

APPEARANCES

COMMITTEE MEMBERS

George Krikorian, First Vice Chair

Madeline Auerbach, Second Vice Chair

Jesse Choper, Commissioner

Alex Solis, Commissioner

Araceli Ruano, Commissioner

STAFF

Rick Baedeker, Executive Director

Jacqueline Wagner, Assistant Executive Director

John McDonough, Chief Counsel

Phil Laird, Staff Counsel

Rick Arthur, Equine Medical Director

Mike Marten, Associate Analyst

Francisco Gonzalez, Senior Management Auditor

Wendy Voss, Chief of Administration

ALSO PRESENT

John Valenzuela, Pari-Mutuel Guild, Local 280

Tom Beck, Arcadia City Council Member

Ben Kenney, Watch and Wager

Jack Liebau, Los Alamitos Race Course

Orlando Gutierrez, Los Alamitos Race Course

Becky Bartling, Sonoma County Fair

Stacey Lampham, Sonoma County Fair

Bob Moreno, Sonoma County Fair

Richard Conway, Humboldt County Fair

Joe Morris, Golden Gate Fields

Joseph Rakowski, Golden Gate Fields

Cal Rainey, Golden Gate Fields

Tony Allevato, NYRA Bets

Carter Vance, Churchill Downs

Greg Avioli, California Marketing Committee

Gene Chabrier, XpressBet

Nicole Foley, NYRA Bets

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15. 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. 82
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P R O C E E D I N G S

9:39 A.M.

ARCADIA, CALIFORNIA, THURSDAY, JUNE 22, 2017

CHAIRMAN WINNER: Good morning. Ladies and Gentlemen, this meeting of the California Horse Racing Board will come to order. Please take your seats. This is the regular noticed meeting of the California Horse Racing Board on Thursday, June 22nd, 2017 at Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California.

Present - not present today is our Chairman, Chuck Winner, who is away on a well-deserved vacation. We hope he's having a good time and not listening to this meeting.

So we have myself, and Vice Chair, Madeline Auerbach, Commissioner Choper, Commissioner Ruano, and Commissioner Solis.

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

In order to ensure all individuals have an opportunity to speak and the meeting proceeds in a timely fashion, I will strictly enforce the three-minute time limit

1 rule for each speaker. The three-minute time limit will be
2 enforced during discussion of all matters, as stated on the
3 agenda, as well as during the public comment period.

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

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

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

25 So we'll move forward to the agenda.

1 EXECUTIVE DIRECTOR BAEDEKER: Next on the agenda
2 are the minutes.

3 FIRST VICE CHAIR KRIKORIAN: So the first item on
4 today's agenda would be the approval of the minutes from May
5 25th, 2017.

6 So, Commissioners, anyone have any comments about
7 the minutes?

8 COMMISSIONER RUANO: So moved. Move to approve.

9 FIRST VICE CHAIR KRIKORIAN: Move to approve?

10 COMMISSIONER RUANO: Yes.

11 FIRST VICE CHAIR KRIKORIAN: Okay. Seconded,
12 Commissioner?

13 COMMISSIONER CHOPER: Yes.

14 FIRST VICE CHAIR KRIKORIAN: Okay. Can we have a
15 vote?

16 Commissioner Solis?

17 COMMISSIONER SOLIS: Yes.

18 FIRST VICE CHAIR KRIKORIAN: Commissioner
19 Auerbach?

20 SECOND VICE CHAIR AUERBACH: Yes.

21 FIRST VICE CHAIR KRIKORIAN: Yes for me.

22 COMMISSIONER CHOPER: Yes.

23 COMMISSIONER RUANO: Yes.

24 FIRST VICE CHAIR KRIKORIAN: Okay.

25 EXECUTIVE DIRECTOR BAEDEKER: And, Mr. Chairman,

1 we should note who moved and who seconded, just for the
2 record.

3 FIRST VICE CHAIR KRIKORIAN: It was moved by
4 Commissioner Arceli and seconded by Commissioner Choper.

5 EXECUTIVE DIRECTOR BAEDEKER: All right. Thank
6 you.

7 FIRST VICE CHAIR KRIKORIAN: Okay. So Executive
8 Director Baedeker will now give his report.

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

11 Dr. Arthur has been working with management at Del
12 Mar to implement several important changes designed to
13 better protect our horses from injury during the upcoming
14 meet. The CHRB will have up to four official vets working
15 the meet at various times. Together with the track vet,
16 they will focus on identifying horses at risk of injury.

17 Dr. Arthur has been working with Encompass to
18 create spreadsheet reports showing horses on the grounds
19 that are coming back off significant layoffs, had any vet's
20 list history, or been on the steward's list for poor
21 performance, or are four-year-olds who have never started,
22 or other horses who are similarly possibly at risk. These
23 horses will be identified from the database of horses that
24 are in the stable area and will receive increased scrutiny
25 by the veterinarians before being allowed to run. We will

1 also be closely monitoring daily workouts to identify any
2 horses that may not look fit.

3 I think everyone would agree that preventing at-
4 risk horses from running is not just the responsibility of
5 the Board or Del Mar management. We need the help and
6 cooperation of owners, trainers, private vets, exercise
7 riders, jockeys, outriders, and even clockers in this
8 effort. And we'll be asking for their cooperation between
9 now and the start of the meet.

