utility bills, you
21 know, mainly, you know, I got to pay my rent or I got to pay
22 the water or the electricity, that was their main function.

23

24 But when you're -- you're saying you're making a
25 deposit into an account for the means of parimutuel

1 wagering, that's -- that's into our -- our realm. And I
2 think it effects not only the industry itself, but also
3 labor. Those are our jobs, to collect money, as aggregate.

4 Yes, sir?

5 CHAIRMAN WINNER: Commissioner Choper?

6 COMMISSIONER CHOPER: There's one thing I'm not
7 following. I take it that people who have an ADW account
8 open, right, can just send the -- I mean, if you have an
9 account, you can in some way or another send in money to the
10 ADW; right?

11 MR. VALENZUELA: From what I understand. I'm not
12 sure about the ADWs, about they do that. I do know that
13 most of it is through electronics or debit cards.

14 COMMISSIONER CHOPER: Yeah. But, I mean, they
15 have --

16 CHAIRMAN WINNER: No, no. You can do a debit
17 card, but you can also deposit through a wire transfer or --

18 MR. VALENZUELA: Well, usually -- usually it would
19 come to a location on track and they would deposit cash with
20 a clerk.

21 COMMISSIONER CHOPER: On track, do you think? I
22 don't think.

23 VICE CHAIRMAN ROSENBERG: No, no, no.

24 COMMISSIONER CHOPER: I don't think so. I
25 think --

1 VICE CHAIRMAN ROSENBERG: No, no, no, no.

2 MR. VALENZUELA: No, I'm not saying that that's --

3 COMMISSIONER CHOPER: I don't think these people
4 are even close to the track any other time.

5 VICE CHAIRMAN ROSENBERG: Right.

6 COMMISSIONER CHOPER: That's what I don't
7 understand.

8 MR. VALENZUELA: No. I'm -- then what you're
9 asking is, what is the -- when -- how do they deposit their
10 money?

11 EXECUTIVE DIRECTOR BAEDEKER: Perhaps I can --

12 CHAIRMAN WINNER: I think, yeah, let me just --
13 excuse me for one second.

14 EXECUTIVE DIRECTOR BAEDEKER: All right.

15 CHAIRMAN WINNER: I think the question, John, here
16 is whether or not this is, in fact, obstructing or in any
17 way harming what's going on, what otherwise would go on at
18 the track, and I don't know the answer. But my assumption
19 is that, and somebody can clarify who knows more than I, but
20 my assumption is people either deposit with a debit card or
21 some other form, some other card, or through a wire transfer
22 or a check, et cetera, et cetera, but not necessarily at the
23 racetrack. I mean, when you have a TVG account or an
24 XpressBet account or anything like that, you usually don't
25 go to the racetrack to deposit your money into that account.

1 MR. VALENZUELA: Usually it's online.

2 CHAIRMAN WINNER: Yeah.

3 MR. VALENZUELA: It's online.

4 CHAIRMAN WINNER: It's online --

5 MR. VALENZUELA: It doesn't go up to a clerk.

6 CHAIRMAN WINNER: -- or credit check or some other
7 way.

8 MR. VALENZUELA: A non -- non-licensed clerk.

9 CHAIRMAN WINNER: Right.

10 VICE CHAIRMAN ROSENBERG: Right. Okay.

11 MR. VALENZUELA: So --

12 COMMISSIONER CHOPER: The problem is, these people
13 never get to the racetrack anyway.

14 CHAIRMAN WINNER: Right.

15 MR. VALENZUELA: Well --

16 COMMISSIONER CHOPER: I mean, that's the issue.
17 But whether -- whether they go through a 7-Eleven or they go
18 through a telephone or whatever they're going to -- however
19 they're going to transmit their money, I don't think that it
20 affects you or us.

21 MR. VALENZUELA: Well, I would disagree for the
22 purposes that --

23 COMMISSIONER CHOPER: Yeah. But --

24 MR. VALENZUELA: -- on-track wagering, we're
25 already having a problem --

1 COMMISSIONER CHOPER: Well, if they're on-track --

2 MR. VALENZUELA: -- with the attendance and the
3 handle.

4 COMMISSIONER CHOPER: -- I understand.

5 MR. VALENZUELA: Uh-huh.

6 CHAIRMAN WINNER: Here's what we're going to do,
7 John, we're just going to -- Executive Director is going to
8 find out exactly what the facts are with respect to this
9 issue, and he'll put it in his report for the next meeting.

10 MR. VALENZUELA: Okay. Thank you.

11 CHAIRMAN WINNER: Thank you very much, John.

12 Mr. Balch is next on my list.

13 Alan, are you here? There you are.

14 MR. BALCH: Alan Balch, California Thoroughbred
15 Trainers.

16 I just want to elaborate a little on my public
17 comments from the last meeting because we have a couple of
18 additional Commissioners here.

19 I'm standing today representing the Arcadia
20 Historical Society Walk of Champions, California
21 Thoroughbred Horsemen's Foundation, Winners Foundation,
22 California Thoroughbred Foundation, the City of Arcadia, the
23 Stronach Group, Del Mar Thoroughbred Club, the Los Alamitos,
24 Thoroughbred Owners of California, and the CTT. Pretty
25 amazing to have in this fractious industry of ours to really

1 have everybody get together for a great fundraiser on May
2 the 24th at the Arboretum to induct Zenyatta, Lava Man,
3 Chris McCarron, Gary Jones, Ron McAnally, Mike Mitchell, Mel
4 Stewdy (phonetic), Buddy Johnston's Old English Rancho, and
5 Joe Bertam (phonetic), with special recognition for Victor
6 Espinoza in a fundraiser.

7 I have a lot of invitations here. I know
8 everybody has their checkbook with them. I would be great
9 to sell a few tables and get the invitations around. We
10 also have a website, ArcadiaChampions.org. Please visit it.
11 And we look forward to seeing everybody May 24th.

12 CHAIRMAN WINNER: Thank you. Bring me an
13 invitation, Alan. I don't have my checkbook with me, but
14 thank you.

15 VICE CHAIRMAN ROSENBERG: Go to the 7-Eleven.

16 CHAIRMAN WINNER: Yeah. Richard said, "Go to the
17 7-Eleven."

18 Are there any other comments during the public
19 comment period? Anybody else have anything to say?
20 Anything from the Board?

21 You want to give that to -- behind you?

22 MR. LAIRD: Either way.

23 Okay, Dorothy Burt, you want to come up please?
24 If you could state your name and organization?

25 MS. BURT: Good morning. My name is Dorothy Burt.

1 And I'm a member of ARAC, which is the Arabian Racing
2 Association of California. And I know Arabians are not
3 really what this group is involved with, but I wanted to --

4 CHAIRMAN WINNER: We do.

5 MS. BURT: Well, some of you admit it.

6 CHAIRMAN WINNER: The Board is. The Board is.

7 MS. BURT: What I have that I will leave with the
8 Board is a summary from last year of the purses in
9 California, the handles, the overnights, the stakes' races,
10 and how the Arabians did. Now I understand that putting
11 the -- and this is even having Arabians in the first or
12 second race, which generally does not handle as well. It
13 shows that we carried our weight. We filled races. And we
14 made it possible for thoroughbreds to move higher on the
15 card and not run for small purses. It's a lot more
16 economical to pay less to the Arabians to fill a race or the
17 card, and it's okay. But we are losing races this year and
18 I'm little concerned. We're also losing venues. And I'm
19 very interested to hear what you have to say about Stockton,
20 and the Oak Tree at Pleasanton which I understand is no long
21 longer viable.

22 And I just was really looking to get a feeling of
23 where this organization is going. Because the problem with
24 Arabians is the insurance. We can only get insurance from
25 State Fund Insurance. And it is costing us close to \$300 a

1 horse per start, \$293 to be exact, and this is driving
2 people out of the industry.

3 I've been in Arabian racing since 1985 when it
4 first started. We went up to Ferndale. I've raced in
5 Grants Pass, looking for places to race. And, okay,
6 California has really done well by us and has added races,
7 and we've supported racing in California. However, the --
8 this burden of the insurance, which is only in California --
9 California is the only state which makes you pay insurance
10 when you start a horse. In every other state, jockeys are
11 independent contractors and they carry their own insurance.

12 And many of the people, like myself, who have one
13 or two horses are being driven out of the business. I'm
14 not -- if you have a winning horse, like I luckily had last
15 year, it's worth it, it pays for itself. But if you have a
16 race filler, like I've had many, \$300 a head when they don't
17 bring in that for racing, it's a non-starter. You might as
18 well just let him sit out in your field.

19 So I'm just looking for some information, maybe to
20 be put on the agenda. This insurance has been going on a
21 long time, the insurance issue. And we tried to get out-of-
22 state fund about three years ago and somewhere it got shut
23 down, because they had earned something like \$500,000 and we
24 had \$2,000 in claims that year. So where is the equity?

25 That was all I had to say. I will leave the

1 information with you.

2 CHAIRMAN WINNER: Thank you very much.

3 Are there any questions?

4 MS. BURT: Thank you.

5 CHAIRMAN WINNER: Any comments?

6 Thank you very, very much. Obviously, the -- the
7 Arabian race that took place at Santa Anita --

8 MS. BURT: My horse was there.

9 CHAIRMAN WINNER: -- yeah, it was a big success, I
10 think.

11 Let's move on then to item number four. I have a
12 number of cards, including two from Scott Daruty.

13 Scott, you're only allowed to speak once, so you
14 don't have to fill out two cards.

15 Okay, let me just read the -- hold on one second.
16 Yeah, I've got it. Okay.

17 Discussion and action by the Board on the request
18 from the California Authority of Racing Fairs, CARF, to
19 reallocate San Joaquin County Fair at Stockton's September
20 21, 2016 through October 4, 2016 race dates to CARF, to be
21 run at the Alameda County Fairgrounds. Thank you.

22 Who's going to make the presentation? Who's going
23 to speak? I don't have anybody from CARF. I don't have a
24 card from you, Korby.

25 MR. KORBY: Mr. Chair, I just -- I just gave Mike

1 a card.

2 CHAIRMAN WINNER: Okay. Well, you're -- go ahead.
3 I know who you are.

4 EXECUTIVE DIRECTOR BAEDEKER: I think -- I think
5 we should start with a -- with a presentation by Staff, just
6 to kind of lay the groundwork for the discussion.

7 MR. LAIRD: Phil Laird, CHRB Staff.

8 Just as sort of a background of why this item is
9 before you now, when the Board allocated the Northern
10 California race dates last August, it was asserted and
11 assumed at that time that San Joaquin County Fair would be
12 operating a two-week horse race meeting, as it had in
13 previous years.

14 In the past month, however, it was brought to
15 Staff's attention that the San Joaquin County Fair does not
16 intend to hold a race meeting this year, and therefore has
17 instead voted to support the transfer of their dates to
18 California Authority of Racing Fairs.

19 Such circumstances were clearly unforeseen at the
20 time the Board considered race dates last August. And
21 therefore, pursuant to our regulations, the Board is
22 entitled at this point to reconsider and potentially
23 reallocate race dates accordingly.

24 Otherwise, I think I'll let the parties speak for
25 themselves regarding what's proceeded since then. But the

1 request officially is that the San Joaquin dates be
2 transferred to CARF. Thanks.

3 COMMISSIONER AUERBACH: Phil, can I ask you a
4 question --

5 MR. LAIRD: Yes.

6 COMMISSIONER AUERBACH: -- about Staff? When you
7 were doing your -- your due diligence on this, where it says
8 "analysis" about asking for these dates, what -- did you
9 guys inquire why they asked for dates and a few months later
10 don't want them? Did you get any explanation from them at
11 all?

12 MR. LAIRD: From San Joaquin County Fair?

13 COMMISSIONER AUERBACH: From the fair that no
14 longer wants to use their dates.

15 MR. LAIRD: No, we did not. We --

16 COMMISSIONER AUERBACH: Okay. Then I will.

17 MR. LAIRD: What we received was the letter --

18 COMMISSIONER AUERBACH: Fine.

19 MR. LAIRD: -- essentially.

20 COMMISSIONER AUERBACH: Then I will. Thanks.

21 MR. LAIRD: Thank you.

22 CHAIRMAN WINNER: Chris?

23 MR. KORBY: Chris Korby, California Authority of
24 Racing Fairs.

25 CHAIRMAN WINNER: Sit down and speak into the

1 mike, please.

2 MR. KORBY: Chris Korby, representing California
3 Authority of Racing Fairs.

4 We have some representatives from -- from other
5 fairs and from Oak Tree Racing Association, all of whom are
6 a party to this request and will be effected by it. And
7 we --

8 CHAIRMAN WINNER: Would any of them speak or each
9 of them please identify yourself and what your organization
10 is, please.

11 Thank you. I'm joined by representatives from San
12 Joaquin County Fair, Mr. Kelly Olds the CEO of that fair.
13 John Barr from Oak Tree Racing Association. Jerome from
14 Alameda County Fair. And Mr. Chillingworth from Oak Tree
15 Racing Association. And thank you. We appreciate the time
16 to speak to this issue.

17 Over the years many of us have come before the
18 Board, asking for the Board to help us resolve issues or
19 differences amongst various parties in the racing industry.

20 And we've consistently heard one admonition and
21 encouragement from the Board: Can you guys go work it out
22 amongst yourselves?

23 And I'm pleased to report today that we've --
24 we've listened to that with respect to San Joaquin County
25 Fair and the racing dates, and we want to come before you

1 with a solution that we think strengthens racing in Northern
2 California. We're asking the Board to reallocate September
3 racing dates from Stockton, to be conducted at Alameda
4 County Fair in September.

5 The Stockton Fair has gone through a real rough
6 patch that's largely been brought on by the downturn in the
7 economy locally. And it's been going through a process of
8 reinventing itself. They -- they're getting the fair back
9 on the right track. But in the -- in the course of doing
10 that, particularly with respect to racing dates that occur
11 in September, they felt that going forward with -- with a
12 focus on a fair in the springtime, springtime or early
13 summer, probably in June, that racing no longer fit what
14 they were doing in the same way that it had before.

15 That's part of an answer to Commissioner
16 Auerbach's question about what motivated Stockton to come
17 forward with this proposal. And Mr. Olds can -- can speak
18 to that himself, as well.

19 As they've been going through this process of
20 formulating where they're -- where they're going to go with
21 their fair, they've been working with CARF and with other
22 fairs to find a way that -- that those fair racing dates
23 could remain at a fair in a way that would strengthen fair
24 racing and strengthen racing in Northern California. And
25 that's -- that's the genesis of how this proposal has come

1 forward.

2 The fairs are completely united on this proposal.
3 And we're pleased to confirm that Oak Tree Racing
4 Association will be joining with Alameda County Fair again
5 this year. And Oak Tree will be part of this September
6 meet, if the Board sees fit to approve it.

7 I'd like to talk about some of the strengths that
8 we think this brings to racing in Northern California.

9 Alameda County Fair in Pleasanton is one of the
10 finest racing venues in Northern California. They conduct a
11 very, very successful fair there. And it's -- the racing at
12 Alameda County Fair is on par with any in the region. The
13 market demographics in Pleasanton are second to none in
14 California. Mr. Hoban can speak to that in a few minutes.

15 CTBA is contributing a significant amount of money
16 to purses for Cal Bred races at the fairs this summer. If
17 we are able to secure these dates for Alameda County Fair,
18 we will dedicate a significant portion of that Cal Bred
19 money toward races run at Pleasanton.

20 Alameda County Fair, which drew over 470,000
21 people last year during its fair, will be offering a full
22 range of complimentary promotions and attractions to go
23 along with this -- with this meet, if it's approved.

24 I would add that Alameda County Fair plays a
25 critical and vital role for Northern California in providing

1 a stabling and training facility year-round for horses in
2 Northern California. And we -- we urge the Board to look at
3 our proposal favorably because it will -- it will be an
4 industry vote of support for the role that Alameda County
5 Fair plays in stabling and training in Northern California.
6 They've done this for years as a money-losing proposition.
7 We're trying to turn that around. This will help them in
8 the financial situation, with respect to stabling and
9 training. Once again, Mr. Hoban can speak to some specifics
10 on that.

11 I want to emphasize that -- that our proposal will
12 have no effect on Golden Gate Fields, because what we're
13 proposing is moving fair racing dates from one fair location
14 to another fair location, in the same slot in the calendar,
15 the location would be changed from what it is presently.

16 Keeping these dates at a fair also has an impact
17 on other fairs in another -- for another reason. Through
18 CARF, the racing fairs that are members of our organization
19 share their expenses through the course of the summer. CARF
20 provides a cooperative clearinghouse kind of arrangement
21 under which fairs pool their resources, they engage in
22 contracting services as a group through CARF, and we
23 allocate the expenses that they incur largely on the basis
24 of racing days. We -- we want to keep those days as fair
25 racing dates so that it does not have an injurious impact on

1 other fairs, because of the -- the formulas for our cost
2 sharing.

3 If we -- if the Board -- if the Board agrees
4 with our proposal and allows us to go forward with it, CARF
5 will add a stake's race during that meet at Pleasanton. So
6 it will enhance our program with the addition of a stake's
7 race.

8 I would also add that we have an agreement in
9 place already with TOC for our summer racing. And that
10 agreement specifies the purses for different classifications
11 of races. And those -- those purses now compare very
12 favorably with other purses in the region. We are at parity
13 or greater in the purses paid at fairs during the summer
14 with any other racing in the region.

15 One last point I'd like to make about the strength
16 of -- the reasons why we think this strengthens racing in
17 Northern California is that Alameda County Fair is very
18 strong financially, and it's committed to racing for the
19 long term. We think that Alameda County Fair is an
20 outstanding venue to receive these racing dates.

21 Wrapping up, I want to say that time is of the
22 essence for us in this proposal. We brought the proposal
23 forward to the Board as soon as we had agreement amongst all
24 the parties. The last step in the process in our due
25 diligence was formal action by the San Joaquin County Fair

1 to put this proposal forward. The San Joaquin County Fair
2 Board took that action in mid-March. Shortly after that I
3 asked for a meeting with Board Staff and we started to go
4 through the various elements of the proposal that you see
5 reflected in the packet today.

6 We -- we believe that time is of the essence for
7 this. And we ask the Board's approval on this today so that
8 we can proceed immediately with planning and marketing and
9 preparation for this meet in September.

10 And with that, I'm -- we're here to answer any
11 questions. If it's okay with the Chairman, Mr. Hoban is
12 prepared to make some remarks, as Mr. Chillingworth and Mr.
13 Barr.

14 CHAIRMAN WINNER: Please go head. Thank you.

15 MR. HOBAN: Good morning, Commissioners, and thank
16 you for having us and considering this today.

17 CHAIRMAN WINNER: Can you please identify
18 yourself?

19 MR. HOBAN: I'm Jerome Hoban, Alameda County Fair
20 CEO.

21 CHAIRMAN WINNER: Thank you.

22 MR. HOBAN: I'd like to just start with the level
23 of excitement that we have in our organization for the
24 consideration of these race dates. Our entire organization,
25 our Board of Directors, our community is buzzing about this

1 opportunity that has not happened, other than our three
2 weeks of racing during fair. So there is a wide range of
3 support to move more -- more racing to the Alameda County
4 Fair.

5 This is a fair that has an attendance of over --
6 about 500,000 a year, with the addition of another 1.5
7 million people that visit the property every single year.
8 It's a very well-known event facility in the -- in the Bay
9 Area, in the Tri-Valley. The demographics in the Tri-Valley
10 from Walnut Creek to Danville to Pleasanton, Dublin, are off
11 the charts, in fact, maybe the highest in the nation. Per
12 capita income for a household is well over \$100,000. It is
13 a region that can take this event to another level.

14 The Alameda County Fair has traditionally, and of
15 course, this year, over a \$500,000 marketing spend in the
16 Bay Area to market the annual summer fair. We'd like to
17 parlay that marketing buy into the September race dates,
18 with additional dollars during the September dates. So we
19 believe that this is going to be a win-win for racing, for
20 the CHRB, for the community. And there's no better place to
21 move these dates. And it's going to also help all of the
22 fairs. And our partnership with Oak Tree is -- this is only
23 the next step in it for the -- for the future.