10 Now I might say, as everyone knows, everybody I
11 just mentioned, everybody in this room has the welfare and
12 safety of the horse at the top of their priority list. It
13 goes without saying. It goes without saying, but not many
14 outside of the industry understand that.

15 There were a couple of controversies at Santa
16 Anita involving CHRB Rules that I'd like to touch upon.

17 One was the announcement in the final leg of the
18 Pick 6 that a horse had been gelded. Right now, failure to
19 report that a horse has been gelded results only in a fine.

20 Chairman Winner has asked that this item be placed on the
21 July agenda for discussion and possible changes by the
22 Board.

23 There was also a controversial disqualification a
24 couple of Fridays ago. Whether or not a person agrees with
25 a call or not, the fact is that the stewards were enforcing

1 the rules of the State of California. Our rules state that
2 a horse cannot interfere with another and cost that horse a
3 better placing.

4 In this instance, the horse that was bothered lost
5 at least two lengths because of it, and was beaten by a nose
6 for show money. Now show money and purse money for
7 finishing third are no less important than the reward for
8 winning. Players who had the bothered horse in their third
9 spot on their trifecta tickets or the owner who lost purse
10 money were entitled to a fair shake.

11 The key to our role is whether or not the horse
12 that was interfered with was cost a better placing? He
13 clearly was, even if the action by the winner was slight. If
14 that action interfered with the other horse and cost it a
15 better placing, then a disqualification is called for under
16 our rules.

17 The stewards enforce our rules. Every decision is
18 reviewed by our Chief Steward, Darrel McHargue. We bring
19 all of our stewards together at least twice a year, and we
20 review such calls as this one and try to achieve consistency
21 and understanding in our enforcement. Stewards know that
22 every call they make is going to anger someone. It takes
23 guts to do what you believe is the right thing when you know
24 many people are going to vilify you for it. Our stewards
25 did that in this case. They do it all the time. And I

1 think they should be commended.

2 Looking at the financials for the month, I had a
3 very nifty report that I forgot to bring, but I'll try to
4 look it up in my emails, and it just compared the three days
5 of racing last weekend versus the like four days from last
6 year, the same time period. The results were as you would
7 expect, pretty good. The field size was improved. Overall
8 handle was improved. And I'm sure there are many
9 circumstances that have affected those numbers. But
10 generally, it appeared to be a very successful three-day
11 weekend.

12 I can give you, however, the financials for the
13 month. Overall --

14 (Colloquy between First Vice Chair Krikorian and
15 Executive Director Baedeker)

16 EXECUTIVE DIRECTOR BAEDEKER: Overall for the
17 month, daytime racing was down 5.39 percent. Nighttime was
18 down just slightly, 0.8 percent. And overall day and night,
19 down 4.96 percent. It should be noted that there was one
20 day fewer day of racing, both day and night, so that
21 obviously effected the numbers. For the year the numbers
22 are pretty close to that. We down total during the day, 4.2
23 percent, at night, down 2.9 percent, and everything all in,
24 down 4.09 percent.

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

1 FIRST VICE CHAIR KRIKORIAN: Okay. Thank you very
2 much.

3 Next we have public comment, and we have just one
4 request. John Valenzuela?

5 MR. VALENZUELA: Good morning, Ladies and
6 Gentlemen, Executive Director, Commissioners, Chairman, my
7 name is John Valenzuela, President of Local 280.

8 What I would like to state here is basically -- is
9 that going to three days of racing right now, I know it's a
10 problem not under your control, but Local 280 would have to
11 oppose going to three days for the simple fact that labor,
12 and I think I can speak for all labor, is going to be
13 losing, based on these current racing days, we'll be losing
14 25 percent of our income on a weekly basis.

15 From 2010, when we went from five days to four
16 days, we had lost 20 percent of our income. So now labor is
17 losing 40 percent of their income, based on what's happening
18 racing right now.

19 So as far as going to three days or any intention
20 of going in that direction, we would have to oppose.

21 FIRST VICE CHAIR KRIKORIAN: Okay. Thank you.
22 Well, just a couple points is that, obviously, I think
23 everybody in the industry would prefer to race more dates.
24 We just don't have, unfortunately, we don't have the
25 inventory. And until something is change to create stronger

1 inventory, we're going to have -- we're going to suffer on
2 our race dates.

3 MR. VALENZUELA: Well, and I do, you know, I
4 understand what was said. You know, I've talked to several
5 people through the industry and there's a lot of players
6 that believe that there is enough horses to continue running
7 four days a week. And then on the other side there's also
8 the comment that they don't have enough horses.

9 But anyway, I just want to state that we would
10 oppose it, okay?

11 FIRST VICE CHAIR KRIKORIAN: Okay. Any other
12 Commissioners have any questions? Okay.

13 Thank you very much.

14 SECOND VICE CHAIR AUERBACH: George, I just wanted
15 to --

16 FIRST VICE CHAIR KRIKORIAN: Oh, sorry.

17 SECOND VICE CHAIR AUERBACH: That's okay. I just
18 want to say that while each of us understands your concern,
19 and we understand labor's concern, I think it's a good thing
20 for labor to note that no one is doing well with this
21 scenario. Owners, breeders, trainers, jockeys, backside
22 workers, everybody, we're all taking the same hit. And if
23 it were possible to do it any other way, I truly believe
24 that we would be doing it another way. I think we've all
25 contributed to the problem that we have. And I think we're

1 all going to have to pay the price of the problem. So I
2 think we all hear labor. But I also believe that we are all
3 in the same boat, and we're going to have row our way out of
4 it together or we won't get out of it.

5 So it's not that we're not sympathetic. It is not
6 within our purview to set number of days of racing. It's
7 not what we do here. But what we can do is hear your
8 concerns and let you know that you're not alone. As an
9 owner and a breeder and someone who's livelihood depends on
10 this industry, we're all taking a big hit.

11 MR. VALENZUELA: Yeah.

12 SECOND VICE CHAIR AUERBACH: So I don't know if
13 that's comforting to you. Misery does love company. But
14 we're all in the same boat.

15 MR. VALENZUELA: Well just again, I think I've
16 said this in the past, you know, Local 280 has always been
17 there to help this industry. You know, we've always been
18 supportive, even at the time when we had to take a hit
19 reducing labor. So we just want to make sure that you're
20 hearing us and that we are included in decisions going in
21 the future, because we want to be involved.

22 You know, I believe that your best marketing tool
23 in this industry is your labor. They have an incentive to
24 keep this industry going, and that's a paycheck. Three
25 days, four days, five days is much better than just three

1 days, and they're your best marketing tool, word of mouth.
2 They're more compassionate about keeping this industry going
3 because it's how they pay their mortgage and their tuitions.

4 So I just wanted to bring that to your attention.

5 Thank you.

6 FIRST VICE CHAIR KRIKORIAN: Thank you.

7 There is one other speaker request. City
8 Councilman Tom Beck from Arcadia.

9 Good morning. Could you introduce yourself,
10 please?

11 COUNCIL MEMBER BECK: Good morning. My name is
12 Tom Beck, B-E-C-K. I'm on the Arcadia City Council. I'm
13 also a former owner of a thoroughbred horse. And anyone
14 that's followed my career on the Arcadia City Council will
15 know that I've done everything I can to help this race
16 track. It's the crown jewel of our city, and I want to do
17 everything I can to protect it and grow the business.

18 I'm here to address briefly the Tucker Bill, which
19 I'm sure you all know about, from 1987 which was negotiated
20 before there were cell phones, before there was internet.
21 And it was negotiated to give cities one-third of one
22 percent to compensate them for the resources a city give a
23 race track. We just replaced a piece of sewer pipe out on
24 Huntington that services this track, and it cost
25 approximately the same amount of money that we get from the

1 track for the year. We supply the police, the fire. You
2 have people that live here. There's a big drain on
3 resources.

4 But when the Tucker Bill was negotiated it was
5 negotiated without knowledge of what was coming in the
6 future for technology. They didn't know that there would be
7 cell phones, that there would be an internet, that we would
8 have satellite wagering. And what has happened is people
9 are, as you well know, more and more betting with advanced
10 cell phones, different devices, where they bring that device
11 to the track and they'll bet, instead of going to the window
12 where Arcadia would be compensated. They may be 20 feet
13 away having a beer and betting on their phone, which Arcadia
14 doesn't participate in that.

15 And our view is a bet is a bet is a bet, whether
16 you place it at the window or you place it somewhere else on
17 the premises of the track. And I heard your Executive
18 Director talk about giving horsemen a fair shake. That's
19 all that Arcadia is asking for, too, we want a fair shake.
20 And we would like to continue this discussion and to work
21 with all stakeholders to work out a resolution that's fair
22 to Arcadia, too. And I'm optimistic that we can do that,
23 but in fairness to Arcadia.

24 Thank you.

25 FIRST VICE CHAIR KRIKORIAN: Thank you very much.

1 Anyone, Commissioners, have any comments or
2 questions? No.

3 Thank you.

4 COUNCIL MEMBER BECK: Yeah. Basically, you know,
5 a bet is a bet is a bet is how we view it.

6 Thank you.

7 FIRST VICE CHAIR KRIKORIAN: Yes. Thank you very
8 much.

9 Okay, now we'll move on to item number four in the
10 agenda, which is Watch and Wager.

11 MR. KENNEY: Good morning, Commissioners. Ben
12 Kenney, Watch and Wager.

13 We gave --

14 EXECUTIVE DIRECTOR BAEDEKER: Hold on one sec,
15 Ben.

16 FIRST VICE CHAIR KRIKORIAN: I'm sorry. I'm
17 supposed to read the title.

18 MR. KENNEY: Okay.

19 FIRST VICE CHAIR KRIKORIAN: Okay. Distribution
20 of the race day charity proceedings of the Watch and Wager,
21 LLC, Racing Association in the amount of \$5,400 to six
22 beneficiaries.

23 Thank you. If you'll introduce yourself?

24 MR. KENNEY: Good morning, Commissioners. Ben
25 Kenney, Watch and Wager.

1 We do give to six equine-related charities in the
2 amount of \$5,400. I'm here to answer any questions you may
3 have about our charities.