24 So additionally, we would like to have an event
25 every day of racing, everything from a brew fest to a

1 bourbon and barbeque festival, to food truck extravaganzas,
2 to have family days. So there is something dedicated to
3 every day of racing while it's there in September.

4 So again I repeat, we are extremely excited. The
5 entire community has been chattering about this discussion.
6 And we just hope that we have your support and that we move
7 Northern California racing to another level, so thank you.

8 MR. BARR: I'm John Barr. Excuse me. I'm the
9 President of the Oak Tree Racing Association. As you all
10 know, Mr. Chillingworth actually runs this organization, but
11 I'm the titular head, as it were.

12 This is a move on our part to -- part of our
13 missions, basically. Our mission has been to make money in
14 horse racing to support our charitable efforts back towards
15 the racing industry. We've been struggling with that ever
16 since we departed Santa Anita. We're still on a mission to
17 do that where it's possible. We've been -- invested a lot
18 of money in the last two seasons at the Pleasanton Fair. We
19 still see future there.

20 We think that we can do that here with these
21 dates, as well. It will be a challenge. We're changing the
22 venue. For those people who have been attending the races
23 in Stockton, well, now we're not sure they're going to be
24 there at Pleasanton, but we hope that we've got a market
25 there that will support it. We've got a good purse

1 structure lined up.

2 And if you've got any more detailed questions,
3 I'll be -- I'll try to answer them, or perhaps I might even
4 lean on Mr. Chillingworth to do that for me.

5 CHAIRMAN WINNER: Thank you.

6 MR. CHILLINGWORTH: Sherwood Chillingworth, Oak
7 Tree Racing Association.

8 As you know, two years ago we moved in with the
9 Pleasanton -- the Alameda County Fair. We had a great
10 relationship with their staff and with their Board of
11 Directors, and that continued on the next year.

12 One thing I'd like to point out is I've talked to
13 several people who I thought their opinion was valuable, and
14 they all told me Oak Tree should be up in Northern
15 California trying to stimulate the continuation of that fair
16 system.

17 We put our money where our mouth was. We've
18 expanded over \$600,000 in the last two years at Pleasanton,
19 at Alameda County Fair. And we think that we have a chance
20 of growing the business here with having another two weeks
21 of racing. I think these -- these dates have to stay within
22 the State Fair venue. It makes no sense for them to have --
23 run here for 100 years or so as a State Fair and gradually
24 being picked off one at a time, and the structure begins to
25 crumble. And I think it's very important --

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COMMISSIONER CHOPER: Is that a matter of statute, that the weeks that we're talking about are allocated to the State Fairs?

MR. CHILLINGWORTH: My understanding is they cannot be allocated elsewhere without a statutory change.

COMMISSIONER CHOPER: So I think the answer to my question is, yes, that the --

VICE CHAIRMAN ROSENBERG: I don't think so.

EXECUTIVE DIRECTOR BAEDEKER: Is -- Commissioner Choper, is your -- is your question about the nature of these dates remaining State Fair dates, are they going to be allocated to a State Fair?

COMMISSIONER CHOPER: To a fair, that's right.

EXECUTIVE DIRECTOR BAEDEKER: I believe the answer, I can be corrected by Counsel here, but I believe the answer is, no. My understanding is that the Stockton Fair is relinquishing its dates. And I believe that this Board has the ability to allocate them any way it so chooses. And this is a proposal before you to that effect.

CHAIRMAN WINNER: Can I ask a question, as long as we're on that subject?

Would it not be -- would it not simplify the matter if -- if you did what was done in Southern California where the Los Angeles County Fair race dates were run at Los

1 Angeles at Orange County, given that the -- that the -- I
2 think Mr. Chillingworth is not correct, that statutorily
3 they're required to stay with the fairs?

4 What would happen if you did it -- if you -- if
5 you went that direction, Chris?

6 MR. KORBY: We -- we would -- we would consider
7 that and be in favor of that if -- if the San Joaquin County
8 Fair was comfortable with doing that.

9 VICE CHAIRMAN ROSENBERG: Well, that raises
10 another question. How long of -- how long of a deal did you
11 make amongst yourselves for -- with the Stockton Fair to
12 relinquish their dates to Pleasanton?

13 MR. KORBY: We're -- we're asking that those dates
14 be transferred for 2016.

15 VICE CHAIRMAN ROSENBERG: Just for one year?

16 MR. KORBY: Right.

17 VICE CHAIRMAN ROSENBERG: So theoretically it
18 would come back to Stockton next year? Only -- they'd only
19 be relinquishing one year; correct?

20 MR. KORBY: Theoretically, yes.

21 VICE CHAIRMAN ROSENBERG: Yeah. So I think it's
22 really the form -- form of our substance thing as to
23 whether -- whichever way we do it --

24 MR. KORBY: And I --

25 VICE CHAIRMAN ROSENBERG: -- which --

1 MR. KORBY: And I would also suggest that -- that
2 the fair has not acted to relinquish the dates. The fair
3 has acted to request that they be transferred, to be
4 conducted at Alameda County Fair.

5 CHAIRMAN WINNER: Right. So that's my point. And
6 again, Legal can tell me if I'm totally wrong here, which I
7 may well be. But it seems to me there is a big difference
8 in terms of State Law with respect to who has the right to
9 those dates if you do it one way versus the other. If you
10 relinquish the dates, then the Board has the opportunity to
11 grant them to whomever the Board chooses. But if you
12 just -- if you're doing what we did in Southern California
13 where you're running the -- the Stockton Fair at -- at
14 Pleasanton, then you still are holding on to those dates.

15 VICE CHAIRMAN ROSENBERG: Well, we still have
16 approval, I believe, of that.

17 CHAIRMAN WINNER: Yeah, we do.

18 VICE CHAIRMAN ROSENBERG: Correct?

19 CHAIRMAN WINNER: Yeah.

20 VICE CHAIRMAN ROSENBERG: Yeah. Yeah.

21 CHAIRMAN WINNER: But we can't -- I don't -- I
22 don't know that we can reallocate them if --

23 VICE CHAIRMAN ROSENBERG: It's --

24 CHAIRMAN WINNER: -- they don't relinquish them.
25 That's -- that's the question.

1 VICE CHAIRMAN ROSENBERG: It's just that --

2 COMMISSIONER AUERBACH: In other words, if this is
3 approved, then Stockton would have --

4 VICE CHAIRMAN ROSENBERG: But the --

5 COMMISSIONER AUERBACH: -- to use the dates.

6 VICE CHAIRMAN ROSENBERG: But the difference here
7 is, though, we have a unique situation where in L.A. -- in
8 L.A. you had a fair running that was running their racing
9 just down the road in Orange -- in Orange County.

10 CHAIRMAN WINNER: It wasn't that -- not down.

11 VICE CHAIRMAN ROSENBERG: Yeah. But at least it
12 was a significant road --

13 CHAIRMAN WINNER: It's a long road.

14 VICE CHAIRMAN ROSENBERG: -- distance. But here
15 we're talking about a different situation altogether, aren't
16 we. We're not --

17 MR. KORBY: I think that was the question, Mr.
18 Chairman. Would -- would the Board consider approval of --
19 of such a modification to our request today?

20 CHAIRMAN WINNER: Well, no. I mean, I'm just
21 raising the -- I don't know what the Board is going to do.

22 MR. KORBY: Right.

23 CHAIRMAN WINNER: I'm simply posing the question
24 because there is an issue here of if the -- if the Stockton
25 Fair is relinquishing their dates, I think it creates a

1 different scenario in terms of State Law. I may be wrong
2 about this, but I think it creates a different scenario than
3 if they simply were running those dates, keeping those dates
4 and running them at a different venue.

5 MR. MILLER: Robert Miller, Counsel of the
6 California Horse Racing Board.

7 This move by the San Joaquin County Fair is no
8 different than what previously happened with the Vallejo
9 County -- San Joaquin -- or the Solano County dates being
10 transferred to Golden Gate Fields some years ago. There was
11 no need for any statutory modification. The dates were
12 just -- were just transferred by agreement.

13 CHAIRMAN WINNER: Well, I'm not suggesting,
14 Robert, that there's need for statutory modification.

15 MR. MILLER: Okay.

16 CHAIRMAN WINNER: I'm simply asking the question
17 of if --

18 VICE CHAIRMAN ROSENBERG: Is there --

19 CHAIRMAN WINNER: -- if the -- if it was a
20 transfer from one fair to another, does that then remove the
21 Board's ability to take those dates away from a fair and
22 give them to a non-fair?

23 MR. MILLER: This -- Robert Miller again,
24 California Horse Racing Board, Counsel.

25 This Board is authorized to allocate race dates.

1 There are limitations in the statute as to the number of
2 thoroughbred races that can be run in Northern California
3 and Southern California, the Central Zone and the Southern
4 Zone. There are limits on the number of weeks, but I think
5 that's the only limitations.

6 VICE CHAIRMAN ROSENBERG: Isn't there a minimum
7 number of fairs -- isn't there some reference in those
8 limitations on the number of weeks? Don't they reference
9 fairs in there or no --

10 MR. MILLER: That's correct.

11 VICE CHAIRMAN ROSENBERG: -- or not?

12 MR. MILLER: They do.

13 VICE CHAIRMAN ROSENBERG: They do. And do they --
14 so is there a limit on the number in the Northern Zone
15 versus the Southern Zone or the Central Zone?

16 That's what the Commissioner is asking, I think;
17 right?

18 CHAIRMAN WINNER: Yeah. Yeah.

19 VICE CHAIRMAN ROSENBERG: Is there -- yeah. I
20 would --

21 CHAIRMAN WINNER: What I'm trying to determine is
22 since these dates were granted to the fair statutorily in
23 the statutes, how many -- are there maximum weeks or minimum
24 weeks that the fair must -- that the fairs must have race
25 dates?

1 VICE CHAIRMAN ROSENBERG: Yeah.

2 MR. LAIRD: The only thing I -- Phil Laird, CHRB
3 Staff.

4 Continuing on what Mr. Miller was saying, no,
5 there's not a statutory requirement that any fair be
6 allocated a certain amount of weeks, at least not in the
7 context right here with the San Joaquin County Fair.

8 Pursuant to your question specifically, though,
9 Business and Professions Code 19530 says,

10 "The decision of the Board as to such racing days,
11 dates and hours shall be subject to change, limitation
12 or restriction only by the Board."

13 And otherwise, that's the only specification
14 regarding the Board's ability to reallocate dates.

15 Now in the regulations, actually, the Board is
16 further limited to only changing dates after the calendar
17 has been set. In the -- let's see. Specifically it says,

18 "Once the calendar is completed, the racing weeks and
19 dates so allocated shall be subject to reconsideration
20 or amendment only for conditions unforeseen at the time
21 of the allocations."

22 So in that regard, conditions unforeseen is, you
23 know, pretty broad criteria.

24 EXECUTIVE DIRECTOR BAEDEKER: I still don't think
25 we've answered the question that the Chairman has put

1 forward.

2 MR. LAIRD: Okay.

3 EXECUTIVE DIRECTOR BAEDEKER: I think to simplify
4 it, I think what we're looking at is the difference between
5 the Stockton Fair saying we don't want them anymore, do with
6 them what we will, we propose that they go to Pleasanton.

7 VICE CHAIRMAN ROSENBERG: For one year.

8 EXECUTIVE DIRECTOR BAEDEKER: Well, and then --
9 you know, because we always do dates on year at a time, that
10 scenario, we give them up, we think they should go to
11 Pleasanton versus the scenario that we've had before with
12 the fair saying we don't want to run our dates at our venue.
13 We're requesting that we run our dates at another fair
14 venue, in this case Pleasanton; right?

15 CHAIRMAN WINNER: Well, this --

16 EXECUTIVE DIRECTOR BAEDEKER: Is that? I think
17 that was.

18 CHAIRMAN WINNER: That is correct.

19 EXECUTIVE DIRECTOR BAEDEKER: I think that's --

20 CHAIRMAN WINNER: That is correct.

21 EXECUTIVE DIRECTOR BAEDEKER: I think that's the
22 legal --

23 CHAIRMAN WINNER: They're not relinquishing their
24 dates for us to then reallocate, they're asking for a change
25 of venue. Those are -- to me those are two very separate

1 things.

2 COMMISSIONER BENETO: Mr. Chairman? Mr. Chairman?

3 CHAIRMAN WINNER: Yes?

4 COMMISSIONER BENETO: I got a call from -- Monday
5 from Karen Ross, Secretary of Ag. And she was concerned
6 about the Stockton dates. Not -- we wanted them to ask us
7 to give them to Pleasanton. And she led me to believe that
8 their fair dates are going to another fair.

9 COMMISSIONER AUERBACH: I don't think she's right.

10 COMMISSIONER BENETO: Well, anyway, her -- she's
11 asked us to consider this proposal of shifting Stockton to
12 Pleasanton.

13 EXECUTIVE DIRECTOR BAEDEKER: And I think another
14 point needs to be made --

15 COMMISSIONER CHOPER: You don't mean consider, you
16 mean grant.

17 EXECUTIVE DIRECTOR BAEDEKER: -- that the question
18 was asked, but I don't think it was answered, and I stand to
19 be corrected here if I'm wrong, but I believe that a fair in
20 the Northern Zone is limited to four weeks of racing. So
21 you couldn't just say these will become Pleasanton Fair
22 dates, for instance.

23 MR. LAIRD: That is correct.

24 EXECUTIVE DIRECTOR BAEDEKER: So you'd have to
25 have another venue running these fair dates at Pleasanton or

1 some other venue.

2 MR. LAIRD: Yes, that is correct.

3 CHAIRMAN WINNER: Okay. So go back to -- Phil, go
4 back to the question of the -- of the separation of
5 relinquishing the dates or moving the dates.

6 MR. LAIRD: I think both options are available.
7 And ultimately, again, based on that limitation I read to
8 you in the regulation, unforeseen circumstances, whether or
9 not Stockton actually has to relinquish those dates, if
10 they've basically made it clear that they do not intend on
11 racing those dates, to me those are still unforeseen
12 circumstances. But at this point, I mean, I guess I would
13 let Stockton speak for themselves in that regard to sort of
14 determine what exactly their action they are taking is.

15 CHAIRMAN WINNER: Thank you.

16 COMMISSIONER AUERBACH: Can we finish hearing from
17 the parties before we get into --

18 CHAIRMAN WINNER: Yeah.

19 COMMISSIONER AUERBACH: -- the weeds. I think
20 we've gotten into the weeds a little bit. I'm still very
21 interested in what was unforeseen, and why they changed
22 their minds about holding their dates.

23 You know, I'm frustrated. We come up here and we
24 do this all the time, and we award dates, and not
25 specifically with the fairs but with a lot of the racing

1 associations, and we'll give them from X date to X date and
2 they shave a date here and they shave a date here. I'm
3 frustrated that people ask for dates that they don't really
4 want.

5 And so when I'm talking about unforeseen
6 circumstances, I want, if you can share it with us,
7 specifically why they would ask for dates in August that
8 they suddenly decided they can't use? I'm just curious.

9 MR. OLDS: Kelly Olds, CEO, San Joaquin County
10 Fair.

11 When the dates were allocated in August, we had
12 not run the 2015 races. Those were run in September.

13 The 2014 season was only marginally profitable for
14 Stockton. I can't say that about the 2015 races that
15 occurred after the race dates were allocated. We lost
16 money. And we can't -- our fair cannot stand to lose again.

17 The race dates in -- that have been allocated to
18 Stockton for the last several years come at a really bad
19 time in our county. It's harvest season. The kids are back
20 in school. It's -- the weather is generally pretty hot.

21 In fact, we had fires in the -- in the foothills,
22 terrible fires, that thousands and thousands of people were
23 evacuated and couldn't come to the fair or the races if they
24 wanted to. There were alerts on all of the TV stations
25 asking people to stay home, out of the smoke. So we had

1 very poor attendance. And the on-track handle wasn't as
2 good as it had been. The off-track handle was horrible, and
3 we -- we ended up losing money.

4 So that's the unforeseen circumstance that
5 occurred after the race dates were allocated.

6 COMMISSIONER AUERBACH: Well, it sounds as if you
7 were heading in that direction anyway and you just were a
8 little bit slower to respond to the economic forces around
9 you. Is that a fair statement or not?

10 MR. OLDS: No, I don't -- I don't think it's fair.
11 We had a profitable season in 2014. And we hope for --
12 hoped for the best in 2015, it just didn't occur. And
13 looking ahead, we don't see the dates after -- after
14 reviewing everything that happened in 2015, we don't see a
15 major change in what we can produce. And it's -- it was not
16 an attractive option for us to put \$500,000 or \$600,000 out
17 on the table and gamble with it. So we --

18 COMMISSIONER AUERBACH: Well, that begs the
19 question of whether you should be just giving up the dates
20 because economically they make the sense, or trying to
21 transfer them. So that's where I'm going to.

22 MR. OLDS: We sat down with CARF, and then with
23 the Alameda County Fair and with others in the industry, to
24 talk about how we could best represent the fair system
25 and -- and allow those dates to be run with the fairs.

1 COMMISSIONER AUERBACH: Well, I hear you best
2 representing the fair system. And my concern, quite
3 frankly, is not the fair system. My concern is thoroughbred
4 racing. So when -- in my view, when we look at it, our
5 biggest concern has to be thoroughbred racing. That should
6 be this Board's, you know --

7 MR. OLDS: I can't disagree with that.

8 COMMISSIONER AUERBACH: Right. As I can't
9 disagree with you trying to do what's best for the fairs,
10 our charge is to do what's best for thoroughbred racing. So
11 that's why I really kind of wanted to hear the rest of what
12 everybody was thinking before we got into specifics about
13 how to do, what to do. So thank you for sharing that
14 information --

15 MR. OLDS: You're welcome.

16 COMMISSIONER AUERBACH: -- with me.

17 CHAIRMAN WINNER: Just to be clear, I think
18 Commissioner, it's not just thoroughbred racing, it's all
19 racing in California.

20 COMMISSIONER AUERBACH: Although thoroughbred
21 racing does fit the bill for most --

22 CHAIRMAN WINNER: Yeah.

23 COMMISSIONER AUERBACH: -- we do have to consider
24 all racing.

25 COMMISSIONER BENETO: Mr. Chairman?

1 CHAIRMAN WINNER: Commissioner Beneto, yes?

2 COMMISSIONER BENETO: The reason why you guys got
3 bombed in 2015, we changed the dates on you by two weeks
4 because of the Breeders' Cup. We moved you guys back two
5 weeks, where you normally run right against Fresno. And I
6 think that hurt you real bad, moving those dates, because
7 it's right in the middle of harvest season. And, of course,
8 you had the fires that killed you. And I've talked to Chris
9 Flaherty, he was chairman of the racing for San Joaquin at
10 the time, and he said between the harvest and the first, it
11 just killed racing at Stockton. So that was your big
12 problem.

13 CHAIRMAN WINNER: Did you have another question,
14 Richard?

15 VICE CHAIRMAN ROSENBERG: No. I'd like to find
16 out if anybody objects to this?

17 CHAIRMAN WINNER: Oh, yeah, there's --

18 VICE CHAIRMAN ROSENBERG: You know, I think --

19 CHAIRMAN WINNER: I've got a whole piles of cards
20 here.

21 VICE CHAIRMAN ROSENBERG: Okay.

22 CHAIRMAN WINNER: Is there anybody else who's up
23 there who wants to speak at this point?

24 MR. KORBY: Mr. Chairman, if I might just add
25 one -- one more --

1 CHAIRMAN WINNER: Sure, please.

2 MR. KORBY: -- thought to what Mr. Olds said here?

3 The San Joaquin County Fair has asked the Board
4 over -- over a number of years to have its racing -- racing
5 dates restored to the June time frame where it traditional
6 runs its fair, and it's continuing to run its fair there.

7 One of the issues with the September dates, and
8 this has been an issue that's come up in discussions before
9 this Board, is that the -- the traditional fair dates now --
10 at San Joaquin now run in June and the racing dates are
11 allocated in September, which has created something of a
12 difficulty with the fair promoting the racing in a way that
13 we all think it should be.

14 I just wanted to add that thought. Thank you.

15 CHAIRMAN WINNER: Any other questions?

16 All right, thank you very much, gentlemen. I'm
17 going to call on some of the other folks.

18 Joe Morris.

19 VICE CHAIRMAN ROSENBERG: Can they stay there?
20 Can they stay there maybe?

21 MR. KORBY: Would you like us to remain here or --

22 CHAIRMAN WINNER: Yeah, I think so.

23 MR. KORBY: We're glad to remain here.

24 CHAIRMAN WINNER: I think that will be fine.

25 And then -- and, Joe, if you could use the podium,

1 that would work, I think.

2 MR. DARUTY: Do you mind if I go before Joe?

3 CHAIRMAN WINNER: I think that would be just fine.

4 Scott Daruty?

5 MR. DARUTY: Scott Daruty on behalf of Golden Gate
6 Fields. And I'm not replacing Joe. I think he does still
7 want to make some comments. But I guess a few things that I
8 wanted to mention.

9 First of all, while it is great and commendable
10 that all the fairs were able to get together and come up
11 with a uniform plan that they could all support, I don't
12 think it's entirely accurate to say that the whole industry
13 supports this plan. Golden Gate Fields was never consulted
14 in this process. The first we learned that Stockton was
15 planning on not running its dates was when this agenda came
16 out. We -- I won't speak for the TOC, but I understand
17 maybe someone from the TOC is going to stand up and also
18 express some opposition to some of the issues that have been
19 laid out by the fair plan.

20 I guess I'm a little bit trouble that this is
21 almost turning into sort of a bypass of the dates'
22 allocation process. We had many, many, many meetings with
23 Commissioners Choper and Beneto. We had a full CHRB meeting
24 where dates were discussed. Dates were granted to Stockton,
25 based on representations that they were committed to racing,

1 they wanted to race live. They wanted the racing at the
2 certain time of year that they were given their dates so
3 that it could take place around, not their traditional June
4 fair but the fair-like activities that they've recently been
5 running in the September time frame.

6 And, you know, it was a very difficult dates'
7 process. There were a lot of difficult issues. Golden Gate
8 was looking for more dates not because we're making tons of
9 money and want to make even more, but because we're trying
10 to ensure the survival of commercial racing in Northern
11 California, and that's not an easy battle. It's an uphill
12 battle and we're committed to it. But as we have, over the
13 last couple of years, had some of our dates scaled back a
14 little bit or had overlaps introduced which cost us money,
15 in this dates' process for the 2016 year we were asking to
16 look at the calendar and let's come up with something new.

17 I don't know if you guys remember. We suggested
18 maybe moving some of the fair racing dates into the October-
19 November time frame, maybe into the early spring time frame.
20 We made a lot of different suggestions, all of which
21 ultimately were -- were not adopted. And I, in my opinion,
22 I think the reason that they weren't adopted was because
23 there was this sort of mandate. The fairs need to run in
24 the summer. The fairs need to run at their traditional
25 locations. We need to support the fairs. Stockton is

1 trying to make a go of it, so let's give them their dates
2 again.

3 And I feel like all that is now sort of off the
4 table, and before you is you a decision you're being asked
5 to make today to move the dates from Stockton to -- to
6 Pleasanton. Frankly, if we would have had time, we would
7 have put in a request that the dates be moved to Golden Gate
8 Fields. Now whether you would have approved that or not, I
9 don't know. But it seems like there should be a process
10 now, if these dates are not going to be run at Stockton,
11 there should be a fair and reasonable process put in place
12 for everybody to make their requests and the Board have --
13 have an opportunity to decide what is best. I don't think
14 you could decide today to give the dates to Golden Gate
15 Fields, that's not on the agenda. I think that you would
16 have to go back and move it for a month.

17 So I guess that's my first point, is it's just a
18 little bit troubling to me that we haven't had an
19 opportunity, other than me speaking right here, to really be
20 heard or even put a request on the agenda.

21 Again, the notion of supporting the fairs, we
22 understand. And fairs are an important part of the
23 community, and we get that. And the fairs that are making
24 investments and are -- and are actually bettering racing,
25 making a contribution to racing, by all means, they should

1 continue to race. But I don't know that it's appropriate to
2 allocate dates to Stockton if -- if Stockton itself doesn't
3 want to run them, just so that the Stockton dates can be
4 moved to Pleasanton.

5 Maybe the right answer is Pleasanton should run
6 more dates, but it should be because you already gave them
7 to Stockton and now they're going to moved there. It should
8 be because you've heard all the issues and decide you want
9 Pleasanton to run five weeks next year instead of two or
10 three.

11 Yes?

12 COMMISSIONER CHOPER: The thing that Stockton is
13 moving them because it thinks it's going to benefit
14 Stockton, I take it? I mean, you're not here making a gift
15 to Pleasanton. You think this is the best thing for you
16 folks; is that right?

17 MR. OLDS: Kelly Olds, CEO, San Joaquin County
18 Fair.

19 Yes, it will benefit Stockton, but I think it will
20 benefit Pleasanton, as well. Our -- our race fans in
21 Stockton can travel to Pleasanton, just as easily as they
22 could come to Stockton. It's not that far away.

23 COMMISSIONER CHOPER: What's the -- what's the
24 drive, realistically?

25 MR. OLDS: Well, it depends on the time of day.

1 COMMISSIONER CHOPER: Yeah, I know. Well --

2 MR. OLDS: This morning it was three hours to get
3 here.

4 COMMISSIONER CHOPER: Not in the middle of the
5 night.

6 MR. OLDS: Less than -- less -- I've driven from
7 my office to the office in Pleasanton in less than an hour.

8 COMMISSIONER CHOPER: Uh-huh. And you think
9 Stockton people are going to drive up there?

10 MR. OLDS: I've had people call after this made
11 the newspapers and say, you know, I fully intend to continue
12 to go to the races in Pleasanton.

13 COMMISSIONER BENETO: You're going to keep your
14 satellite open, aren't you?

15 MR. OLDS: Of course.

16 CHAIRMAN WINNER: So, Scott, let me --

17 COMMISSIONER BENETO: Wait a minute.

18 CHAIRMAN WINNER: Yeah, Scott, do you want to
19 finish? And then I think there are --

20 MR. DARUTY: Yes. So let me --

21 CHAIRMAN WINNER: -- other questions.

22 MR. DARUTY: So let me just throw out an example.

23 Pleasanton has expressed the view that they want
24 to run more dates. Stockton is not going to run at Stockton
25 when the Stockton fair takes place. We, during the dates'

1 process, suggested that we thought Golden Gate Fields should
2 be more dates in the summertime because we're tired of
3 having everybody come to this facility when it's cold and
4 rainy, and never when the weather is nice.

5 If Stockton is not going to run around their fair,
6 why doesn't Golden Gate get those two weeks, and why doesn't
7 Pleasanton run two weeks under the CARF umbrella in say
8 October or in say March?

9 I mean, there's all sorts of -- I guess my point
10 is there's all sorts of different possibilities that haven't
11 been considered that were discussed at length back in the
12 dates' process, were dismissed largely because part of the
13 goal was to keep Stockton in the slot they had, and now
14 Stockton is not going to be in the slot they had.

15 So we think that we need to all take a breath,
16 really sit down. We could sit down with CARF and try to
17 come up with something that satisfies the whole industry,
18 not just the fair component of the industry. Thank you.

19 CHAIRMAN WINNER: Okay. Let me -- let me ask this
20 question.

21 So just as I -- so I understand it, you're
22 basically, you're opposing the motion, which means that
23 you're at least, unless something is done at a later time,
24 your -- your position is that the dates ought to remain with
25 Stockton?

1 MR. DARUTY: Well, our position is that the dates,
2 if Stockton doesn't want to run them and they're going to be
3 run somewhere else, then it should be open up for
4 discussion.

5 CHAIRMAN WINNER: That's not the motion, Scott.
6 This motion is simply -- the matter before us is whether or
7 not to move, one way or another, to move the Stockton dates
8 to Pleasanton. If you're opposed to that it means that they
9 would remain in Stockton until something else happens.

10 MR. DARUTY: Golden Gate Fields is opposed to the
11 Stockton dates being moved to Pleasanton.

12 CHAIRMAN WINNER: So you're in favor of them
13 staying in Stockton until something else occurs?

14 MR. DARUTY: Well, if there's going to be a
15 movement, we think all options should be on the table and we
16 should --

17 CHAIRMAN WINNER: Just to -- just -- I understand.
18 I understand what you're saying. You're saying put it off
19 until there's further discussion and Golden Gate can be
20 involved and others can be involved in that discussion.

21 MR. DARUTY: Correct.

22 CHAIRMAN WINNER: But in terms of today's action,
23 if we did not pass this, then the dates would remain at
24 Stockton.

25 MR. DARUTY: I understand.

1 CHAIRMAN WINNER: Okay.

2 MR. DARUTY: Yes.

3 CHAIRMAN WINNER: Just wanted to make that clear.

4 VICE CHAIRMAN ROSENBERG: Well, let me -- let me
5 add to that question and say you're saying that if for some
6 reason that's the way Board voted, you'd be happy if
7 Stockton just closed down and didn't race those two weeks,
8 or would you be willing to try this for one year, in view of
9 the short time period going forward here, in order to get
10 back and meet and have Golden Gate negotiate and try to get
11 the dates and come back to a plan? How detrimental do you
12 think it would be for one year to solve this problem if, in
13 fact, Stockton is saying we don't want to run those dates,
14 we can't afford to lose more money? We can't make them run
15 the dates.

16 MR. DARUTY: I understand you can't make them run
17 the dates. I think the dates were awarded based on
18 representations that they were going to run the dates. And
19 if the --

20 CHAIRMAN WINNER: No, Scott.

21 VICE CHAIRMAN ROSENBERG: Yeah.

22 CHAIRMAN WINNER: I'm not disagreeing with you,
23 because I remember those discussions very well. And it is
24 true, we had a number of discussions with -- with and about
25 Stockton and there was -- there was, I don't want to say a

1 guarantee, but the --

2 MR. DARUTY: And I'm not sure I answered as to --

3 CHAIRMAN WINNER: -- the position was Stockton
4 wants those dates and will run them and they'll do all these
5 things. And obviously the circumstances have changed.

6 I don't know why, frankly, just to go back to this
7 now, as I understand it, if the Breeders' Cup was one of the
8 reasons and the fires were another reason that the profits
9 went down from '14 to '15, I don't think you can anticipate
10 you're going to have fires again in '16. And the Breeders'
11 Cup thing can be -- can be dealt with. But if -- if you
12 don't want to run the dates, you don't want to run the
13 dates.

14 MR. DARUTY: Vice Chair Rosenberg, did I answer
15 your question? I'm not sure if I did or not.

16 VICE CHAIRMAN ROSENBERG: The only part you didn't
17 answer is would -- do you think there's -- I'll put it
18 another way.

19 Do you think there would be time if the Board did
20 not -- just not -- did not vote on this in any way, just
21 kept those dates the way they are for negotiation, to come
22 back next month or at Golden Gate, either, to have a chance
23 to negotiate to get the dates among the parties, or to come
24 back and ask for the dates for Golden Gate for this year?

25 MR. DARUTY: I think, yes, I think there is time.

1 I think the fairest approach would be to put this on the
2 agenda in May and let both parties come in with a request
3 for the dates, and everybody makes their best case, and
4 you're the Board, you make the decision.

5 VICE CHAIRMAN ROSENBERG: You answered the
6 question. Thanks.

7 CHAIRMAN WINNER: Any other questions for -- for
8 Mr. Daruty?

9 Don't go away yet, Scott.

10 (Colloquy between Chairman Winner and Executive
11 Director Baedeker)

12 CHAIRMAN WINNER: Are there any other questions
13 for Mr. Daruty?

14 MR. DARUTY: All right. Thank you.

15 MS. ELDER: Okay. Thank you, Scott.

16 Joe, do you want to speak now?

17 MR. MORRIS: Joe Morris, Golden Gate Fields.

18 I wanted to get up and put Golden Gate Fields on
19 the record as being opposed to number four. We feel that if
20 those dates aren't going to be run at Stockton, that Golden
21 Gate Fields should be considered to run them. We're already
22 running through September 18th. That would just be a
23 continuation of the meet that we have.

24 Those two weeks are in a period in the overall
25 California calendar where there wouldn't be turf racing in

1 the state for the first one, for the first week of it.
2 There would be partial turf when Santa Anita opened on the
3 second week. Golden Gate Fields sits here with the -- with
4 the best turf course in the north. We'd race four days a
5 week. It would be a continuation of the -- the meet that
6 we -- you know, that would end on September 18th.

7 So we, as just previously discussed with Scott, we
8 would like to have a chance to make that presentation and
9 thinks that would be what would put the northern
10 thoroughbred industry in its strongest position.

11 CHAIRMAN WINNER: Thank you. Any questions for
12 Joe?

13 COMMISSIONER AUERBACH: I have --

14 CHAIRMAN WINNER: Yes, Madeline?

15 COMMISSIONER AUERBACH: I have one question.

16 I believe, if I'm not mistaken, that you've asked
17 for six days; right? The fairs?

18 MR. KORBY: Yes.

19 COMMISSIONER AUERBACH: That's six days; right?

20 MR. KORBY: We would --

21 COMMISSIONER AUERBACH: Is that -- is that the --
22 are those -- are those the exact dates, they're six days?

23 MR. KORBY: Yes. We would -- we are proposing
24 that we run the six days that Pleasanton have run in the
25 past, those same six days.

1 COMMISSIONER AUERBACH: And if you --

2 EXECUTIVE DIRECTOR BAEDEKER: Stockton.

3 COMMISSIONER AUERBACH: Stockton, yeah.

4 EXECUTIVE DIRECTOR BAEDEKER: Stockton.

5 MR. KORBY: I'm sorry.

6 COMMISSIONER AUERBACH: No, I got it.

7 MR. KORBY: Stockton.

8 COMMISSIONER AUERBACH: I have a couple of other
9 things I wanted to ask you too.

10 Would you run six days or would you run eight
11 days?

12 MR. MORRIS: We would continue on our schedule,
13 which is a Thursday through Sunday. It would be eight days
14 over those two weeks.

15 COMMISSIONER AUERBACH: And I have another
16 question that is kind of related, but maybe not related, to
17 ask the fairs specifically.

18 Have you considered putting in a turf course at
19 Pleasanton? The turf issue is probably the biggest issue
20 that nobody is really talking about in California. And in
21 just your planning, have you considered putting in a turf
22 course? Because I think that makes a huge difference in
23 everybody's outlook.

24 MR. HOBAN: Jerome Hoban, Alameda County Fair.

25 The simple answer to that is, absolutely, yes. We

1 finished a 2015 visioning plan. And in that document a turf
2 course is sketched in our drawings.

3 Additionally, our partnership with Oak Tree has
4 always been part of that discussion, that if successful and
5 if we can grow the industry and really build Northern
6 California up, that we have willing partners. And our board
7 is fully committing to racing.

8
9 So do I have a guarantee that we can do that? No.
10 Is that in our -- our thinking, our future? Yes, that's --
11 that's absolutely our desire.

12 COMMISSIONER AUERBACH: Maybe one of the gentlemen
13 from Oak Tree could -- could put, you know, numbers and
14 expectations to that so -- because I think this is really
15 germane to what we're trying to get done here.

16 Chillie or John?

17 MR. CHILLINGWORTH: Sherwood Chillingworth with
18 Oak Tree.

19 We are prepared to run four days each week, and
20 turf course. The turf course is a very expensive addition.
21 But if we found that we were progressing and that our future
22 looked bright, we would put the turf course in.

23 COMMISSIONER AUERBACH: Those are very esoteric
24 terms. I'm looking for have you gotten any more specific
25 than that? I mean, have you looked for -- do you have

1 markers that would indicate to you that it's time to -- to
2 go after that?

3 MR. BARR: Those markers might be -- this is John
4 Barr, Oak Tree.

5 Those markers might be available after a couple of
6 weeks of the Stockton dates. Right now with four weeks, I
7 think it's doubtful with the -- with the four weeks that
8 exist at the Alameda County -- or is it three weeks?

9 MR. CHILLINGWORTH: Three weeks.

10 MR. BARR: Yeah, the three weeks that are Alameda
11 County Fair now, I think it's doubtful that the economics
12 would support it.

13 But their board is committed to future racing, and
14 one of the efforts is here before you today. We'll give it
15 a try in those dates. If they can develop that and it
16 becomes a profitable venue, along with what they have, then
17 very likely it's a promise coming true and they could
18 seriously consider it.

19 I don't think I would personally recommend it on
20 the three weeks that they have right now. But that's --
21 that's all I had to day.

22 CHAIRMAN WINNER: Well, let me just follow up
23 because I heard --

24 COMMISSIONER AUERBACH: Chillie made -- yeah.

25 CHAIRMAN WINNER: Yeah.

1 COMMISSIONER AUERBACH: That's what I was going to
2 ask next.

3 CHAIRMAN WINNER: Chillie, I heard you make a
4 point that -- that you'd consider racing four days, a four-
5 day week, four-days weeks. Is that correct or not?

6 MR. CHILLINGWORTH: We thought that in compressing
7 four days into three days you'd have more horses per race,
8 and the purses would be better, and the betting on those
9 races would be more strenuous.

10 One of the things I've -- as John has pointed out,
11 if we could work something out here today where we could run
12 three weeks at Pleasanton, and then take the two weeks of
13 the Stockton dates and run them at Pleasanton, we then have
14 a measure of whether or not it's possible for us to think
15 about doing a turf course. I mean, if we could try that for
16 one -- one year, and if it fails it fails, but if it works
17 it works, and we ought to have that opportunity of doing it.

18 Golden Gate now handled about 75 percent of the
19 racing dates in Northern California. And now they're
20 looking for another two weeks. And I think some of us
21 should have an opportunity to try that ourselves.

22 CHAIRMAN WINNER: Yes, Richard? Commissioner
23 Rosenberg?

24 VICE CHAIRMAN ROSENBERG: I have a question of Mr.
25 Korby.

1 One thing you mentioned when you were summarizing
2 the benefits that would come from placing these dates at
3 Pleasanton, you mentioned something about stabling. And it
4 brought up -- you were getting into the issue of it would
5 help the facility in terms of having more ability to do
6 year-round stabling and training. Could you explain how
7 that would work and why it would? And how does that -- how
8 does that fit into the legislation that's presently --
9 regarding stabling and vanning in the north that's presently
10 at the legislature right now? How does that fit in? How
11 does it benefit?

12 MR. KORBY: I'll offer a quick thought on the --
13 on the last part of your question first, and then come back
14 to the first part second.

15 With respect to the legislation, I don't know that
16 it would have any bearing on that legislation. My thoughts
17 when I mentioned it in the context of what we're discussing
18 today, stabling -- the stabling and training in the context
19 of what we're discussing today is that part of our longer-
20 term vision for Alameda County Fair, going back to the days
21 when Bay Meadows closed, is that Alameda County Fair would
22 have an opportunity to race more dates, which helps them
23 generate revenues to offset the costs of providing stabling
24 and training facilities. And in this case, if they were --
25 if they were able to add the two weeks we're talking about,

1 that's additional revenue to the fair that helps their
2 financial position on revenues generated from horse racing,
3 which consequently would help their financial position with
4 respect to costs for stabling and training.

5 VICE CHAIRMAN ROSENBERG: It would help them. But
6 would it help reduce the costs of stabling and vanning
7 overall that fits into this overall Northern California
8 picture on stabling and vanning?