4 FIRST VICE CHAIR KRIKORIAN: Any questions,
5 Commissioners? Okay.

6 Do we have to approve this --

7 EXECUTIVE DIRECTOR BAEDEKER: You do.

8 FIRST VICE CHAIR KRIKORIAN: Okay. Can I get a
9 motion to approve this?

10 SECOND VICE CHAIR AUERBACH: Move.

11 COMMISSIONER RUANO: Move to approve.

12 FIRST VICE CHAIR KRIKORIAN: Okay. Commissioner
13 Araceli seconds. Okay.

14 Commissioner Solis? Commissioner Solis --

15 COMMISSIONER SOLIS: Yes.

16 FIRST VICE CHAIR KRIKORIAN: -- yes or no? Yes.
17 Commissioner Auerbach?

18 SECOND VICE CHAIR AUERBACH: Yes.

19 FIRST VICE CHAIR KRIKORIAN: Commissioner Araceli?

20 COMMISSIONER RUANO: Yes.

21 FIRST VICE CHAIR KRIKORIAN: And yes. So it
22 passes unanimously.

23 Thank you very much.

24 MR. KENNEY: Thank you.

25 Okay, the next item on the -- is the application

1 for Los Alamitos Association for race dates coming up here.

2 EXECUTIVE DIRECTOR BAEDEKER: Go ahead and read
3 that.

4 FIRST VICE CHAIR KRIKORIAN: Okay. This is an
5 application for a license to conduct a horse racing meeting
6 of the Los Alamitos Racing Association at Los Alamitos Race
7 Course, July 5th, 2017 through July 18, 2017.

8 If you'll introduce yourselves, please?

9 MR. LIEBAU: Yes. My name is Jack Liebau, and I'm
10 representing Los Alamitos. I'm a substitute here today for
11 Brad. And for those of you who might be baseball fans, and
12 particularly San Francisco Giant fans, it's like telling
13 Liebau to go in and catch for Buster Posey. I mean, that's
14 where we are. I also have Orlando Gutierrez here, who is
15 the Marketing Director for Los Alamitos.

16 I know that we have some outstanding documents. We
17 will certainly get those in with all new dispatch. The
18 horsemen's agreement was delivered this morning. And Alan
19 Balch advised me last night that the CTT agreement is done.
20 I don't know physically where it is, but I will find that
21 and get that in, too. So I will say that we will get all
22 these other documents to you very quickly.

23 EXECUTIVE DIRECTOR BAEDEKER: Jack, I spoke with
24 Brad day before yesterday about this. And he indicated that
25 all of these things are done, they're just, unfortunately,

1 in different places --

2 MR. LIEBAU: Exactly. That's what I --

3 EXECUTIVE DIRECTOR BAEDEKER: -- due to some
4 complications in putting this all together.

5 MR. LIEBAU: That's what I found out with respect
6 to the TOC and the CTT. So, you know --

7 EXECUTIVE DIRECTOR BAEDEKER: Would you say that
8 you can assure the Board that I'll be in receipt within 72
9 hours at the most?

10 MR. LIEBAU: At the most, assuming I can hobble
11 around on my ankle, I will get them done.

12 SECOND VICE CHAIR AUERBACH: I think in lieu of
13 the information that Chairman Baedeker [sic] shared with me,
14 and I believe with Commissioner Krikorian, Brad has a long
15 history in this industry of -- oh boy, I almost said the
16 words I shouldn't say -- but of saving our -- saving us from
17 the fire, especially with Worker's Comp and other things.
18 And he's a very trustworthy, honest, upright citizen of our
19 community. And the fact that he is undergoing some
20 unfortunate circumstances right now which make it impossible
21 for him to be here with us and provide these things, I think
22 the only prudent thing for us to do is to go ahead and
23 approve it, with a contingency that we get all of this
24 documentation within a time frame that will allow Los
25 Alamitos to continue.

1 And the only other thing I'm concerned about is
2 for Brad's health. And I think --

3 MR. LIEBAU: We all are.

4 SECOND VICE CHAIR AUERBACH: Yeah. I think that's
5 the message here. This is in no way precedent setting for
6 any of the rest of you, so we're being nice today. It will
7 never, ever happen again. But I think in this case, this
8 exactly what an exemption to a rule is made for, this
9 circumstance.

10 MR. LIEBAU: And we will comply with all the rules
11 and regulations --

12 SECOND VICE CHAIR AUERBACH: I know you will and I
13 --

14 MR. LIEBAU: -- as far as getting everything in.

15 SECOND VICE CHAIR AUERBACH: And I hope you will
16 share with him what our big concern is here, please.

17 MR. LIEBAU: I will.

18 SECOND VICE CHAIR AUERBACH: Thank you.

19 FIRST VICE CHAIR KRIKORIAN: Commissioners, anyone
20 else have any questions or comments? Would you like to talk
21 about anything else?

22 MR. GUTIERREZ: Yeah. Orlando Gutierrez,
23 Marketing Director of Los Alamitos Race Course. Just very
24 quickly, just some of the highlights of the meet.

25 We're coming off of a pretty successful winter

1 campaign where we saw California Chrome race at Los Alamitos
2 Race Course. And coming up to this summer season, we have a
3 couple of highlight days. Both Saturdays during our eight-
4 day meet, the opening Saturday, we have two standing races,
5 hopefully, the Great Lady M., which is a great two-race
6 \$200,000 purse. And also the Bertrando Stakes for
7 California-breds.