9 MR. KORBY: Well, it would insofar as if they were
10 conducting racing they would not be compensated out of the
11 Stabling and Vanning Fund. Yes, in that sense it would. It
12 would -- there would be a direct consequence financially to
13 the Stabling and Vanning Fund, yes.

14 Mr. Chairman, if I might add -- add one thought or
15 response to Commissioner Auerbach's question about a turf
16 course?

17 Back in 2009, CARF undertook a major planning
18 effort with Alameda County Fair, looking at significant
19 improvements to their racing facilities that included a turf
20 course as part of the plan. And there were also
21 improvements to the grandstand that we were looking at. We
22 engaged an architect, Froelich, Kow and Gong. They've
23 designed many racetracks around the world. They designed
24 the Del Mar racetrack. In fact, when we -- when we started
25 the work we determined that, in fact, in the 1960s their

1 firm had designed the Alameda County Fair grandstand
2 already. So we've undertaken that.

3 The chief impediment to proceeding with a turf
4 course is the number of racing days. There's not sufficient
5 revenue generated from the -- the small number of racing
6 days that Alameda County Fair has during its fair to justify
7 the substantial investment in a turf course.

8 So if -- if we were able to look at scenarios in
9 which racing days were expanded at Alameda County Fair, the
10 financial possibilities and financial prospects for a turf
11 course are enhanced accordingly.

12 CHAIRMAN WINNER: Commissioner Choper?

13 COMMISSIONER CHOPER: My sense, Joe, is --

14 CHAIRMAN WINNER: Joe, do you want to come back?
15 I think he has a question for you.

16 COMMISSIONER CHOPER: -- is that the track --
17 look, any racetrack, it seems to me, what we've noticed over
18 the past several years, even Santa Anita, can only take so
19 much, particularly in respect to the turf course. They
20 were -- they had a number of -- a number of days here in
21 which they had to take it off the turf course. And
22 that's -- you know, because there's only so many -- so
23 many -- look, that's my sense, I don't run on them, but it's
24 my sense that there are a limited number of times that you
25 can use that turf course.

1 And I've always thought that Pleasanton is -- you
2 know, when -- it serves very much the market that Bay
3 Meadows served which, you know, it's a different market than
4 when Bay Meadows was there. But you've got the whole -- you
5 know, from San Jose down to Silicon, you know, through
6 Silicon Valley, and it's right there.

7 So if it were a question of, well, one's going to
8 live and one's going to die, and that's often, you know, the
9 way this thing gets dramatized, that's one question. But I
10 just think that the north -- I'm going to interrupt myself.
11 We've seen that with Del Mar being asked to take some dates
12 from Santa Anita so that the, you know, the race course can
13 maintain itself in some way.

14 So my own thought is that for the long run, if
15 we're going to try to save anything here, that developing
16 more dates at Pleasanton is a good thing. Now that's my --
17 that's my instinct. And I think I must say this, I mean,
18 I've said it, but repeating something is not something which
19 I'm unknown for, and that is -- and I think it has to do
20 with Golden Gate, as well, in respect to their ability to
21 have these races. You know, you could say we -- you know,
22 when you say we had a lot of rain here, less -- less than we
23 had last year, to this date. If you take a look at what --
24 I mean, believe me, we all look at them up here, we're
25 praying for rain.

1 So I think I don't know if I'm in favor of putting
2 it over for another week, although I think, you know --

3 CHAIRMAN WINNER: It would be another month.

4 COMMISSIONER CHOPER: -- a month, I mean, a week,
5 a month, they all go by. I think Scott makes a fair point
6 about saying that you weren't part of this conversation.
7 But if -- nonetheless, I have a pretty good sense of where I
8 come out on the conversation, for the reasons that I've
9 indicated, and that is let -- let Stockton give their dates
10 to Pleasanton, and let's try to encourage Pleasanton to
11 develop a turf course of some kind.

12 COMMISSIONER BENETO: Is that a motion, Mr.
13 Choper?

14 COMMISSIONER CHOPER: No, I'm not making any
15 motions.

16 CHAIRMAN WINNER: Okay. We have a number of other
17 people who want to speak on this.

18 Scott, I don't know whether you want to be -- you
19 have the right to respond, Scott or Joe --

20 MR. MORRIS: Yeah.

21 MR. DARUTY: Yeah.

22 CHAIRMAN WINNER: -- to the --

23 MR. DARUTY: Scott Daruty on behalf of Golden Gate
24 Fields. Just a quick response.

25 Commissioner Choper, we actually agree with you.

1 Pleasanton is a great facility. Yeah, right that down.
2 It's a great facility and it -- and it probably should run
3 more than three weeks. And we would be supportive of it
4 running more than three weeks.

5 The challenge is when you give the fairs the
6 entire summer and Golden Gate, October to June, that's what
7 we -- what's what we debate. In fact, you mentioned in
8 Southern California, and Del Mar has actually taken dates
9 from Santa Anita, but we didn't just add them into the
10 summer; right? Del Mar now runs two separate meets at two
11 different times of the year, and Santa Anita runs two
12 separate meets at two different times of year.

13 That's our point, is that we should look at what
14 calendar makes sense. Thank you.

15 COMMISSIONER BENETO: Scott --

16 CHAIRMAN WINNER: All right. I have -- I'm sorry.
17 Steve, go ahead. Commissioner Beneto?

18 COMMISSIONER BENETO: You know, I've been around
19 this racetrack for -- since 1966, and Pleasanton has always
20 been a backup to Golden Gate. And I'm really disappointed
21 that you guys are -- what you said today about Pleasanton
22 maybe not -- shouldn't have the dates when they -- for the
23 Stockton -- or the Stockton dates.

24 If it wasn't for Pleasanton and the training
25 center that trained -- that use that as an overflow, it's

1 been an overflow for Golden Gate for years, it's about time
2 we throw them a bone and be nice to them, because they're
3 the only place in Northern California that operates a year-
4 round training center. And it's too bad we don't have more
5 horses to go over there.

6 But I agree with Jesse that we should award these
7 dates to Pleasanton for this year.

8 CHAIRMAN WINNER: Okay. We have other -- we have
9 some other people who want to speak on this issue.

10 Mr. Burt?

11 MS. BURT: Miss.

12 CHAIRMAN WINNER: Oh, Ms. Burt. I'm sorry. It
13 says D, and I didn't know.

14 MS. BURT: I know.

15 CHAIRMAN WINNER: I apologize.

16 MS. BURT: I don't like the --

17 CHAIRMAN WINNER: I apologize.

18 MS. BURT: I am in support of transferring the
19 dates from Stockton to Pleasanton. My horse this year is
20 based on Pleasanton, but for the last two or three -- well,
21 forever, we've raced in Stockton. And the last couple of
22 years it has been a ghost town. It's been hot and dusty and
23 a ghost town. We have been in the stands and there are very
24 few people because there is no activity on the grounds.
25 It's the races. And people come. Obviously, they're there

1 because they want to see the races. But there isn't very
2 much else going on. I can see where San Joaquin is losing
3 money.

4 I would like to add two things.

5 When you closed the Solano County Fair, and it
6 sounded like the dates went to Golden Gate, we lost Arabian
7 races. The Arabian races that had been at Solano, because I
8 had one two races there, were gone.

9 Now at Stockton, the sheiks have supported racing
10 over there. And I want -- and that is part of the reason I
11 oppose these dates going to Golden Gate Fields because they
12 won't run a fair meet. They won't run mules, and they won't
13 run Arabs. I can't see them -- you know, I can't see us
14 losing another venue. It's bad enough to have lost Solano.

15 And Ferndale is an awful hard way to go and a long way to
16 go.

17 And so if it comes over to Pleasanton I think the
18 community will be very supportive. And I think we can fill
19 some races and do well by them.

20 CHAIRMAN WINNER: Thank you.

21 Any questions?

22 COMMISSIONER CHOPER: Yeah. I mean, I think that
23 Golden Gate ought to think about that too.

24 MS. BURT: Yeah.

25 COMMISSIONER CHOPER: That's a big -- I mean, I

1 don't see that that's an enormous obstacle to run Arabian
2 horses at Golden Gate Fields.

3 CHAIRMAN WINNER: It's the law.

4 COMMISSIONER CHOPER: Pardon me?

5 CHAIRMAN WINNER: You have to change the law

6 MS. BURT: They can't run a mixed meet.

7 COMMISSIONER CHOPER: Oh, you've got to change the
8 law?

9 CHAIRMAN WINNER: Yeah.

10 COMMISSIONER CHOPER: Well, you know, that can be
11 changed too.

12 MS. BURT: Well, if they want --

13 COMMISSIONER CHOPER: I mean, we did it for -- we
14 did it for Southern California, so it could be done for
15 Northern California.

16 MS. BURT: Yes, because we ran at Santa Anita --

17 COMMISSIONER CHOPER: Right.

18 MS. BURT: -- and Breeders' Cup.

19 CHAIRMAN WINNER: Mister -- I think it's Mr.
20 George Schmidt.

21 George Schmidt? Thank you.

22 Who did I miss? Nick.

23 MR. SCHMIDT: Thank you for the time,
24 Commissioners.

25 Clair and I moved to Pleasanton in --

1 CHAIRMAN WINNER: Well, would you identify
2 yourself please?

3 MR. SCHMIDT: Yes, I'm sorry. Yes. It's George
4 Schmidt.

5 Clair and I own about 150 thoroughbreds. We breed
6 them, we raise them and we race them, and we sell them. We
7 moved to Pleasanton in 1976 and have had box seats in
8 Pleasanton. Even for the five years that we lived in Europe
9 in the 1990s, we kept those seats. And I've been there long
10 enough supporting horse racing as observers and betters, and
11 now for the last 15 years as owners and breeders, that we
12 think there are a few things that -- that I want to make
13 sure everybody knows.

14 The first thing is, the longest running one-mile
15 oval in the United States is in Pleasanton. It isn't
16 anywhere else. It is the longest running one-mile oval
17 track in the country.

18 We're willing, as owners, to support Pleasanton.
19 We took -- it is not Golden Gate's fault that this track is
20 tapeta, but it's a very difficult track for many horses to
21 run on. So in the wintertime I'm forced to move a good
22 number of my horses to Phoenix, and later to New Mexico and
23 back East, into -- into West Virginia so they have a place
24 where they can run.

25 In the summertime, it's my view that tapeta

1 becomes even more difficult for horses to run on. And, yes,
2 there are fewer fatalities, but the injuries to horses, that
3 get horses put down that are not reported at the track with
4 their rear ends and their tendons occur more on tapeta, in
5 my experience, than they do on dirt tracks.

6 Now, we've been threatened and heard for years,
7 all of us in this industry, that the Stronach Group wants to
8 close down Golden Gate and develop it. And given the views
9 that we all see out these windows, you can understand why
10 they would want to. Personally, I don't think that's ever
11 going to happen. The Bay Conservation Development
12 Commission will make that very difficult for them, but it's
13 still something that we all hear. None of us have tried
14 yet, that I know of, to run a meet in Pleasanton that is not
15 in conjunction with the fair. We all know that the fair is
16 hugely successful. We all -- many of us from the north all
17 go there. We think that the Oak Tree addition to Pleasanton
18 has been magnificent. The facilities are upgraded. Jerome
19 has done a good job in changing around a lot of the traffic
20 patterns so that people can get in and out of there easily,
21 so we don't have mile-long backups on Bernal Avenue anymore.

22 But in the end, as an industry and you as the
23 regulators of this industry, we need to know, can Pleasanton
24 support a race meet that is not held in conjunction with the
25 fair and at a time when it's reasonable for Pleasanton to

1 run that?

2 I know Golden Gate is willing to give up all the
3 days that they can't run because there's too much rain, and
4 they'd like Pleasanton to do that, and that's all fine
5 someday. But right now you have an opportunity to find out
6 something that we have never been able to -- to give an
7 answer to: Can horse racing in Pleasanton be supported
8 sufficiently, without having to go to -- without having to
9 have the fair there?

10 I know my three minutes are about up. Thank you.

11 CHAIRMAN WINNER: Thank you very much, Mr.
12 Schmidt.

13 VICE CHAIRMAN ROSENBERG: Thank you.

14 Is there -- are there any questions?

15 Thank you very much, and thank you for your
16 support of racing.

17 Nick Coukos.

18 MR. COUKOS: Nick Coukos, TOC.

19 TOC does not support the move from Stockton to
20 Pleasanton, and we have several reasons why. I'll go
21 through the reasons. I hope I'm not late on my reasons,
22 because I was a little disappointed to hear a couple of
23 Commissioners mention that their minds are made up right
24 now. And I hope that's not the case until you hear all of
25 the facts, because there are some pretty significant

1 business facts that -- the reason why the TOC does not
2 support this move.

3 First of all, I just want to say that the TOC
4 position is and always has been that fair racing is for
5 fairs. And although there's some fair-type activities
6 planned for these six days, it's not fair time. So I think
7 that's really, really important for us to note here.

8 As was mentioned earlier by Joe and Scott, Golden
9 Gate is racing from August the 19th to September 12th. And
10 the continuation of these dates flows very, very well with
11 the least amount of disruption to the horse racing
12 participants.

13 The third point we have is turf racing is
14 available at Golden Gate. And we have to remember, during
15 the September period, we're racing down south at Los Al.
16 There's no turf racing in California for that whole period.
17 And as Golden Gate is doing right now, I'm sure that we
18 could work out a deal with Golden Gate where we'll have
19 another turf festival in September as we're having presently
20 right now, which the first weekend shows that it's a very
21 big financial success.

22 Another point that Mr. Morris mentioned was that
23 Golden Gate is prepared to run four days a week during this
24 period versus the three days that's on the schedule proposed
25 by Pleasanton right now. I know there was a mention that

1 Pleasanton would run four days during that period. We
2 haven't seen any evidence to support that the purses could
3 be enough revenue could be generated to support a four-day
4 meet. And certainly the TOC does not want to be put in a
5 position where we get into a significant overpaid purse
6 position up north. That's the last thing that we need right
7 now.

8 Fifth point the TOC has is the total purse to be
9 distributed in handle will be better at Golden Gate.
10 Therefore, thoroughbred owners would greatly benefit
11 financially during this period. I do have some numbers.
12 The six days at Stockton to Pleasanton forecasted in purse
13 revenue projections would be \$773,000. If we run those
14 eight days at Golden Gate during that same period the purse
15 projection would be \$919,000. That's a significant
16 difference in purse revenue generation during that two-week
17 period.

18 The other point that was brought up was the off-
19 track stabling. Another very, very important point. If
20 those days are moved to Pleasanton and -- and not Golden
21 Gate, it would cost the Off-Track Stabling Fund \$120,000 to
22 make that move. And that's because off-track stabling would
23 be funded by that account to Golden Gate which charges
24 \$16,900 a day, once legislation is passed, versus \$7,100 a
25 day at Pleasanton. That's \$120,000 hit. That's almost two

1 days of racing at Golden Gate, very, very, very important
2 fact here.

3 There was also -- there was also a point made
4 about the CTBA contributing \$50,000 in purse money at the
5 Pleasanton meet. I've been assured by the CTBA that that
6 \$50,000 will also flow to Golden Gate, so that's a wash.
7 There's absolutely no benefit from that perspective.

8 Another point we have is it's frustrating to be a
9 significant stakeholder in this industry and not having any
10 discussion on this matter. Neither CARF nor Oak Tree sat
11 down with us and had this discussion on why this move was
12 happening and the details of the move. We're very, very
13 disappointed in the Oak Tree/CARF relationship that there --
14 during this time frame there is zero, and I say again, zero
15 purse contribution coming from Oak Tree to this particular
16 venue up here. That disappoints us. It looks to us that
17 there's certainly a lot of revenue flowing during this
18 period from Oak Tree to CARF, and that's going directly to
19 their bottom line and not necessarily helping the
20 Thoroughbred Owners of California.

21 And the last point I just want to make -- and I've
22 got a lot of statistics but perhaps this isn't the time to
23 really talk about. I'm really hopeful that we'll be able to
24 move this over to next month's agenda and Golden Gate will
25 be able to make a presentation on the reasons why

1 financially it makes a lot of business sense to do this.
2 We're in the business of racing. We've got to make
3 decisions based on business, not on, you know, other --other
4 factors. We have to make sure that we have a strong
5 industry, not only in Southern California but especially in
6 Northern California. Because our future is uncertain at
7 this time, so we've got to do the right things.

8 That's really the TOC's position.

9 CHAIRMAN WINNER: Thank you, Mr. Coukos. Hold on
10 just a second.

11 Are there -- first of all, let me ask the Board,
12 do you have any questions for Mr. Coukos from the Board?

13 And if not, Jesse, did you -- Jesse, did you want
14 to say something? Okay.

15 COMMISSIONER AUERBACH: Actually, I did.

16 CHAIRMAN WINNER: Yes. Please go ahead.

17 COMMISSIONER AUERBACH: I think one of the things
18 I'm most disturbed about this whole agenda item is the fact
19 that it was not presented to a very significant part of the
20 industry, the owners. And if indeed the proposal to move
21 those dates to Pleasanton is what we decide, and I don't see
22 why it shouldn't be what we decide, if it makes the most
23 sense then I think we're all for it.

24 What I don't understand and has not been addressed
25 by anybody is why it was done in such a fashion where we

1 couldn't compare like to like? And I, for one, as a
2 Commissioner am resentful of the fact that I don't care
3 whether Golden Gate gets the dates or not, and I don't care
4 whether Pleasanton does or not, but I didn't see was an
5 opportunity for both sides to come to us and tell us what
6 was best for racing. And I am watching this kind of
7 procedure happen, and I am not respectful of the
8 participants when they are not respectful to us.

9 And I actually think that it might be awash in
10 terms of financial. It's possible that it would be a wash
11 and that this would be, you know what, it's a wash, let's --
12 let's try this at Pleasanton. But when it is presented in
13 this fashion and said here, this is what we're doing, just
14 rubber-stamp here, I can't speak for the rest of the Board
15 or any of the other Commissioners, but I don't think our job
16 is to rubber-stamp. I think our job is to do what is best
17 for the racing industry. And I think the way this was
18 handled is not best or healthy for the racing industry,
19 because we could have done all of this today if we would
20 have had all the facts in front of us and said, you know
21 what, it looks like a wash, eeny-meeny-miny-moe, or let's do
22 this or let's do that. But when -- when this is brought to
23 us, almost as a fait accompli, which it might very well be,
24 and I might be yelling at the breeze here, I am not
25 supportive of doing business in this fashion.

1 CHAIRMAN WINNER: All right.

2 COMMISSIONER AUERBACH: That's all I want to say.

3 CHAIRMAN WINNER: Mr. Korby --

4 COMMISSIONER BENETO: I didn't hear you, Madeline.
5 I didn't here. What did you say?

6 COMMISSIONER AUERBACH: I'll tell you.

7 CHAIRMAN WINNER: The whole thing?

8 COMMISSIONER BENETO: No, just now. I wanted
9 to --

10 COMMISSIONER AUERBACH: No. I'm not supportive of
11 doing business in this fashion. I think it should --

12 COMMISSIONER BENETO: Oh, okay. I thought I
13 didn't hear that.

14 CHAIRMAN WINNER: Okay.

15 COMMISSIONER AUERBACH: Sorry, Steve.

16 CHAIRMAN WINNER: First of all, let me ask Mr.
17 Korby, I think it would important for you to respond to
18 Commissioner Auerbach question because -- or point, because
19 I do think that there is an issue that is rubbing many of us
20 the wrong way, and that is that, if it is true, that other
21 parties within the industries that are so important, namely
22 TOC, CTT, Golden Gate, et cetera, were not a part of this
23 deliberation and decision. And I'd like you to comment on
24 that.

25 MR. KORBY: I'd be glad to. First of all, with

1 respect to the -- to the timing of -- of how this was
2 brought forward, I think I made reference to it earlier that
3 the last step in the -- in the formal approvals amongst the
4 various parties who would be part of this proposal, the last
5 step in that was action by the San Joaquin County Fair Board
6 acting to formalize the request that they did about their
7 dates. That was in mid-March.

8 Very shortly thereafter I contacted Horse Racing
9 Board Staff and told them what had been -- what the
10 discussions had been and what we were proposing to do. And
11 asked that we sit down together and -- and talk through the
12 various elements of what would be involved in that.

13 We also contacted TOC and told them that we were
14 in the process of going through this. So TOC was informed
15 that we were going to be presenting this material to the
16 Horse Racing Board and asking for it to be put on the agenda
17 for the next meeting if they thought it appropriate and
18 if -- if the materials were indeed in order. So the
19 deadline for the -- for the next meeting was in early April.

20 I also contacted -- contacted representatives of
21 Golden Gate Fields. It was Joe at Santa Anita on -- days
22 before we submitted the material to the Board. All of this
23 was driven by the fact that -- that the -- the approvals, in
24 order for -- that allowed us to proceed with this had just
25 happened.

1 The other element, as far as the timing is
2 concerned, is that if we were not able to get this approved
3 as early as possible, we wouldn't have the time to prepare
4 and market for a September meet in a different location from
5 what was already on the schedule.

6 That's about as simple an explanation as I can
7 offer as to -- and then we brought this forward to the Board
8 respectfully, with the knowledge that at that time anyone
9 who had an interest in the outcome would come before the
10 Board and make its -- make its opinions known, as is
11 happening here today. I'm not sure --

12 CHAIRMAN WINNER: Any other questions of --

13 MR. KORBY: Frankly, I'm not sure what more we
14 could have done.

15 CHAIRMAN WINNER: Are there any other -- any other
16 questions for Mr. Coukos? Because I want to move ahead
17 here.

18 VICE CHAIRMAN ROSENBERG: How many cards are left?

19 CHAIRMAN WINNER: We have two more.

20 VICE CHAIRMAN ROSENBERG: Great.

21 CHAIRMAN WINNER: Mr. Schmidt, I saw your hand up.

22 But let me first call on Mr. Balch.

23 Alan?

24 And I'll call on you next.

25 MR. BALCH: Alan Balch, California Thoroughbred

1 Trainers.

2 I don't see any need to repeat many of the things
3 that have been said before. I have been before this Board
4 on many occasions, talking about the importance of strategic
5 planning. I do think there is a process issue here. We
6 were not called or notified in any way, but we did hear
7 about it on the grapevine, in the wind, and we were advised
8 of it informally. We --

9 COMMISSIONER CHOPER: Could you repeat that
10 please? You were what?

11 MR. BALCH: We were advised of this, the
12 possibility of this application being made, as it is before
13 us today, informally, before we saw the agenda.

14 COMMISSIONER CHOPER: How long before, roughly? I
15 mean, I don't mean to the minute. Three weeks?

16 MR. BALCH: Well, I know it was just -- no, no. I
17 think about a week. I think it was discussed at the -- I'm
18 looking at Bill. It was discussed at the liaison meeting
19 Tuesday. And I had heard some things about it prior to
20 that. And, of course, we were concerned about the next item
21 on the agenda, which is the overall CARF agreement. But
22 certainly, there have been no meetings with us to really
23 discuss many of these back and forths that you've heard
24 already today.

25 Our constituency, the trainers, are divided on

1 this. There -- there are a great many points to be made on
2 both sides, the types of things you've heard today already.

3 So we certainly feel that there should be a lot more
4 thought and the figures and everything else put on the table
5 so we can really see what this -- what this means, the pros
6 and the cons.

7 And I would finally just call your attention to
8 the fact that the full Board is not meeting today. You have
9 a quorum, but there are two Commissioners, one a jockey and
10 another an owner, who are not available today on a decision
11 of this magnitude, which we think is extremely important.

12 CHAIRMAN WINNER: Did you want to respond?

13 MR. SWARTZLANDER: Yeah. Larry Swartzlander, the
14 Chief Operating Officer for CARF.

15 I'd just like to add, we did have a conference
16 call last Tuesday that Alan was bridged on. The purpose of
17 the call is that Alan had chosen that he was not going to
18 sign the agreement for the meet at Alameda. And we
19 discussed the two salient points, one being vanning, and the
20 other one being the Stockton meet. And we talked at length
21 as to what was going on and why we were moving the Stockton
22 dates to Pleasanton. The position right now with CTT,
23 they're still saying that they won't sign their agreement.
24 There's nothing in that agreement that has anything to do
25 with this issue.

1 MR. BALCH: Well, with respect, I think there are
2 a lot of things in this that have to do with that issue.
3 Because I haven't repeated and gone into the stabling and
4 vanning, which is our big, big concern. Some of the
5 Commissioners have raised this issue.

6 What -- I think the statement was made that we've
7 had year-round stabling at Pleasanton, which is the case.
8 But will we have year-round stabling at Pleasanton going
9 forward?

10 Now one of the most I'm things to us in this
11 discussion, and I said we're open-minded, is if it could be
12 demonstrated that because of moving this -- these dates from
13 Stockton to Pleasanton, we could be assured of having year-
14 round stabling at Pleasanton, then that's -- that's a
15 critical factor. Because as of right now our understanding
16 is that the -- the associations and the fairs are intending
17 to make -- attempt to make Pleasanton into a seasonal
18 stabling and training facility, right after the Fresno Fair
19 this year. Now those are things that require strategic
20 planning and thinking. The legislation does get involved in
21 that. It's a complex thing to try to do the right thing.

22 COMMISSIONER BENETO: Can you answer that
23 question, Jerome?

24 MR. HOBAN: This is a -- Jerome Hoban, Alameda
25 County Fair.

1 This is a complex topic. I would just reiterate
2 that when I was brought into the discussion that Pleasanton
3 be a stabling facility, our board supports that. We wanted
4 to be that. And they put together a contract that got us to
5 October 15th or so. And I believe conversations will now
6 start again to figure out what we're going to do past that.
7 It is never the intent that Pleasanton would close and shut
8 down its operations. We want to be open. We want to be
9 part of this industry moving forward. It's just that that
10 agreement happened to be that long because that's what was
11 negotiated. And that was not -- and Pleasanton was not
12 necessarily part of the negotiation. I was able to listen.
13 But CARF did represent us, so --

14 COMMISSIONER BENETO: I got a call from Jerry
15 Hollendorfer. And he's in favor of two things, you staying
16 open year-round for training because he trains a lot of
17 horses there, and he supports you doing the Stockton dates
18 the last two weeks of September. He wanted me to make that
19 announcement.

20 MR. BALCH: Well, I think there are some factual
21 errors right there, but these are the types of things that
22 have to be verified. There are no -- Mr. Hollendorfer, one
23 of the greatest trainers in the history of the sport, does
24 not have horses training at Pleasanton now, but I think he
25 would advocate that Pleasanton be open on a year-round basis

1 for training for the good of the game. And the problem with
2 closing Pleasanton on a seasonal basis, while it may appear
3 tempting, just by the numbers, we're very concerned that if
4 it closes on -- intended to be closed on a seasonal basis we
5 may not be able to open it.

6 We're getting way off this subject though.

7 CHAIRMAN WINNER: Yeah, we're getting way off the
8 subject.

9 MR. BALCH: Right.

10 CHAIRMAN WINNER: The subject before us is the
11 transfer or the reallocation of two weeks from one fair to
12 another fair.

13 MR. BALCH: Correct.

14 CHAIRMAN WINNER: That's what's before us.

15 MR. BALCH: Right.

16 CHAIRMAN WINNER: There are other issues on the
17 agenda, and a lot has been said about Golden Gate. That's
18 not on the agenda either --

19 MR. BALCH: Right.

20 CHAIRMAN WINNER: -- but we've let that go. So in
21 order to move along, there's one item that is before us, and
22 that is moving the two weeks from Stockton to Pleasanton.

23 Mister -- did you want to say something, Mr.
24 Choper?

25 MR. BALCH: Well, I just wanted to conclude,

1 bottom line, we favor it being put over for further
2 discussion.

3 CHAIRMAN WINNER: I understand. Thank you very
4 much.

5 Mr. Schmidt?

6 MR. SCHMIDT: Thank you. George Schmidt, but this
7 time as a California Thoroughbred Breeders Association board
8 member.

9 We have agreed to support Golden Gate heavily on
10 May 1st for their turf festival. We have also agreed that
11 we would support Pleasanton's racing with additional funds
12 in the event that these dates get moved to Pleasanton. It
13 is not true that the board of the CTBA is going to send
14 additional money to Golden Gate, period.

15 CHAIRMAN WINNER: Thank you.

16 All right, is there a motion, or did you have
17 another question, Jesse?

18 COMMISSIONER CHOPER: Well, I see -- I'm sorry, I
19 guess I'm down to six, but it seems to me they're so
20 interrelated, item six on the agenda --

21 CHAIRMAN WINNER: Yeah.

22 COMMISSIONER CHOPER: -- that the CTT and the
23 TOC --

24 CHAIRMAN WINNER: No, we can't grant the license,
25 that is correct. Six, we'll have to put off --

1 COMMISSIONER BENETO: Just the dates.

2 CHAIRMAN WINNER: -- because they have not --

3 VICE CHAIRMAN ROSENBERG: That's right.

4 CHAIRMAN WINNER: That's absolutely correct.

5 COMMISSIONER CHOPER: Okay.

6 CHAIRMAN WINNER: We'll probably --

7 VICE CHAIRMAN ROSENBERG: Right.

8 COMMISSIONER CHOPER: So I guess what --

9 CHAIRMAN WINNER: The license cannot be granted --

10 COMMISSIONER CHOPER: I understand.

11 VICE CHAIRMAN ROSENBERG: That's a different

12 meeting.

13 CHAIRMAN WINNER: It's a different meeting.

14 VICE CHAIRMAN ROSENBERG: Not for this meeting.

15 COMMISSIONER CHOPER: Okay.

16 VICE CHAIRMAN ROSENBERG: It's for the meeting --

17 CHAIRMAN WINNER: So --

18 VICE CHAIRMAN ROSENBERG: -- up at Pleasanton.

19 CHAIRMAN WINNER: -- the meet, what you're

20 referring to is a different meet. And we cannot grant the

21 license until all the documents are in. That's the policy

22 of the Board. It has been. That's what we applied to Santa

23 Anita and Los Alamitos, and we will apply that here. So

24 item six will be put over until the next meeting,

25 regardless. But it's a different meet, and it really is --

1 COMMISSIONER CHOPER: Okay.

2 CHAIRMAN WINNER: -- not relevant to this.

3 So is there a motion?

4 VICE CHAIRMAN ROSENBERG: I'll make a motion.

5 CHAIRMAN WINNER: Yeah, go ahead, Mr. Rosenberg.

6 VICE CHAIRMAN ROSENBERG: I would move to put this
7 over to -- for -- to the next Board meeting, this issue,
8 this agenda item to the next Board meeting.

9 COMMISSIONER CHOPER: Second.

10 CHAIRMAN WINNER: Okay. There's a motion and a
11 second.

12 Can you just explain to us, if I may ask this
13 question, Mr. Korby, what damage would be, if any, would it
14 be to put -- to put over this until the next meeting, given
15 the discussion here today and the sense of the -- what
16 appears to be the sense of the Board?

17 MR. KORBY: In my opinion, it would -- it would
18 set us back in our preparation and planning and marketing
19 for this event in September.

20 COMMISSIONER CHOPER: Well, I understand it will
21 set you back. The question is, judgmentally and
22 subjectively, how much will it set you back, if you can't be
23 objective?

24 MR. KORBY: I would look to others to -- to
25 reflect on that with me in answering this question. Our --

1 my first response is that we would have to look at whether
2 or not we would want to continue with this at all.

3 CHAIRMAN WINNER: Well, if you don't continue with
4 it, then it stays at Stockton. You obviously --

5 MR. KORBY: That's correct.

6 CHAIRMAN WINNER: -- are not in favor of that.

7 MR. KORBY: Well, we've gone to considerable
8 effort to do something that we thought would -- would
9 strengthen fair racing and racing in Northern California by
10 moving those dates to Alameda County Fair. I want to give
11 Alameda County Fair every opportunity to make it as
12 successful as possible. And if we set back the planning and
13 preparation by a full month, we're impairing that.

14 VICE CHAIRMAN ROSENBERG: You still have 60 -- you
15 still have almost 90 days. You still have almost 90 days to
16 promote; correct?

17 CHAIRMAN WINNER: Well --

18 COMMISSIONER BENETO: That's not enough.

19 COMMISSIONER CHOPER: For whatever it's worth, I
20 plan to, as of now, vote for your request. But I also think
21 fairness requires, if the -- if Golden Gate had not --
22 didn't have enough time to make a full presentation in
23 respect to this and both the TOC and the CTT also are
24 looking for a delay, I think they can have their chance the
25 next time. I believe in, you know, letting people say what

1 they got to say, and at least they ought to have that
2 opportunity, although I'm inclined to support what you want
3 to do.

4 MR. HOBAN: Jerome Hoban, Alameda County Fair.

5 The question was raised of what damage this could
6 have by the 30-day delay. I would say that we're already
7 damaging it because we have a \$500,000 marketing buy in the
8 Bay Area. It's an election year. It's costing more and
9 more money to make our buys every second that we wait.

10 CHAIRMAN WINNER: Absolutely true. I can attest
11 to that.

12 MR. HOBAN: \$500,000 of marketing that markets the
13 fair, that will parlay into this race meet. It's very
14 significant. And we have an additional buy that will come
15 for the September race meet that we want to couple with
16 that. If we have to cut all of our -- if we have to
17 rearrange our buy, one, or two, rework every piece of video
18 and art and radio spot, we're pretty much done, I think, and
19 we should stay at Stockton but -- for that matter.

20 CHAIRMAN WINNER: Let me comment on that because
21 it's something I do know about, and that is he is absolutely
22 correct. When it comes to the cost of advertising, the
23 earlier you buy, you can save up to 50 percent on your buy.
24 This is an election year. The candidates get lowest rate,
25 okay? They get lowest unit rate. Everybody else pays the

1 difference.

2 COMMISSIONER CHOPER: Can you buy and then --

3 CHAIRMAN WINNER: So if you're not a candidate --

4 COMMISSIONER CHOPER: Can you buy and then sell?

5 CHAIRMAN WINNER: Well, you can, but you -- but

6 it's a real problem.

7 COMMISSIONER CHOPER: Well --

8 CHAIRMAN WINNER: I mean, and --

9 COMMISSIONER CHOPER: -- maybe as -- maybe --

10 CHAIRMAN WINNER: No. I mean, there's no question

11 that it -- I mean, I will tell you, and I'm not arguing one

12 way or the other, and there's a motion on the floor, but I

13 will tell you that it is absolutely true that their

14 marketing, certainly television marketing, to some degree

15 print, I don't know what you're planning to do, radio,

16 television, internet, digital advertising is going to cost

17 them 40 to 50 percent more 30 days from now. I think that's

18 absolutely accurate.

19 COMMISSIONER BENETO: We should make a motion

20 that --

21 VICE CHAIRMAN ROSENBERG: Mr. Daruty and I

22 discussed this question an hour ago, you know, what would

23 happen if -- would you rather -- what if Stockton decides

24 not to run, we don't vote today, and they say, but we can't

25 do it, you know, we -- therefore we're going to --

1 Pleasanton pulls out of this deal, then what? We're back to
2 that question again. Is it -- is it realistic that you
3 gentlemen think it's going to be impractical to present the
4 Stockton meeting at Pleasanton this year, or are you just
5 guessing at this?

6 And by the way, somebody should have brought this
7 up earlier on your part and talked about this. As everyone
8 was talking about the positives and negatives, you should
9 have talked about this earlier, if you really think it would
10 come to that.

11 MR. BARR: I'm sorry. John Barr, Oak Tree.

12 I'm sorry, sir. Would you frame that again? I'm
13 sure I asked what you were --

14 VICE CHAIRMAN ROSENBERG: I was referring --

15 MR. BARR: -- the question you were asking.

16 VICE CHAIRMAN ROSENBERG: I was asking -- making a
17 comment --

18 MR. BARR: Oh.

19 VICE CHAIRMAN ROSENBERG: -- about the fact that I
20 would have -- this should have been raised earlier in our
21 discussions in terms of the fact that the people who are
22 looking to do this are ready to pull out if we don't approve
23 it today. That was never made clear, until the Chairman
24 just asked this question after the motion was made. That
25 was my comment.

1 MR. HOBAN: I understand.

2 VICE CHAIRMAN ROSENBERG: Okay.

3 MR. BARR: I can't answer --

4 VICE CHAIRMAN ROSENBERG: My question wasn't a
5 question either, about the conversation Mr. Daruty and I
6 talked about. But it was apparent that that was a
7 possibility here, but no one raised this until -- on your
8 end until the Chairman asked that question.

9 MR. HOBAN: Jerome Hoban, Alameda County Fair.

10 I fully agree, and thank you for asking the
11 question. It's a very relevant point. And I will
12 wholeheartedly apologize for the way this opportunity has
13 come about, but I want -- I would like to throw in some
14 commentary to that.

15 This has gone through three governmental boards,
16 and we all can appreciate how fast we all move in
17 government, from the San Joaquin County Fair to the CARF
18 board, which is a JPA, the Alameda County Fair which is a
19 quasi-government nonprofit, as well as the private board of
20 Oak Tree. So these things did not move fast. It required
21 plane flights. It required meetings. Dialysis had to be
22 set up for some of this stuff that we were working on. So
23 it was not the intent -- it wasn't for Chillie, though.

24 VICE CHAIRMAN ROSENBERG: Thank goodness.

25 MR. HOBAN: It was not the intent that this be

1 delayed. It would have loved to have done this the second I
2 started having conversations with the CEO of San Joaquin
3 County Fair back in January when this became of the most
4 concern. I sincerely apologize for the timeline that we are
5 on, but I can't apologize for wanting to help racing. That's
6 all me, my board and Oak Tree is here to do.

7 So I appreciate your consideration of this matter.
8 I implore you to take action today. And I commit that in
9 '17, let's have those good discussions again with TOC, the
10 trainers, and Golden Gate Fields. I'm at the table.

11 And I would also add, because I want to make a
12 point that I did personally reach out to the TOC, Mr.
13 Pegram, sent him an email with no response, not that he
14 needed to respond to me, but volunteered to talk to their
15 Board to give them the facts. Because it's interesting how
16 many facts are, I'm not going to say in error but, you know,
17 we talk a lot and we don't know where all the numbers come
18 from.

19 So I would appreciate your consideration of this
20 matter for the betterment of Northern California racing.
21 Thank you. And I also want to thank the staff of CHRB for
22 your diligence in helping us work through this.

23 CHAIRMAN WINNER: Okay. There's a motion on the
24 floor. Is there any further discussion? The motion is to
25 move this decision to the -- to the next meeting, and

1 we'll -- and there's a motion and a second, and we'll take
2 the roll.