8 And we're going to put a lot of our marketing
9 toward promoting that date, that opening Saturday. We're
10 going to host a handicapping tournament, a very popular
11 handicapping tournament. And the way we priced it out is
12 very affordable for a lot of players to come out and visit
13 Los Alamitos Race Course, some of them for the first time.
14 But we do have a very loyal group of handicappers that do
15 play in our contest. We're also doing a mystery mutuel
16 voucher for that opening Saturday.

17 The following Saturday is the Los Alamitos Derby,
18 also \$200,000 purse. We'll do a giveaway, one of two
19 promotional giveaways we'll be doing during that meet, so
20 that should be another good day for Los Alamitos. We'll do
21 another giveaway on the opening Sunday, that would be on
22 July the 9th.

23 And in addition to that, we're working with a
24 variety of ADW partners to put together good promotional
25 events that will continue the involvement of horse players

1 from throughout the nation to play the Los Alamitos races,
2 you know, while we're between Santa Anita and Del Mar.

3 So we're working pretty hard on that. We're
4 looking forward to what should be a good meet. We're doing
5 all the traditional marketing, as well, television with
6 Spectrum and Direct TV in Orange County. And also radio;
7 we're doing a program with ESPNDeportes to introduce racing
8 and to maybe a new audience on the radio, Spanish radio.
9 We'll do ticket giveaways at some of their events that
10 they'll be hosting. And we'll also do a lot of live calls
11 and interviews on ESPNDeportes.

12 FIRST VICE CHAIR KRIKORIAN: Okay. Well, that's
13 sounds like, for two weeks, that's a lot of marketing and
14 promotion, so we want to wish you the best of luck.

15 Commissioners, anyone have any other questions or
16 comments? Can I get a motion for --

17 SECOND VICE CHAIR AUERBACH: So move.

18 FIRST VICE CHAIR KRIKORIAN: All right. And
19 seconded?

20 COMMISSIONER CHOPER: Second.

21 COMMISSIONER RUANO: I have a quick question.

22 FIRST VICE CHAIR KRIKORIAN: Okay.

23 COMMISSIONER RUANO: What's the timeline we're
24 approving? I mean, did we set -- what's the motion to the
25 floor?

1 FIRST VICE CHAIR KRIKORIAN: The motion is to --
2 well, I guess the motion would be to approve the application
3 for the race dates, and to have the balance of whatever
4 documents are required be in before the meet starts.

5 COMMISSIONER RUANO: Before the meet starts?
6 Okay.

7 FIRST VICE CHAIR KRIKORIAN: That's correct.

8 COMMISSIONER RUANO: Okay.

9 FIRST VICE CHAIR KRIKORIAN: They sound confident
10 that that will happen, so it won't be a problem.

11 COMMISSIONER RUANO: Okay.

12 FIRST VICE CHAIR KRIKORIAN: So --

13 COMMISSIONER RUANO: Yes.

14 FIRST VICE CHAIR KRIKORIAN: Would you --

15 SECOND VICE CHAIR AUERBACH: What --

16 FIRST VICE CHAIR KRIKORIAN: Go ahead.

17 SECOND VICE CHAIR AUERBACH: What specific
18 language do we want, pending receipt of outstanding
19 documents? Tell us what is reasonable.