3 Commissioner Auerbach?

4 COMMISSIONER AUERBACH: Yes.

5 CHAIRMAN WINNER: Chairman votes no.

6 Vice Chairman Rosenberg?

7 VICE CHAIRMAN ROSENBERG: Yes.

8 CHAIRMAN WINNER: Commissioner Choper?

9 COMMISSIONER CHOPER: Who voted no?

10 CHAIRMAN WINNER: I voted no.

11 COMMISSIONER CHOPER: No.

12 COMMISSIONER BENETO: No.

13 CHAIRMAN WINNER: Commissioner Beneto?

14 Commissioner Beneto votes no. That -- that motion fails.

15 MR. MILLER: On that note, there's only three no
16 votes and two affirmative?

17 CHAIRMAN WINNER: Yeah.

18 COMMISSIONER AUERBACH: Right.

19 MR. MILLER: This Board only can take action when
20 there are four votes either way.

21 CHAIRMAN WINNER: So no action? So what are you
22 saying, there's no action on that?

23 MR. MILLER: There's no action.

24 CHAIRMAN WINNER: All right, fine. There's no
25 action, which is the same as failing.

1 COMMISSIONER BENETO: What does that mean?

2 VICE CHAIRMAN ROSENBERG: Yeah.

3 MR. MILLER: You have to -- the Board has to --

4 CHAIRMAN WINNER: Legally -- legally, no, but the
5 fact is --

6 COMMISSIONER BENETO: Where are we at now?

7 CHAIRMAN WINNER: -- it hasn't been moved to
8 the -- to the next month. Okay.

9 MR. MILLER: This isn't going anywhere.

10 CHAIRMAN WINNER: Now is there another motion?
11 Does anyone care to make another motion?

12 VICE CHAIRMAN ROSENBERG: You make the motion.

13 COMMISSIONER BENETO: I make a motion that we pass
14 the dates today.

15 CHAIRMAN WINNER: You're making a motion that the
16 two-week San Joaquin Fair dates --

17 COMMISSIONER BENETO: Will go to Pleasanton.

18 CHAIRMAN WINNER: -- be moved to -- to Alameda
19 County?

20 COMMISSIONER BENETO: Right.

21 CHAIRMAN WINNER: Is that your motion?

22 COMMISSIONER BENETO: That's my motion.

23 CHAIRMAN WINNER: Okay. I second that. Let's
24 call the roll.

25 Commissioner Auerbach?

1 COMMISSIONER AUERBACH: No.

2 CHAIRMAN WINNER: Commissioner Auerbach votes no.

3 Chairman votes yes.

4 Commissioner Rosenberg?

5 VICE CHAIRMAN ROSENBERG: Yes.

6 CHAIRMAN WINNER: Commissioner Rosenberg votes

7 yes.

8 Commissioner Choper?

9 COMMISSIONER CHOPER: Yes.

10 CHAIRMAN WINNER: Commissioner Choper votes yes.

11 Commissioner Beneto?

12 COMMISSIONER BENETO: Yes.

13 CHAIRMAN WINNER: The motion carries.

14 Thank you, gentlemen.

15 MR. HOBAN: Thank you.

16 MR. KORBY: Thank you.

17 COMMISSIONER CHOPER: I would just like to -- I'd

18 like to add that I -- I would really urge you --

19 CHAIRMAN WINNER: I agree.

20 COMMISSIONER CHOPER: -- I would really urge you

21 to talk and see what the position of Golden Gate is or might

22 be and to try to make some accommodation for that. This has

23 been a very unusual sort of vote. We don't have two

24 Commissioners here. We keep -- some of us keep changing our

25 minds about what we're going to do. I really think under

1 the peculiar circumstances you owe -- you have an obligation
2 to try to get Golden Gate into the discussions about this,
3 to work it out as best you can. You've already got the win,
4 if you will. But nonetheless, for future relations, I think
5 it would be a good idea.

6 CHAIRMAN WINNER: I guess I just want to -- I just
7 want to amplify or support what Commissioner Choper said.
8 Frankly, the way we went about this is absolutely not
9 acceptable for the future. And I understand all the hurdles
10 that you guys had to jump over, and I recognize that and
11 appreciate it. But the truth of the matter is you put --
12 the circumstances put this Board in a very difficult
13 position. And it was very unfair to the other participants,
14 Golden Gate, TOC, CTT, the various other participants who
15 have really a right and an obligation to be involved in
16 these discussions.

17 So what happened is we were put in a position, we
18 as a Board were put in a position to make a decision that we
19 weren't comfortable with. And we had to make that decision
20 because of the circumstances. And I agree, those
21 circumstances -- you guys faced those circumstances as we
22 did. But as a Board who, as Commissioner Auerbach says, our
23 job is to do what's best for racing in California. And at
24 the end of the day I think all of us voted in a way that we
25 thought was best for racing in California.

1 But in the future, and starting tomorrow, I would
2 urge that whenever you have decisions like this before you,
3 and certainly when you're talking about the 2017 dates, we
4 will have learned a lot more, please include everyone in the
5 industry, all of the parties. It's really important, and it
6 does not put us in this kind of a position where we had to
7 take a vote on something that really none of us were
8 comfortable with because of the timing. Thank you.

9 VICE CHAIRMAN ROSENBERG: Could we take a five-
10 minute break?

11 CHAIRMAN WINNER: Yeah. We will take a five-
12 minute break.

13 (Off the record at 12:05 p.m.)

14 (On the record at 12:18 p.m.)

15 CHAIRMAN WINNER: All right, we're going to move
16 along to item number five, discussion and action by the
17 Board on the request from the California Authority of Racing
18 Fairs, CARF, to designate the following 2016 allocated race
19 dates as a combined fair horse racing meeting, pursuant to
20 Business and Professions Code section 19549.1: Alameda
21 County Fair at Pleasanton, June 15, 2016 through July 5th,
22 2016; California Exposition and State Fair, July 6th, 2016
23 through July 26th, 2016; Humboldt County Fair at Ferndale,
24 August 17th, 2016 through August 30th, 2016; San Joaquin
25 County Fair at Stockton or CARF at Alameda County

1 Fairgrounds, which we've just discussed at length, September
2 21st, 2016 through October 4th, 2016; and Big Fresno Fair,
3 October 5th, 2016 through October 18, 2016.

4 Who is going to be speaking on this? Mr. Korby?

5 Phil, you're going to --

6 EXECUTIVE DIRECTOR BAEDEKER: Phil, set the stage.

7 CHAIRMAN WINNER: -- set the stage?

8 MR. LAIRD: Phil Laird, CHRB Staff.

9 Given the previous conversation, I don't think
10 there's too much more of a stage to be set at this point.
11 But this is a separate issue, and it's the distinct issue of
12 whether the Board would like to designate the following
13 fairs that were listed in the staff analysis as a combined
14 fair race meeting.

15 You'll see in your analysis, also, that the Board
16 has approved a request to do this in the past, back in 2006,
17 I believe, for the Sonoma-Solano Wine Country Racing Meet --
18 or 2007, that was. And then also in 2009, it was a much
19 more similar situation to the proposal today, more broadly
20 designating all the CARF fairs as a joint designated meet.

21 MR. KORBY: Thank you. Mr. Chairman, we asked
22 that this be put on the agenda as part of the
23 conversation --

24 CHAIRMAN WINNER: (Off mike.)

25 MR. KORBY: Chris -- Chris Korby, California

1 Authority of Racing Fairs.

2 We asked that this be put on the agenda as part of
3 the conversation that -- that was just concluded on the
4 previous agenda item.

5 Are you folks hearing me okay? I --

6 CHAIRMAN WINNER: No, it's hard.

7 VICE CHAIRMAN ROSENBERG: His mike is not on.

8 MR. KORBY: I don't know if this microphone is on.

9 EXECUTIVE DIRECTOR BAEDEKER: Get a little closer.

10 MR. KORBY: Hello?

11 CHAIRMAN WINNER: He can talk -- put it in his
12 mouth, he's that close.

13 MR. KORBY: Thank you. Thank you, gentlemen.
14 I'll start again.

15 CHAIRMAN WINNER: Thank you.

16 MR. KORBY: This is Chris Korby. Chris Korby,
17 California Authority of Racing Fairs.

18 This was part of the material that we had taken to
19 the Board with respect to the -- to the transfer of dates
20 from San Joaquin County Fair to -- to Alameda County Fair in
21 Pleasanton and as a way of -- as a mechanism for conducting
22 that transitional fair at -- at Alameda County Fair, we
23 asked that the Board designate the other fairs that are CARF
24 members, as requested by those fairs, as a combined fair
25 meet for 2016.

1 CHAIRMAN WINNER: Is there any -- are there any
2 questions?

3 COMMISSIONER AUERBACH: I just have one.

4 CHAIRMAN WINNER: We have -- you have a question?
5 Please.

6 COMMISSIONER AUERBACH: Just one question.

7 CHAIRMAN WINNER: Please, go ahead.

8 COMMISSIONER AUERBACH: Is that -- is that done
9 for the purse consideration, so you can run one purse meet?
10 Is that why you're doing this?

11 MR. KORBY: That's one of the considerations, yes,
12 it is.

13 COMMISSIONER AUERBACH: Okay.

14 MR. KORBY: We have -- we have a program currently
15 that offers what we call consolidated purses at all the
16 fairs. So that way we're able to offer fairs that are at
17 parity or better than other fairs in the region.

18 COMMISSIONER AUERBACH: Yeah, no, I know.

19 MR. KORBY: Okay.

20 COMMISSIONER AUERBACH: That's my --

21 MR. KORBY: Yes, ma'am, that's --

22 COMMISSIONER AUERBACH: -- main consideration.

23 MR. KORBY: That's one of the reasons for that.

24 CHAIRMAN WINNER: Mr. Morris?

25 Mr. Daruty, are you going to speak?

1 Is anybody going to speak? It says Joe Morris
2 right here, number five.

3 MR. DARUTY: Scott Daruty on behalf of Golden Gate
4 Fields. And you're right, it did say Joe Morris, because I
5 submitted one for him. And the second card I had on the
6 last item was actually supposed to be for this item.

7 CHAIRMAN WINNER: Oh, okay.

8 MR. DARUTY: Mystery solved.

9 We -- Golden Gate Fields, in general, if CARF
10 wants to do something and it doesn't impact us, obviously,
11 then we're fine with it. This particular issue is a little
12 bit tricky for us because, to be honest, we don't entirely
13 understand how this proposal works under the law. We think
14 there's some potential conflicts. And while what they're
15 doing this year doesn't impact us, this combined fair meet
16 could set a precedent which could be used to negatively
17 impact Golden Gate in the future.

18 Therefore, while I'm not necessarily opposed to
19 what they're doing from a business standpoint, I do feel it
20 necessary to lodge our legal questions/objections, so I will
21 do that. And I will try to be brief, but I do think, if you
22 don't mind, it's worth 30 seconds just for me to read one
23 sentence out of the statute. This is California Food and
24 Agricultural Code section 4058, which is the operative
25 provision to allow this combined fair meet, and it says,

1 "The State Fair and a district agricultural fair and a
2 county fair in the Northern Zone," now I'm quoting,
3 "with the approval of the Department of Food and
4 Agriculture may form an entity for conducting combined
5 fair horse racing meetings and utilize the racing
6 facilities for conducting horse racing meetings with
7 parimutuel wagering on days other than the days on
8 which general fair activities are conducted."

9 That's what the statute says. And so there's a
10 couple of questions.

11 First of all, I'm not aware that the Department of
12 Food and Agriculture has granted its permission for this
13 combined fair meet. I have no reason to believe it
14 wouldn't, but I'm also not aware that it has.

15 And then second, the fact that this combined fair
16 meeting is for running racing at a fair when the fair is not
17 currently taking place, to me, while we're disappointed with
18 the result of the last item, and are appreciative of the
19 time and thought that you put into it in hearing us out, but
20 we lost that item. And now Pleasanton is going to be
21 running the Stockton meet at Pleasanton while the Pleasanton
22 Fair is not going on. That is exactly, we believe, what
23 this statute is intended to do.

24 How this combined fair meeting under this statute
25 is going to also run the Pleasanton fair during June when

1 the Pleasanton Fair is taking place, or run the State Fair
2 during July when the State Fair activities are taking place,
3 we don't really see how that fits under this statute. So
4 that's my, I guess, second point.

5 And my -- my third and final point is it's not
6 clear to us who exactly is conducting the meeting. Under
7 this statute these combined fairs can get together and
8 conduct the race meet. And yet, as I understand the
9 proposal, each of the individual fairs is going to come in
10 and make its own application for its own little period.
11 And, in fact, Oak Tree might even be running some of these
12 dates during the Pleasanton time period. I'm not sure any
13 of that is actually allowed under the statute. I think it
14 has to be the combined fair that runs the act.

15 And I'm sorry, I said lastly but it wasn't lastly
16 because I -- this is my real lastly, it's not clear to me if
17 this period can have a gap in it, which it is going to in
18 late August and early September, where Golden Gate Fields
19 becomes the live track. There's no provision for -- under
20 California Law for two meets to be going on simultaneously.
21 And if this combined fair meeting starts in June and ends in
22 October, and Golden Gate is going to run in August, what
23 happens over that period?

24 So again, I'm not really sure what to say because
25 I'm not really sure what exactly is happening under the law.

1 If it can be done without impacting Golden Gate Fields, have
2 at it. But we're not really sure whether it's going to
3 impact Golden Gate Fields or not because we don't really
4 know how the law applies to this situation.

5 CHAIRMAN WINNER: Can we ask -- hold on just one
6 second, please.

7 Can we ask either Phil or Bob Miller to comment on
8 the legal questions, if you have an answer? Because those
9 are all very important questions that were raised by Mr.
10 Daruty. And I, for one, would be very interested in -- in
11 at least how legal counsel views it.

12 MR. LAIRD: Phil Laird, CHRB Staff. I see my
13 counterpart is pointing at me right now.

14 We've -- we've looked at the statutes. We've run
15 our own analysis. I mean, I'm -- I'm happy to acknowledge
16 that, like many statutory provisions, there are certain
17 ambiguities. But we think it's a fair interpretation that
18 the statute, the Food and Agriculture Code does permit a
19 combined fair race meeting that incorporates both non-fair
20 racing activity days, as well as days with -- during actual
21 fair activities, as well.

22 CHAIRMAN WINNER: Okay. And were there -- were
23 there other questions, Scott? I thought you had a couple of
24 others that you --

25 MR. DARUTY: Well, there was the Food and

1 Agricultural approval.

2 CHAIRMAN WINNER: Whether they've gotten
3 permission of the -- the approval of Food and Ag.

4 Mr. Korby, have you gotten the approval of Food
5 and Ag?

6 MR. KORBY: Department of Food and Agriculture is
7 a member of JPA and our --

8 CHAIRMAN WINNER: Will you turn up his mike again?
9 For some reason it's very hard to -- go ahead.

10 MR. KORBY: The Department of Food and Agriculture
11 is a member of our JPA. And our JPA has acted in support of
12 this combined fair meet. So in that sense I can say that
13 Food and Ag is a party to this. Do we have a letter of
14 approval from Food and Ag? No, we don't.

15 CHAIRMAN WINNER: Go ahead, Mr. Beneto.

16 COMMISSIONER BENETO: When Karen Ross called me on
17 Monday about these dates, I think she -- I think she had her
18 ducks in a row or she wouldn't have called me to say that --
19 keep the Stockton Fair dates to Pleasanton to run, and she
20 knows there's not a fair during that period of time.

21 MR. KORBY: Department of Food and Agriculture is
22 a signatory to our JPA. And one of the purposes of our JPA
23 is to administer parimutuel wagering and horse racing
24 activities on behalf of fairs. And so the Department of
25 Food and Agriculture is part of the foundation of our JPA.

1 We -- if we -- if the Board wishes to have separate
2 indication of support or approval from Department of Food
3 and Agriculture, we can --

4 CHAIRMAN WINNER: Well, it appears --

5 MR. KORBY: -- we can secure that.

6 CHAIRMAN WINNER: -- that Mr. Daruty was reading
7 in the statute that it's required. Now maybe there's a
8 difference of opinion on that, but it seemed rather clear
9 from the statute.

10 MR. DARUTY: You know, just for the record, I'm
11 not advocating one way or another. I'm raising the issue.

12 CHAIRMAN WINNER: I understand and I --

13 MR. DARUTY: If the Board is comfortable, that's
14 fine.

15 CHAIRMAN WINNER: -- and I appreciate that, so we
16 might as well get it right. And if they're willing -- you
17 know, if there's not a problem, then we ought to probably
18 have that.

19 COMMISSIONER BENETO: But we put off too much
20 around here. Instead of doing business, we're sitting here
21 trying to screw one another.

22 COMMISSIONER CHOPER: No, no. But for the law, it
23 seems to me that the record shows that the Secretary of
24 Agriculture has communicated with one of the members of this
25 Board and said she is in agreement; is that correct?

1 COMMISSIONER BENETO: Yes. She asked that --

2 COMMISSIONER CHOPER: It doesn't say in writing.

3 MR. DARUTY: If I -- if I might move on. Because
4 again, I'm not really advocating one way or another on that
5 issue.

6 The one that is important to us and that I am
7 advocating is the issue of what happens to the Golden Gate
8 Fields race meet, which is going to take place at this
9 facility from sort of the second part of August through the
10 first part of September. That racing period is now going to
11 be within this single CARF race meet. And I would like
12 assurance from the Board that that in no way impacts the
13 simulcast revenue or simulcast shares of Golden Gate Fields,
14 the ability to run live racing or in any other way impacts
15 Golden Gate Fields.

16 CHAIRMAN WINNER: Okay. Chris?

17 MR. KORBY: No, in our opinion it does not. We
18 would -- we look at that as essentially a gap in the
19 continuity of the combined fair meet. And what Golden Gate
20 Fields is entitled to as a host during those periods when
21 fairs are not running would continue on, as is governed by
22 current law.

23 COMMISSIONER BENETO: Chris, what about the Bay
24 Meadows-San Mateo days, Golden Gate inherited those, didn't
25 they, those fair dates? What ever happened to those dates?

1 MR. KORBY: Those dates were in mid-August years
2 ago.

3 COMMISSIONER BENETO: Yeah. Right.

4 MR. KORBY: And they are now run at Golden Gate
5 Fields.

6 (Colloquy)

7 COMMISSIONER BENETO: So this --

8 CHAIRMAN WINNER: Phil, again, Phil, you heard the
9 question being asked by Mr. Daruty to get an assurance?

10 MR. LAIRD: Uh-huh.

11 CHAIRMAN WINNER: Okay. And I understand that Mr.
12 Korby is giving that assurance from the standpoint of CARF,
13 given that I think, and I'll speak for myself, that I agree
14 with Mr. Daruty that that assurance ought to come from the
15 Board, but it's not on our agenda. How do we deal with
16 that?

17 MR. LAIRD: I mean, I don't know what kind of --
18 Mr. Miller, if you --

19 MR. MILLER: Robert Miller, Counsel to the
20 California Horse Racing Board.

21 If you look at the CARF application, it exempts
22 the weeks that Golden Gate Fields is to operate this coming
23 year, so it's not a part of the application before you. It
24 is exempt. It's taken out. It's not -- it's not any part
25 of the motion. It has no interference whatsoever with

1 Golden Gate Fields. It doesn't touch Golden Gate Fields.

2 MR. DARUTY: That statement is all we needed.

3 That gives us the comfort we need. Thank you.

4 CHAIRMAN WINNER: Okay. Thank you.

5 MR. KORBY: And that's a good answer, and forgive
6 me for not recognizing that. We didn't expect this question
7 to come up. But in the letter that went to the Board
8 requesting this, it does specify the dates that would be
9 covered under this combined fair meet.

10 CHAIRMAN WINNER: Okay.

11 COMMISSIONER AUERBACH: That's here too.

12 CHAIRMAN WINNER: Thank you.

13 COMMISSIONER AUERBACH: Those dates are not
14 included.

15 CHAIRMAN WINNER: Is there a motion? Any further
16 discussion?

17 Oh, I guess, Nick --

18 MR. COUKOS: Coukos.

19 CHAIRMAN WINNER: -- Coukos.

20 MR. COUKOS: Nick Coukos, TOC. Probably more a
21 question than a comment.

22 And maybe for our clarification, can you tell me
23 the intent of this? Because I'm a little confused. Are
24 we -- are we suggesting that the days allocated are going to
25 be CARF dates? Is that what we're suggesting here with item

1 number five?

2 CHAIRMAN WINNER: Do you want to respond what
3 your -- what your proposal --

4 MR. KORBY: They would -- they would be combined
5 fair dates and licensed to each fair in segments, as part of
6 a combined fair meet.