20 FIRST VICE CHAIR KRIKORIAN: There's only a couple
21 of things missing; right?

22 SECOND VICE CHAIR AUERBACH: Well, they're all
23 missing, technically.

24 MR. LIEBAU: Well, except for the TOC agreement,
25 which I handed in this morning.

1 SECOND VICE CHAIR AUERBACH: Okay.

2 MR. LIEBAU: So that --

3 SECOND VICE CHAIR AUERBACH: So give us -- tell
4 us, do you want it within 72 hours, within --

5 MR. LIEBAU: Well --

6 SECOND VICE CHAIR AUERBACH: Give us what's
7 reasonable.

8 COMMISSIONER RUANO: What's reasonable, not --

9 MR. LIEBAU: I think what's reasonable would be
10 middle of next week, if that's possible.

11 EXECUTIVE DIRECTOR BAEDEKER: So one week from
12 now?

13 MR. LIEBAU: One week from now.

14 EXECUTIVE DIRECTOR BAEDEKER: Okay.

15 SECOND VICE CHAIR AUERBACH: Okay.

16 COMMISSIONER CHOPER: Which is, what, about one
17 week before --

18 MR. LIEBAU: Right.

19 COMMISSIONER CHOPER: -- it opens?

20 COMMISSIONER RUANO: Okay.

21 MR. LIEBAU: I mean, most of the things that are
22 missing are rather standard. I mean --

23 EXECUTIVE DIRECTOR BAEDEKER: Jack, there are no
24 disputes; right?

25 MR. LIEBAU: Right, none that I know of at all.

1 And usually the disputes are with TOC and CTT, and those are
2 already done, so the --

3 SECOND VICE CHAIR AUERBACH: No. It's just so you
4 get the paperwork --

5 MR. LIEBAU: Right.

6 SECOND VICE CHAIR AUERBACH: -- finished.

7 MR. LIEBAU: Exactly. Right.

8 FIRST VICE CHAIR KRIKORIAN: I would suggest we
9 ask that the paperwork be in a week from Friday.

10 MR. LIEBAU: That would be fantastic. Thank you
11 very much.

12 EXECUTIVE DIRECTOR BAEDEKER: Thank you.

13 SECOND VICE CHAIR AUERBACH: So moved that way.

14 FIRST VICE CHAIR KRIKORIAN: So moved. Okay.

15 So, Commissioner Arceli, yes or no?

16 COMMISSIONER RUANO: Yes.

17 COMMISSIONER CHOPER: Yes.

18 FIRST VICE CHAIR KRIKORIAN: Commissioner Choper?

19 Okay.

20 Commissioner Auerbach?

21 SECOND VICE CHAIR AUERBACH: Yes.

22 Commissioner Solis?

23 COMMISSIONER SOLIS: Yes.

24 FIRST VICE CHAIR KRIKORIAN: And, yes, so it
25 passes unanimously.

1 Thank you and good luck, and good health to Brad.

2 MR. LIEBAU: Thank you.

3 EXECUTIVE DIRECTOR BAEDEKER: And if could just
4 say, Jack, respectfully, I just hope there are not too many
5 San Francisco Giants fans here in this room.

6 MR. LIEBAU: Well --

7 EXECUTIVE DIRECTOR BAEDEKER: It would be very
8 inappropriate.

9 MR. LIEBAU: -- I might say that I've been a San
10 Francisco Giant fan forever. And it's very trying times, if
11 you look at the standings.

12 EXECUTIVE DIRECTOR BAEDEKER: Didn't mean to kick
13 you while you're down.

14 MR. LIEBAU: Yeah.

15 SECOND VICE CHAIR AUERBACH: Of course you did.

16 FIRST VICE CHAIR KRIKORIAN: Okay. Okay. We go
17 to item six now; right?

18 EXECUTIVE DIRECTOR BAEDEKER: Yes.

19 SECOND VICE CHAIR AUERBACH: Sonoma.

20 FIRST VICE CHAIR KRIKORIAN: Okay. Item six on
21 the agenda, an Application for License to Conduct a Horse
22 Racing Meeting of the Sonoma County Fair at Santa Rosa,
23 August 2nd, 2017 through August 22nd, 2017.

24 Good morning.

25 EXECUTIVE DIRECTOR BAEDEKER: Commissioners, we

1 want to let you know, we did receive the outstanding items.

2 The horsemen's agreements are now in place.

3 FIRST VICE CHAIR KRIKORIAN: Yeah.

4 EXECUTIVE DIRECTOR BAEDEKER: I'm not sure about
5 their Worker's Comp Certification, which I know expires on
6 July 1, if you can update the Board on that.

7 MS. BARTLING: Sure. Good morning, Commissioners.

8 We're excited to be here. Becky Bartling, CEO of the
9 Sonoma County Fairgrounds. And with me is Stacey Lampham,
10 who is our Director of Racing, and Bob Moreno, who is our
11 Racing Secretary. Very excited to be here today. So we
12 want to just give you some updates.

13 We have 11 days of racing, August 3 through August
14 20th. If you remember from last year, this is a pretty
15 significant date change for us. So we're cautiously
16 optimistic that we're going to have a good race meet and a
17 good fair, because those two are very much tied together.
18 And again, as you just mentioned, we do have -- all of the
19 agreements have been signed. And our Workman's Comp
20 automatically renews. It's through the County of Sonoma.
21 So it will automatically renew on July 1st.

22 COMMISSIONER CHOPER: Have they been submitted,
23 too, the signed agreements?

24 MS. BARTLING: Yes. And all the agreements have
25 been signed and submitted.

1 EXECUTIVE DIRECTOR BAEDEKER: We have them.

2 COMMISSIONER CHOPER: Could you give us a word as
3 to why the delay takes place?

4 MS. BARTLING: So we were negotiating with the
5 TOC. As you know, we had a fairly large overpayment last
6 year. And we're going back and forth, negotiating in good
7 faith to try and work it out so both parties, you know, came
8 to an agreement that was fair and equitable, and it took a
9 little while, but we did. As a result of that, we cut two
10 stakes races, but we will have comparable allowance races.
11 So, you know, unfortunately, it took a little time. But I
12 think both parties are happy and we got it all done.

13 COMMISSIONER CHOPER: I was more concerned with
14 the process. I understand it, so --

15 MS. BARTLING: Yeah.

16 COMMISSIONER CHOPER: The Chairman, who is not
17 here, is pretty tough on these things, and he'd put this
18 over to next month. So --

19 FIRST VICE CHAIR KRIKORIAN: Well, they do have
20 all of their --

21 COMMISSIONER CHOPER: Yeah. No. I didn't mean
22 that.

23 FIRST VICE CHAIR KRIKORIAN: Yeah. But it is
24 disappointing that it comes in at the last minute. And I
25 know that there are circumstances that created that, but it

1 is getting to a point for the Board. It's -- I think the
2 Board feels a little offended that these things continue to
3 happen, not just here but on a lot of applications that come
4 in, that things are done last minute. Things should be done
5 at least a month in advance so that we don't have these
6 delays. And we didn't have an opportunity to even review,
7 for example, what you presented to us today because we got
8 it at nine o'clock.

9 So hopefully moving forward there will be more
10 support between the different organizations that -- the ones
11 where you need to get approvals and so forth, that moving
12 forward they'll be more responsive, quicker, and we won't
13 have to have these delays.