7 CHAIRMAN WINNER: And does that -- I don't know if
8 that answers your question.

9 Phil, you agree with that; correct?

10 MR. LAIRD: Yeah.

11 CHAIRMAN WINNER: Okay.

12 COMMISSIONER AUERBACH: Can I just ask -- Nick,
13 let me ask you this, if you're aware of what went on before?
14 One of the reasons, and this was something that we were very
15 strong with, with the TOC back when I was there, was one of
16 the weaknesses we had with the fairs was the purse account
17 in that two weeks they're running for this money, two weeks
18 they're running for this money, two weeks -- and it was very
19 difficult for the horsemen. So as a way to address the
20 situation the purse account was -- just became a CARF purse
21 account for the membership fair, and they decided on a purse
22 account. And they pretty much shared the burden, and it
23 straightened out the insecurity for the owners and the
24 trainers and everybody involved. And unless I read this
25 incorrectly, this is the kind of mechanism that they need to

1 do to include all of the fairs that remain members of CARF
2 to be able to accomplish that. I believe that was the
3 intent, unless I'm --

4 MR. KORBY: Yes, that's -- that's correct.

5 COMMISSIONER AUERBACH: -- misinformed.

6 MR. KORBY: That's correct. And that's -- and
7 that approach has proven to be of great benefit to all
8 parties involved, horsemen and fairs.

9 MR. COUKOS: So my next question, and I'll go
10 through the Chair on this, directed to Mr. Korby, so would
11 over and under payments be balanced out between the fairs
12 that are participating?

13 CHAIRMAN WINNER: The question is with you, Mr.
14 Korby.

15 MR. KORBY: I think the answer to that, that I
16 would offer, is that there -- there would -- there would not
17 be individual fair overpayment/underpayments. It would be a
18 single overpayment/underpayment that would be managed
19 through our consolidated purse account.

20 Does that answer your question, Nick?

21 MR. COUKOS: Okay. So there would be one number
22 at the end of the day for the fairs that are running. So if
23 we ran an underpayment in on fair, an over in the other, we
24 would offset the two?

25 MR. KORBY: Yeah. For fairs that --

1 MR. COUKOS: Okay.

2 MR. KORBY: For participating CARF-member fairs.

3 MR. COUKOS: Correct. Okay. No, that's it.

4 Thank you very much.

5 CHAIRMAN WINNER: Any other questions? Okay. Is
6 there a motion?

7 COMMISSIONER BENETO: I'll make it.

8 CHAIRMAN WINNER: Commissioner Beneto moves.

9 VICE CHAIRMAN ROSENBERG: Second.

10 CHAIRMAN WINNER: Vice Chair Rosenberg seconds.

11 Any discussion? We'll start on that end.

12 Commissioner Beneto?

13 COMMISSIONER BENETO: Yes.

14 CHAIRMAN WINNER: Commissioner Choper?

15 COMMISSIONER CHOPER: Yes.

16 CHAIRMAN WINNER: Commissioner Rosenberg?

17 VICE CHAIRMAN ROSENBERG: Yes.

18 CHAIRMAN WINNER: The Chairman votes yes.

19 Commissioner Auerbach?

20 COMMISSIONER AUERBACH: Yes.

21 CHAIRMAN WINNER: The motion carries unanimously.

22 Thank you.

23 Item number six, we're going to move to the next
24 month because they don't have the documents, and Staff
25 didn't have the documents on time; correct?

1 EXECUTIVE DIRECTOR BAEDEKER: That's correct, Mr.
2 Chairman. Yeah.

3 CHAIRMAN WINNER: Okay. It is the position of
4 the -- of the Board and has been with every other meet up to
5 this point, since we adopted this policy, that the documents
6 must be in hand of Staff, how many weeks or how many days
7 ahead?

8 EXECUTIVE DIRECTOR BAEDEKER: In sufficient time
9 to get -- to get the documents to the Commissioners to
10 review prior to the meeting. We haven't drawn a firm line
11 with the date that the Board book is sent out. We're given
12 a little bit of a leeway there. But it's unfair to the
13 Commissioners, as has been the case many times in the past,
14 to have an item before them when the final documents are
15 handed to Staff on the morning of the -- of the Commission
16 meeting.

17 CHAIRMAN WINNER: Right.

18 EXECUTIVE DIRECTOR BAEDEKER: And so it has been
19 the policy of the Chairman for the last six months that if
20 those documents have not been received, then the item is put
21 over. Case in point, the Santa Anita winter meet, I don't
22 think was finally resolved until the December meeting
23 because of some difficulties there getting the documents
24 together.

25 CHAIRMAN WINNER: Same thing with Los Al, I think.

1 We put that one over.

2 EXECUTIVE DIRECTOR BAEDEKER: That's right. And
3 Golden Gate's, too.

4 CHAIRMAN WINNER: Yeah. I mean, what's fair for
5 one is fair for all. And it looks like there are -- the
6 trainers --

7 EXECUTIVE DIRECTOR BAEDEKER: They've got fire.

8 CHAIRMAN WINNER: -- the CTT agreement wasn't --

9 EXECUTIVE DIRECTOR BAEDEKER: They got the fire,
10 ironically. They got the fire.

11 CHAIRMAN WINNER: Okay. You've got the -- you
12 have the fire clearance which is good, but you don't have
13 CTT, you don't thoroughbred, quarters, mules and Arabians --

14 MR. LAIRD: ADW.

15 CHAIRMAN WINNER: -- ADW agreement, yeah.

16 So given that, based on our policy, we're going to
17 move this to the next meeting.

18 MR. KORBY: We were not aware that -- that this
19 item was going to be put over. And we've made every effort
20 to get those documents to you.

21 I would add that policy and statute provides that
22 if there is not a horsemen's agreement, that the prior
23 year's agreement can apply in the event that the parties are
24 unable to come to accord in any given year.

25 EXECUTIVE DIRECTOR BAEDEKER: Is that what you're

1 stating, that you can't come to an agreement?

2 MR. KORBY: Well, with respect -- with respect to
3 the -- to the CTT agreement, I'm going to ask Larry to speak
4 to that. But just by way of introduction, I will tell you
5 that we have sought to have that agreement. And the reasons
6 that we've been given for not even being -- having been
7 presented with a draft have nothing to do with the terms of
8 the agreement, they have to do with other issues not related
9 to the race meet. So maybe -- maybe Larry can fill you on
10 that.

11 And I would hate to see us penalized if a group
12 is, and I don't want to make any suppositions here, but
13 if -- this is hypothetical. If a group withholds its
14 approval or even withholds a draft to make a point in
15 another issue that is being negotiated with that group, I
16 don't know that it's fair to penalize the applicant for that
17 party's action when we'd have no control over it.

18 CHAIRMAN WINNER: The problem is, Chris, that it
19 is -- it has been the position of Staff for a long period of
20 time --

21 EXECUTIVE DIRECTOR BAEDEKER: Right.

22 CHAIRMAN WINNER: -- that when we get these things
23 at the last moment, they cannot do what they need to do and
24 cannot submit it to the Board Members. Therefore the Board
25 Members are again at a disadvantage because everything

1 happens at the last minute and it's impossible for us to do
2 it. We -- this policy has been on the books now for quite
3 some time. It's on the record. We've discussed it at
4 every -- almost every meeting since it was implemented at
5 the request of Staff by the Chairman and with the approval
6 of the Board. That is our policy. We can't bend the policy
7 in one case and have it apply in other cases. That's the
8 policy.

9 It's your guys' job to go work it out with CTT or
10 whomever it is. If you have differences, hopefully you can
11 resolve those differences.

12 MR. KORBY: I really appreciate that, Mr.
13 Chairman. I could put myself in the shoes of a Commissioner
14 in this regard. Not having that information in your packet
15 is an impediment to being able to make a fully informed
16 judgment.

17 I would make a request, however, that those
18 parties that have -- have not even furnished us a draft
19 agreement to review or attempt to negotiate come before the
20 Board and explain why that has been the case.

21 CHAIRMAN WINNER: Well, that's fine, they can.
22 They're certainly welcome to that. What I would do is urge
23 the parties to get together and reach an agreement. It's
24 not in anybody's interest to not reach an agreement. It's
25 in everybody's interest to reach an agreement so that we can

1 have these -- this -- these race -- this license approved.

2 But in the meantime, it's my view that we should
3 follow the policy.

4 COMMISSIONER BENETO: Mr. Chairman?

5 CHAIRMAN WINNER: Yes, Commissioner Beneto?

6 COMMISSIONER BENETO: What -- what happens if
7 you've got -- if you've got a grudge going on? Say TOC
8 says, well, screw CARF, we're not going to sign anything
9 with them, and they bow their head to CTT, how do we handle
10 something like that?

11 MR. KORBY: That's the case with CTT right now.

12 COMMISSIONER BENETO: I mean, if you've got
13 somebody -- if you're held hostage on something, what do
14 we -- what can we do about it?

15 MR. KORBY: We've asked for the -- for a draft.
16 We've asked for the agreement.

17 VICE CHAIRMAN ROSENBERG: I'd like to answer
18 Commissioner Beneto's question.

19 CHAIRMAN WINNER: Will you put on Commissioner
20 Rosenberg's mike, please?

21 VICE CHAIRMAN ROSENBERG: But to answer
22 Commissioner -- Commissioner Beneto's question this, way, if
23 you had written to the Board ten days before, two weeks
24 before and told us in writing why you were unable to furnish
25 the various documents, perhaps it may have been a different

1 decision made. So I would urge you, after this meeting is
2 over, to get together with whomever. And if they're being
3 obstructive, not communicating, send a letter to us and let
4 us know.

5 MR. SWARTZLANDER: Commissioner, may I make a
6 comment? Larry Swartzlander. I'm the author, basically, of
7 this license.

8 I'm in daily conversation with the Staff of CHRB.
9 I was instructed to give them a letter. I did give them a
10 letter with the rationale as the three reasons -- three
11 documents we did not have. If I would have been told, and
12 I've done this for 16 years, if I would have been told by
13 Staff that if I don't have a resolution, that you would not
14 hear my license, I would have taken TOC to task. This is --
15 this is completed. It's just a clerical thing that has to
16 be set up.

17 The license -- the fire clearance, we had some
18 difficulties, it's done.

19 The disagreement with Mr. Balch, that's something
20 we've addressed. And if I had to pursue it further, to sit
21 down with Alan, I was not aware of that. I let it go and
22 says this is Mr. Balch's position, and I'm presenting that
23 the Staff, and we need to work it out.

24 EXECUTIVE DIRECTOR BAEDEKER: Respectfully, Larry,
25 your letter says that the negotiations are ongoing. And

1 that's the same answer that Staff has gotten for years. And
2 the documents are generally carried in the morning of the
3 meeting, and in Staff's opinion, that's disrespectful to the
4 Commissioners. And if the negotiations have to be started a
5 month earlier, then so be it.

6 If, as a matter of fact, there's a stalemate and
7 there's -- and continuing negotiations will be fruitless,
8 then you can bring that to the Board.

9 MR. SWARTZLANDER: I'm not arguing with you. But
10 the position is this, I've always been told by Staff, if
11 they don't receive something you will not hear my license.
12 That did not occur this year.

13 EXECUTIVE DIRECTOR BAEDEKER: Well, if you had
14 been -- if anybody from CARF, and you, Chris, you've been to
15 the previous meetings, you always come to all the meetings,
16 it's fairly well known, I think, by the associations at this
17 point. Because in addition to Santa Anita and Los Angeles,
18 the Golden Gate application was also put over for this very
19 same reason.

20 So I guess we figured that you knew because, you
21 know, we've been -- this has been the policy of the Board
22 now for at least the last six to nine months.

23 MR. SWARTZLANDER: It's clear to me now.

24 CHAIRMAN WINNER: Okay. Any other discussion from
25 the Board? Okay. We're going to move this item to the next

1 month. Thank you.

2 CHAIRMAN WINNER: Let's go on to number seven.
3 I'm getting there. Oh, here it is. I got it. I got it. I
4 got it. Discussion and action by the Board regarding the
5 request from Los Angeles Quarter Horse Racing Association
6 and the Pacific Coast Quarter Horse Racing Association to
7 suspend the authorized administration of Albuterol for all
8 horses participating in Quarter Horse races at Los Alamitos
9 for 12 months, pursuant to CHRB Rule 1844.1, Suspension of
10 Authorized Medication.

11 Phil?

12 MR. LAIRD: Phil Laird, CHRB Staff, once again
13 here to sort of just set the stage for this item pretty
14 objectively at this point. And then we'll leave it to the
15 parties to explain their position on the -- on the request.

16 So this is concerning the use of Albuterol at the
17 Los Angeles Quarter Horse meet for 2016. Albuterol -- Dr.
18 Arthur gave me some notes, so I'm going to step in as a
19 temporary DVM right now.

20 Albuterol is a beta2-agonist. The drug is used as
21 bronchial dilator, both in human and veterinary medicine.
22 While Albuterol is non-FDA approved for use in equine, its
23 use is legal with a veterinary prescription.

24 Albuterol has been authorized by the CHRB since
25 about the mid-1990s. And the Albuterol threshold currently

1 is one nanogram per millimeter in urine in a post-race test
2 sample.

3 Otherwise, Albuterol is available as tablets, but
4 also commonly administered in a syrup form in feed, or using
5 a dose syringe. Oral Albuterol is poorly observed in --
6 absorbed in equines. And Dr. Stanley of the UC Davis Mattie
7 (phonetic) Laboratory has estimated that the bioavailability
8 is less than 20 percent.

9 Moving on, I'll just show forward that the RMTTC
10 recommended withdrawal time for Albuterol is -- for the
11 inhaled administration, 72 hours, and for the unofficial
12 withdrawal recommendation for oral Albuterol is about 5
13 days.

14 The published research in humans shows oral
15 Albuterol has an effect on muscle, typical of other beta2-
16 agonists. And Albuterol may improve performance in long-
17 distance runners. WADA restricts the use of Albuterol in
18 human athletes.

19 In the last ten years or so there have been nine
20 CHRB Albuterol violations. However, as timing will have it,
21 though the specific offense is confidential at this time,
22 we -- it's been brought to our attention that there was just
23 recently an Albuterol violation that will be brought to the
24 Board's attention in proper time.

25 CHRB investigators have found the Albuterol mixed

1 with clenbuterol on two occasions at Los Alamitos during
2 barn searches. And trainers have told investigators that
3 they use Albuterol closer to racing after clenbuterol,
4 because Albuterol can be used closer to racing without being
5 detected.

6 Otherwise, let's see, otherwise, then to just kind
7 of frame up where we are on today's subject, the proponents
8 here, I believe today, are both the Los Alamitos Quarter
9 Horse Racing Association and Pacific Coast Quarter
10 Horsemen's [sic] Association who made this request to come
11 before the Board to temporarily suspend Albuterol at this
12 meet.

13 COMMISSIONER CHOPER: Is anyone opposing this?

14 CHAIRMAN WINNER: Yes.

15 MR. LAIRD: We have received at least one letter I
16 know of.

17 CHAIRMAN WINNER: There have been two.

18 MR. LAIRD: Oh, we have two letters? Okay.

19 CHAIRMAN WINNER: We have one from Darrell Vienna
20 which is hardcopy that I think you may have seen. It was
21 sent to -- I think it was sent to all the Commissioners.
22 And then there was an email from Mr. Fisco --

23 VICE CHAIRMAN ROSENBERG: Yes.

24 CHAIRMAN WINNER: -- which I think was also sent
25 to all of the Commissioner, opposing this.

1 COMMISSIONER AUERBACH: I had a question as to
2 your standing to oppose it.

3 CHAIRMAN WINNER: Okay. What is it?

4 COMMISSIONER AUERBACH: So, you know, they opposed
5 it, but do they have any standing? Do they represent
6 anybody?

7 MR. LAIRD: Based on this, it's our understanding
8 it's a comment as a --

9 COMMISSIONER AUERBACH: Right.

10 MR. LAIRD: -- licensee or a --

11 COMMISSIONER AUERBACH: Rather than having --

12 MR. LAIRD: -- member of the public.

13 COMMISSIONER AUERBACH: Right.

14 MR. LAIRD: Yeah.

15 COMMISSIONER AUERBACH: Thank you.

16 COMMISSIONER CHOPER: Will you repeat that,
17 please?

18 COMMISSIONER CHOPER: Their letters, at least from
19 my understanding, were received in the capacity that I know
20 Darrell Vienna is a licensee, and otherwise, I think, just
21 as a statement from the public.

22 CHAIRMAN WINNER: I don't know that they need
23 standing, do they?

24 VICE CHAIRMAN ROSENBERG: I don't think so.

25 EXECUTIVE DIRECTOR BAEDEKER: No, they don't.

1 COMMISSIONER AUERBACH: Well, in terms of our
2 consideration, maybe.

3 VICE CHAIRMAN ROSENBERG: Well, the lawyers
4 represent clients in the industry.

5 MR. LAIRD: There's no legal requirement that --
6 you know, essentially anybody, just like if they appeared
7 today, could make a comment --

8 CHAIRMAN WINNER: Right.

9 MR. LAIRD: -- on this item.

10 COMMISSIONER AUERBACH: No, the only reason I said
11 that was because if you have standing, then we consider it
12 more. If you don't have any standing, you're allowed to say
13 whatever you want. That's my point.

14 Dan?

15 MR. SCHIFFER: Mr. Chairman --

16 CHAIRMAN WINNER: Please, go ahead.

17 MR. SCHIFFER: Dan --

18 CHAIRMAN WINNER: Please identify yourself.

19 MR. SCHIFFER: This is Dan Schiffer. I'm
20 appearing on behalf of Pacific Coast Quarter Horse Racing
21 Association. I'll at least do that once. Mr. Tom Selby
22 (phonetic), next to me, is a Member of the Board of Los
23 Alamitos Racing Association.

24 As to Madame -- Commissioner Auerbach's comment,
25 we do not understand, either, Mr. Vienna, nor Mr. Fisco, to

1 be licensed as a quarter -- as quarter horse owners or
2 trainers.

3 CHAIRMAN WINNER: Well, they're not. I mean, even
4 if they're not, though, they still have the -- anyone in the
5 public -- that's why we have a public comment period.
6 That's why we allow people to come up and discuss any issue
7 that they want to. Anybody can offer an opinion and make a
8 recommendation or urge a vote one way or another from the
9 public. They don't have to be either an owner or a trainer
10 of quarter horses or anything else.

11 COMMISSIONER CHOPER: Can I ask Counsel a
12 question? Have you reviewed the -- the letters sent in --

13 MR. LAIRD: Yes, we have.

14 COMMISSIONER CHOPER: -- by Vienna --

15 MR. LAIRD: Yes.

16 COMMISSIONER CHOPER: -- and --

17 CHAIRMAN WINNER: Fisco.

18 COMMISSIONER CHOPER: -- Fisco? And --

19 MR. LAIRD: Not from Mr. Fisco, but from Mr.
20 Vienna, yes.

21 COMMISSIONER CHOPER: Is it any different?

22 CHAIRMAN WINNER: It's pretty -- it's pretty
23 much --

24 VICE CHAIRMAN ROSENBERG: Let me clarify.

25 CHAIRMAN WINNER: Yeah.

1 VICE CHAIRMAN ROSENBERG: Fisco's letter was sent
2 only to -- to the Chairman, to me, and I believe to Dr.
3 Choper; right? You received it; correct? And I forwarded
4 it -- I didn't forward it on until yesterday to be sure that
5 others received it.

6 CHAIRMAN WINNER: That also went to Staff.

7 VICE CHAIRMAN ROSENBERG: Staff? Okay.

8 COMMISSIONER CHOPER: What is your view of the --
9 of the claim?

10 MR. LAIRD: I mean, the claims that Mr. Vienna and
11 Mr. Fisco make?

12 COMMISSIONER CHOPER: Yes.

13 MR. LAIRD: I mean, I think they -- essentially
14 what they say in their letters is that they opposed the
15 temporary suspension because Albuterol has therapeutic value
16 and has not been abused in recent history, as well as I
17 think the claims made that there isn't scientific evidence
18 for performance enhancement.

19 I don't know if Staff necessarily has a position
20 on this argument in the sense of, I mean, there are
21 statements that have been made, but their validity. I mean,
22 I'm happy -- I'm sure Dr. Arthur can talk to you more about
23 the actual physical aspects of Albuterol or the scientific
24 components of it.