14 MS. BARTLING: Yes, and I appreciate that. And I
15 appreciate you wanting to get this information in advance to
16 review. So we will do our best to make sure that in the
17 future, we've got that information to -- those contracts and
18 agreements signed in advance so that you can review them, as
19 well as we have more time to make sure that, you know, we
20 get things done correctly.

21 SECOND VICE CHAIR AUERBACH: I have a question
22 about how your Worker's Compensation works. The county
23 ensures your horsemen's --

24 EXECUTIVE DIRECTOR BAEDEKER: No.

25 SECOND VICE CHAIR AUERBACH: -- Worker's Comp? Is

1 that what I understood you to say?

2 EXECUTIVE DIRECTOR BAEDEKER: The fair employees.

3 MS. BARTLING: Oh, it's the fair employees. So it
4 really has nothing to do with us, does it or does it? I
5 don't understand it.

6 MS. LAMPHAM: Well, I believe you just have to
7 have your -- as an employer, you have to have your Work Comp
8 Insurance in place, and it's always been a document that's
9 required with the application.

10 SECOND VICE CHAIR AUERBACH: But it doesn't -- but
11 it does not reflect on activity at the race track, it's your
12 fair's Worker's Comp that we require that you have in place?

13 MS. LAMPHAM: Well, our fair racing employees are
14 covered under it, yes.

15 SECOND VICE CHAIR AUERBACH: Your fair -- so your
16 mutuel clerks, your --

17 MS. LAMPHAM: Yes. Yes.

18 SECOND VICE CHAIR AUERBACH: Okay.

19 EXECUTIVE DIRECTOR BAEDEKER: The racing office.

20 MS. LAMPHAM: The racing office.

21 SECOND VICE CHAIR AUERBACH: Okay.

22 EXECUTIVE DIRECTOR BAEDEKER: And some people that
23 are on the race tracks, such as security guards.

24 SECOND VICE CHAIR AUERBACH: But really have --
25 but really -- okay.

1 MS. LAMPHAM: So anybody that's working in the
2 racing area.

3 SECOND VICE CHAIR AUERBACH: Okay.

4 COMMISSIONER SOLIS: And the original application,
5 you took off one of the -- the one -- the County Stake.

6 SECOND VICE CHAIR AUERBACH: And then put it back.

7 COMMISSIONER SOLIS: And you said you put it back
8 again?

9 MS. BARTLING: Yes.

10 COMMISSIONER SOLIS: I just want to have it in the
11 record. Thank you.

12 MS. BARTLING: Yes.

13 FIRST VICE CHAIR KRIKORIAN: Just a quick
14 question, too, on -- because people go to the fair and they
15 go to racing, and they pay admission to go to the fair, if
16 you -- do you have to buy a fair admission ticket to get
17 into the racing, or how does that work?

18 MS. BARTLING: No. No. Once you get into the
19 fair, you can go into the races for free. There are reserve
20 seats you can buy, like, you know, any racing facility. But
21 once you have a ticket you can go in for free, which is, I
22 think, one of the great advantages of having a fair.
23 Because a fair draws you with all those other entertainment
24 opportunities, and then you also have the opportunity to
25 expose people to the fair -- or, excuse me, to the races.

1 FIRST VICE CHAIR KRIKORIAN: But if you buy -- if
2 you don't buy a fair ticket, how do you get into the races?

3 MS. BARTLING: You can't.

4 COMMISSIONER CHOPER: You don't.

5 FIRST VICE CHAIR KRIKORIAN: So you have to buy a
6 fair ticket?

7 MS. BARTLING: You have to buy a fair ticket.

8 FIRST VICE CHAIR KRIKORIAN: That was my point.

9 Okay. Okay.

10 Commissioners, any other questions or comments?

11 Do I have a motion, Commissioner Solis?

12 COMMISSIONER SOLIS: Moved.

13 COMMISSIONER CHOPER: So moved -- oh.

14 FIRST VICE CHAIR KRIKORIAN: Okay. Commissioner
15 Auerbach, second?

16 SECOND VICE CHAIR AUERBACH: Yes, I'm good.

17 FIRST VICE CHAIR KRIKORIAN: Okay. Can we have a
18 vote?

19 Commissioner Solis?

20 COMMISSIONER SOLIS: Yes.

21 FIRST VICE CHAIR KRIKORIAN: Commissioner
22 Auerbach?

23 SECOND VICE CHAIR AUERBACH: Yes.

24 FIRST VICE CHAIR KRIKORIAN: Yes.

25 Commissioner Choper?

1 COMMISSIONER CHOPER: Yes.

2 FIRST VICE CHAIR KRIKORIAN: Commissioner --

3 COMMISSIONER RUANO: Yes.

4 FIRST VICE CHAIR KRIKORIAN: Okay. Motion passes
5 unanimously.

6 Thank you very much, and good luck.

7 MS. BARTLING: Thank you. Hopefully you can all
8 come see us.

9 SECOND VICE CHAIR AUERBACH: That would be good.

10 MS. BARTLING: Wine country.

11 FIRST VICE CHAIR KRIKORIAN: If you have a wine,
12 we'll be there.

13 COMMISSIONER SOLIS: Oh, yeah.

14 MS. BARTLING: We will.

15 FIRST VICE CHAIR KRIKORIAN: So the next item on
16 the agenda is an Application for a License to Conduct a
17 Horse Racing Meeting of the Humboldt County Fair at
18 Ferndale, August 23rd, 2017 through September 5th, 2017.