25 EXECUTIVE DIRECTOR BAEDEKER: I think there are

1 maybe two points that -- that should be made in response to
2 your question, Commissioner. One is that it cannot be -- it
3 has never been proven scientifically that any drug is a
4 performance enhancer. There are drugs that are declared to
5 be performance enhancers, like -- by entities like USADA,
6 WADA and so forth, major league baseball and so forth, based
7 on facts.

8 But to certify from a scientific standpoint that
9 this individual or this horse performed faster or better
10 because of a certain drug, Dr. Arthur can explain this
11 probably better than I can. To prove that scientifically is
12 not possible.

13 However -- and the other point that I would make
14 is, whereas this Board has dealt with many, many, many
15 clenbuterol violations over the last several years, a point
16 that Mr. Vienna makes in his letter is accurate that there
17 have not been a like number, even a significant number of
18 Albuterol violations.

19 Dr. Arthur, is that -- are those fair statements,
20 both of those? You might want to clarify. I want to make
21 sure I don't confuse things here.

22 DR. ARTHUR: Dr. Arthur, Equine Medical Director.

23 Yes, we've had, including the current pending
24 Albuterol that we just received this morning, we have had 10
25 in the last roughly 11 years, Albuterol violations, and on

1 your -- on that point.

2 And on the second point, proving a performance
3 enhancement, there's no scientific evidence that taking THG
4 helps you hit -- which is a drug that Barry Bonds took --
5 make -- allows you to hit more home runs, but there's
6 certainly the potential there. And I think from the human
7 research there's been evidence that it has the same beta2-
8 agonist effect on human athletes. It's been show as other
9 beta2-agonists, like clenbuterol, zilpaterol and
10 ractopamine.

11 VICE CHAIRMAN ROSENBERG: I have a question for
12 Mr. Laird.

13 CHAIRMAN WINNER: I have a question for Dr. Arthur
14 from Commissioner Rosenberg.

15 VICE CHAIRMAN ROSENBERG: No, for Mr. Laird,
16 actually.

17 CHAIRMAN WINNER: Oh, I apologize.

18 VICE CHAIRMAN ROSENBERG: The two letters, I read
19 them, I recall there was a third point that had to do with
20 the technical point of the fact that this was -- that it's
21 in the -- they want to put this in -- it's in the racing
22 agreement already.

23 MR. LAIRD: Yes.

24 VICE CHAIRMAN ROSENBERG: And that the issue they
25 raised was whether the -- a track has jurisdiction to put

1 something like this, over which we have jurisdiction, into a
2 racing -- a race agreement, that we're the proper entity to
3 do that. That's a legal question, really.

4 MR. LAIRD: Yeah. And, in fact, even the subject
5 of ongoing litigation for the Board right now.

6 CHAIRMAN WINNER: It's a house rule issue;
7 correct?

8 MR. LAIRD: Yeah. It's a house rule issue and a
9 condition issue.

10 VICE CHAIRMAN ROSENBERG: So your answer is, it's
11 an issue? So if we do it again we'll have to --

12 CHAIRMAN WINNER: It's subject to ongoing --

13 VICE CHAIRMAN ROSENBERG: Right.

14 CHAIRMAN WINNER: -- litigation.

15 MR. LAIRD: Yeah.

16 CHAIRMAN WINNER: Yeah.

17 MR. LAIRD: Yeah.

18 VICE CHAIRMAN ROSENBERG: Not on this particular
19 matter --

20 CHAIRMAN WINNER: No, correct.

21 VICE CHAIRMAN ROSENBERG: -- but on another
22 matter?

23 MR. LAIRD: Yes. Yes.

24 VICE CHAIRMAN ROSENBERG: So we should just ignore
25 it and vote on the basic facts; correct?

1 MR. LAIRD: I think it's well within the Board's
2 authority to either --

3 VICE CHAIRMAN ROSENBERG: That's what I wanted to
4 know.

5 MR. LAIRD: -- accept this or not.

6 VICE CHAIRMAN ROSENBERG: Thank you.

7 COMMISSIONER CHOPER: You think what?

8 MR. LAIRD: I think it's well within the Board's
9 authority to move forward with this temporary suspension.

10 I'll remind you, actually, under Rule 1844.1, for
11 any reason you may suspend an authorized medication. So you
12 really have pretty blanket authority to do this at this
13 point.

14 CHAIRMAN WINNER: The chairman or the Chairperson
15 of the Committee is here. Do you want to -- do you have a
16 position on this?

17 COMMISSIONER AUERBACH: Do I wish to opine?

18 CHAIRMAN WINNER: Yes.

19 COMMISSIONER AUERBACH: Yes. I think we should --
20 I think we should support Doc Allred in his attempt to clean
21 up what's going on there. And we're trying a lot of
22 different avenues to legally make it proper to do it. So I
23 would encourage us to follow through with this.

24 CHAIRMAN WINNER: Would you like to make a motion?

25 COMMISSIONER AUERBACH: I so move.

1 COMMISSIONER CHOPER: Second.

2 CHAIRMAN WINNER: Okay. It's been moved and
3 seconded to adopt the measure. Is there any discussion, any
4 further discussion?

5 Commissioner Beneto, how do you vote?

6 COMMISSIONER BENETO: Yes.

7 COMMISSIONER CHOPER: Yes.

8 CHAIRMAN WINNER: Commissioner Choper votes yes.

9 Commissioner Rosenberg?

10 VICE CHAIRMAN ROSENBERG: Yes.

11 CHAIRMAN WINNER: Commissioner Rosenberg votes
12 yes.

13 The Chairman votes yes.

14 Commissioner Auerbach?

15 COMMISSIONER AUERBACH: Yes.

16 CHAIRMAN WINNER: Yes. The motion carries
17 unanimously. Thank you very much.

18 Moving on, public hearing and action by the Board
19 regarding the proposed amendment to CHRB Rule 1689.1, Safety
20 Vest Required, to include any person licensed by the Board
21 that is mounted on a horse while on a racetrack to the list
22 of those required to wear a safety vest. This concludes the
23 45-day public comment period. The Board may adopt the
24 proposed proposal as presented.

25 I move passage. Is there a second?

1 COMMISSIONER CHOPER: Second.

2 COMMISSIONER AUERBACH: Second.

3 CHAIRMAN WINNER: Commissioner -- Commissioner
4 Choper --

5 COMMISSIONER CHOPER: Note for the record that no
6 comments were received against it, so --

7 CHAIRMAN WINNER: I don't know if any comments
8 were received.

9 COMMISSIONER CHOPER: No, that's what it says.

10 CHAIRMAN WINNER: Oh, I didn't read that.

11 COMMISSIONER CHOPER: Yeah.

12 CHAIRMAN WINNER: I'm sorry.

13 VICE CHAIRMAN ROSENBERG: Yeah.

14 CHAIRMAN WINNER: Okay. No comments were
15 received.

16 Commissioner Choper --

17 COMMISSIONER CHOPER: Yes.

18 CHAIRMAN WINNER: I guess I moved. Commissioner
19 Choper seconds.

20 How do you vote, Ms. Auerbach?

21 COMMISSIONER AUERBACH: Yes.

22 CHAIRMAN WINNER: Commissioner Auerbach votes yes.
23 The Chairman votes yes.

24 Vice Chairman --

25 VICE CHAIRMAN ROSENBERG: Yes.

1 CHAIRMAN WINNER: -- votes yes.

2 COMMISSIONER CHOPER: Yes.

3 CHAIRMAN WINNER: Commissioner Choper votes yes.

4 Commissioner Beneto?

5 COMMISSIONER BENETO: Yes.

6 CHAIRMAN WINNER: Motion carries unanimously.

7 Moving on --

8 COMMISSIONER CHOPER: That one was a no-brainer.

9 CHAIRMAN WINNER: -- where is my agenda.

10 COMMISSIONER AUERBACH: We're on nine.

11 CHAIRMAN WINNER: Hold on. Thank you.

12 Moving on to nine, discussion and action by the
13 Board regarding the proposed amendment to CHRB Rule 20714,
14 License to Conduct Advance Deposit Watering by the
15 California Applicant, and CHRB Rule 2072, Approval to
16 Conduct Advance Deposit Wagering by an Out-Of-State
17 Applicant, to amend the application forms to require all
18 applicant business structures to submit financial
19 information.

20 Who's -- are you going to make a presentation on
21 this, Phil?

22 MR. LAIRD: Briefly. Phil Laird, CHRB Staff.

23 Essentially, I believe the purpose of this rule is
24 to close a loophole that existed before and potentially was
25 being exploited. And therefore, move forward with cleaning

1 that up.

2 CHAIRMAN WINNER: Any discussion on this item? Is
3 there a motion?

4 COMMISSIONER AUERBACH: Just a quick question for
5 Staff.

6 CHAIRMAN WINNER: I'm sorry.

7 COMMISSIONER AUERBACH: I have one quick question
8 for Staff.

9 CHAIRMAN WINNER: Please.

10 COMMISSIONER AUERBACH: I noticed that you only
11 asked for 12 months. Do you think that's enough, really? I
12 mean, if you're thinking about sole proprietorships and
13 partnerships providing us with financials, is 12 months
14 enough?

15 MR. LAIRD: I can't say I have answer for that
16 one, but --

17 COMMISSIONER AUERBACH: Well, where they come
18 up --

19 MR. LAIRD: -- if any other Staff --

20 COMMISSIONER AUERBACH: -- with the 12 months
21 from?

22 EXECUTIVE DIRECTOR BAEDEKER: I think the 12
23 months probably is currently in place for the other
24 financial documents, or the financial documents that we
25 receive from other legal entities.

1 COMMISSIONER AUERBACH: That's what I thought.

2 EXECUTIVE DIRECTOR BAEDEKER: So it's really just
3 matching that time frame that's already on the books.

4 COMMISSIONER AUERBACH: Well, the only reason I
5 question that, and I don't know if I'm right or wrong or
6 whatever, I just -- the -- I just feel this is a little bit
7 less protected for us, because corporately and the
8 organizations may have more resources. I don't know, I just
9 wondered. I just wanted to hear someone else's opinion,
10 other than my own.

11 VICE CHAIRMAN ROSENBERG: Well, I wouldn't
12 delay -- I wouldn't delay the change for this.

13 COMMISSIONER CHOPER: Well, I don't think the
14 license --

15 CHAIRMAN WINNER: The license for 12 months, and
16 this is hold over from that.

17 COMMISSIONER CHOPER: If we make an amendment now,
18 I take it that we still send it out, but we're sending it
19 out now?

20 MS. WAGNER: Yes.

21 COMMISSIONER CHOPER: My feeling about that, we're
22 going to send this out for comment, right --

23 MS. WAGNER: That's --

24 COMMISSIONER CHOPER: -- 45 days?

25 MS. WAGNER: That's correct.

1 COMMISSIONER CHOPER: If we make a change to it,
2 we can still send it out with the change; right?

3 MS. WAGNER: Absolutely.

4 COMMISSIONER CHOPER: Yeah. I think Commissioner
5 Auerbach's point is a good one when you look at -- when you
6 look at the background of an organization that's going to be
7 handling a lot of racing money. So I would -- I would even
8 say two or three years. I don't have it, what it is. But
9 what do you think about that? I mean, you --

10 COMMISSIONER AUERBACH: I'm just -- I had -- I
11 don't know, I just felt that we -- and as Rick just said,
12 the reason that he thought they put it in there was because
13 everybody ran on a 12-month license --

14 MS. WAGNER: Yes. Yes.

15 COMMISSIONER AUERBACH: -- and it was logical. I
16 just think, looking at it, I was looking at these
17 financials, the first time we look at them, maybe if we had
18 a couple of years. Just a thought.

19 MS. WAGNER: This is the time. If the Board -- we
20 can certainly enhance the term. Right now we have 12
21 months.

22 COMMISSIONER CHOPER: Well, I move to --

23 MS. WAGNER: Twenty-four months?

24 CHAIRMAN WINNER: Hold on, Jackie. Identify
25 yourself, please.

1 MS. WAGNER: Jackie Wagner, CHRB Staff.

2 This is the time for us to make that amendment,
3 before we send it out for comment. So if it's the Board's
4 pleasure, that we extend it from 12 months to another
5 number, 2 years, 24 months, we can go with that and see --

6 EXECUTIVE DIRECTOR BAEDEKER: Isn't that the term
7 of the ADW licenses that are granted now?

8 MS. WAGNER: Correct, it is.

9 EXECUTIVE DIRECTOR BAEDEKER: So that would match
10 the terms.

11 MS. WAGNER: Absolutely.

12 CHAIRMAN WINNER: So is that a motion?

13 MS. WAGNER: It would match the term of the
14 license.

15 COMMISSIONER AUERBACH: I'd like to move.

16 CHAIRMAN WINNER: Commissioner Auerbach moves that
17 we adopt this motion as amended to 24 months, rather than 12
18 months?

19 MS. WAGNER: The preceding 12 months.

20 COMMISSIONER CHOPER: Second.

21 CHAIRMAN WINNER: And it's seconded, 24 months
22 rather than 12 --

23 MS. WAGNER: Uh-huh.

24 CHAIRMAN WINNER: -- seconded by Commissioner
25 Choper.

1 How do you vote, Commissioner Auerbach?

2 COMMISSIONER AUERBACH: Yes.

3 CHAIRMAN WINNER: Chairman votes yes.

4 Vice Chairman?

5 VICE CHAIRMAN ROSENBERG: Yes.

6 CHAIRMAN WINNER: Commissioner Choper?

7 COMMISSIONER CHOPER: Yes.

8 CHAIRMAN WINNER: And Commissioner Beneto?

9 COMMISSIONER BENETO: Yes.

10 CHAIRMAN WINNER: Okay. Motion carries

11 unanimously as amended.

12 Item number ten?

13 EXECUTIVE DIRECTOR BAEDEKER: Ten.

14 CHAIRMAN WINNER: Discussion and action by the

15 Board regarding the proposed addition of CHRB Rules

16 1597.1 -- or .5, Microchips Required for All Horses on

17 Grounds; Rule 1597.6. Tampering with Microchips; and the

18 proposed amendment to CHRB Rules 1554, Duties of Horse

19 Identifier; Rule 1581.1, Entries; Rule 1588, Horse

20 Ineligible to Start in a Race; and Rule 1596, Association to

21 Maintain Records of Horses on Its Grounds, to implement the

22 requirement that horses be microchipped in order to race in

23 California.

24 Mr. Laird?

25 MR. LAIRD: Phil Laird, CHRB Staff. Last item

1 today, I believe.

2 These regulations come before you, having
3 previously gone before the Legislative, Legal and
4 Regulations Committee. It's essentially a vehicle for
5 moving forward with a microchip requirement for all horses
6 racing in California.

7 The CHRB has been conducting a pilot project to
8 test out the viability and the proper procedures for
9 carrying out such a requirement, so we don't put a rule on
10 the books and don't know how to enforce it. So the
11 groundwork has been very well laid here.

12 To the extent you have any questions about that,
13 Jeff Salmon, who has been highly involved in this project,
14 is happy to answer your questions. And is also, by the way,
15 happy to do a demonstration down in the backside today, if
16 anybody would be interested in seeing actually how a horse
17 gets scanned and all.

18 But otherwise, Staff has done its best to really
19 put together a set of regulations that's well considered and
20 really kind of covers this whole process, soup to nuts. So
21 really to the extent Commissioners have any questions about
22 how this would work, we're happy to answer those. But at
23 this point, we're bringing this forward to consider a 45-day
24 public comment period.

25 CHAIRMAN WINNER: Commissioner Choper?

1 COMMISSIONER CHOPER: Speaking on behalf of the
2 full Legislative Committee, we recommend that it be sent
3 out.

4 COMMISSIONER AUERBACH: I just have one question.

5 CHAIRMAN WINNER: Yes, please.

6 COMMISSIONER AUERBACH: Sorry to be a
7 troublemaker.

8 CHAIRMAN WINNER: No, no, no, go ahead,
9 Commissioner Auerbach.

10 COMMISSIONER AUERBACH: Have you given yourself
11 sufficient time in these regulations? And what I mean by
12 that is for the microchipping of all the horses, to actually
13 catch up to the dates that you have here. I thought it was
14 a little bit narrow and I was a little concerned about it.

15 MR. LAIRD: Well, first of all, I mean, I will say
16 Jeff Salmon has done a good job at really trying to be
17 realistic about --

18 COMMISSIONER AUERBACH: Yeah.

19 MR. LAIRD: Yeah.

20 COMMISSIONER AUERBACH: That's what --

21 MR. LAIRD: But beyond that, just as an assurance
22 to you, Commissioner, actually, once the Board basically
23 passes this regulation --

24 COMMISSIONER AUERBACH: Uh-huh.

25 MR. LAIRD: -- we have the authority then, when

1 the rule gets submitted to Office of Administrative Law, to
2 request when we'd like to have it to become enacted in the
3 future.

4 COMMISSIONER AUERBACH: So if we have to adjust it
5 based on the process --

6 MR. LAIRD: If we want to push it out --

7 COMMISSIONER AUERBACH: -- of microchipping,
8 that's --

9 MR. LAIRD: If we want to push it out --

10 COMMISSIONER AUERBACH: Okay.

11 MR. LAIRD: -- we have all the authority to do
12 that.

13 COMMISSIONER AUERBACH: Okay.

14 CHAIRMAN WINNER: Is there a motion?

15 COMMISSIONER AUERBACH: So moved.

16 COMMISSIONER CHOPER: I moved.

17 CHAIRMAN WINNER: Oh, I'm sorry, Commissioner
18 Choper moved. Commissioner Auerbach seconds. Any further
19 discussion?

20 Commissioner Beneto?

21 COMMISSIONER BENETO: Yes.

22 CHAIRMAN WINNER: Commissioner Choper?

23 COMMISSIONER CHOPER: Yes.

24 CHAIRMAN WINNER: Commissioner Rosenberg?

25 VICE CHAIRMAN ROSENBERG: Yes.

1 CHAIRMAN WINNER: The Chairman votes yes.

2 Commissioner Auerbach?

3 COMMISSIONER AUERBACH: Yes.

4 CHAIRMAN WINNER: Motion carries. Thank you all
5 very much.

6 Is there a motion to adjourn, Commissioners?

7 MR. VALENZUELA: May I address the --

8 CHAIRMAN WINNER: I'm sorry, John?

9 MR. VALENZUELA: I'm sorry. May I address the
10 Board?

11 CHAIRMAN WINNER: Yes.

12 MR. VALENZUELA: I'm sorry. Nature called and I
13 stepped out and you went over item nine, where the financial
14 information from the ADW companies.

15 I just wanted to know if that information would be
16 available to other parties in the future, once it's provided
17 to the CHRB.

18 CHAIRMAN WINNER: That's --

19 MR. VALENZUELA: And I'm asking Counsel for --

20 CHAIRMAN WINNER: No.

21 MR. VALENZUELA: -- a response.

22 MR. MILLER: That depends on -- Robert Miller,
23 Counsel to the California Horse Racing Board.

24 That depends on the nature of the financial
25 information that we receive. Some financial information is

1 not publicly available, some is. So it would have to depend
2 on what we receive.

3 MR. VALENZUELA: Okay. Thank you. I appreciate
4 that.

5 CHAIRMAN WINNER: Is there a motion to adjourn?

6 COMMISSIONER AUERBACH: Moved.

7 VICE CHAIRMAN ROSENBERG: Yes.

8 COMMISSIONER BENETO: Yes.

9 CHAIRMAN WINNER: Commissioner Auerbach moves.
10 Commissioner Rosenberg seconds. All in favor?

11 ALL COMMISSIONERS: Aye.

12 CHAIRMAN WINNER: Any opposed?

13 We're going into executive session guys.

14 (Whereupon the Regular Meeting of the California Horse
15 Racing Board adjourned into Closed Session at 1:08 p.m.)

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CERTIFICATE OF REPORTER

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 25th day of April, 2016.



MARTHA L. NELSON

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

April 25, 2016