19 Good morning. Identify yourself, please.

20 MR. CONWAY: Good morning. Richard Conway, the
21 General Manager of the Humboldt County Fair.

22 FIRST VICE CHAIR KRIKORIAN: Okay. Did you want
23 us to just look at this, or do you have anything you'd like
24 to say?

25 MR. CONWAY: Well, we do have a couple of

1 interesting things. You know, we --

2 FIRST VICE CHAIR KRIKORIAN: Okay.

3 MR. CONWAY: -- finally received our new rail
4 product yesterday, so the new rail will be in prior to the
5 meet. With the calendar set up as it is, we're adding the
6 additional day of racing and we'll run on Labor Day. We
7 hired a new in-house marketing director, and kind of
8 revamping our old marketing recruitment campaigns. So a lot
9 of changes there.

10 FIRST VICE CHAIR KRIKORIAN: Okay. Commissioners,
11 any questions or comments?

12 COMMISSIONER RUANO: How are you reworking the
13 marketing?

14 MR. CONWAY: We brought in a younger group. And
15 our focus is really social media and television. We didn't
16 feel like we were getting a lot of return for the expense of
17 the print advertising, kind of a limited market up there,
18 not well read anymore, and poor circulation, and it's really
19 dropped off. So we've kind of switched those two and
20 expanded the television.

21 FIRST VICE CHAIR KRIKORIAN: I'm sorry, if you can
22 speak up a little bit? It's hard to hear you. Just a
23 little.

24 MR. CONWAY: So we've expanded the television
25 advertising and the social media.

1 FIRST VICE CHAIR KRIKORIAN: Okay.

2 COMMISSIONER CHOPER: I know you can't answer this
3 question, but do you have any notion about why you have such
4 a significant drop off last year in both attendance and
5 handle?

6 MR. CONWAY: Our attendance was off a bit. The
7 handle directly reflects the loss of the commissions, the
8 host fees, with the agreement we had in place. If we put
9 that back in the totals, we're actually even or up a little
10 bit last year.

11 EXECUTIVE DIRECTOR BAEDEKER: As you recall,
12 Commissioners, there was a bit of a controversy when a
13 change was made last year regarding, quote unquote,
14 "ownership" of the dark days and who was host, whether or
15 not it was the operating meet at Golden Gate or the
16 operating meet at Ferndale. There had been an agreement in
17 place, a handshake agreement, between the parties in
18 previous years that awarded most of the host-day ownership
19 to Ferndale. That was changed, so they lost that associated
20 revenue.

21 Did I state that correctly?

22 MR. CONWAY: Correct.

23 COMMISSIONER CHOPER: I got it.

24 FIRST VICE CHAIR KRIKORIAN: Okay. Any other
25 questions or comments, Commissioners? Do I have a motion to

1 approve?

2 COMMISSIONER CHOPER: Move.

3 FIRST VICE CHAIR KRIKORIAN: Commissioner Choper.

4 COMMISSIONER RUANO: Second.

5 COMMISSIONER RUANO: Seconded by Commissioner

6 Araceli.

7 Commissioner Solis, yes or no?

8 COMMISSIONER SOLIS: Yes.

9 FIRST VICE CHAIR KRIKORIAN: Commissioner

10 Auerbach?

11 SECOND VICE CHAIR AUERBACH: Yes.

12 FIRST VICE CHAIR KRIKORIAN: Yes.

13 Commissioner Choper?

14 COMMISSIONER CHOPER: Yes.

15 FIRST VICE CHAIR KRIKORIAN: Commissioner Araceli?

16 COMMISSIONER RUANO: Yes.

17 FIRST VICE CHAIR KRIKORIAN: Okay. It's passes

18 unanimously.

19 Good luck, and thank you very much.

20 MR. CONWAY: Thank you.

21 So the next item on the agenda is an

22 Application for License to Conduct a Horse Racing Meeting of

23 the Pacific Racing Association II at Golden Gate Fields,

24 August 23rd, 2017 through September 19, 2017.

25 Good morning. And identify yourselves, please.

1 MR. MORRIS: Joe Morris, Golden Gate.

2 MR. RAKOWSKI: Joseph Rakowski, Golden Gate.

3 MR. RAINEY: Good morning, Members of the Board.

4 Cal Rainey, Manager at Golden Gate Fields, presenting our
5 Application for a License for our summer meet, PRA II,
6 starting August 23rd through September 19th, 16 days of live
7 racing.

8 Our winter-spring meet just ended last week. We
9 had 99 days of live racing, over 40 inches of rain from
10 December to June. Luckily, last summer we had drained and
11 dredged one of our wastewater ponds and increased its
12 holding capacity before the winter season began, so that
13 helped us a little bit get through it. However, we were
14 running pumps just about all winter to keep up with the
15 rain, to keep the racetrack dry. But it worked and we raced
16 all our days.

17 Despite the deluge of rain, we were able to
18 complete the 69 new horse stalls by the end of the meet,
19 including 12 new tack rooms and 10 new hay rooms.

20 The rain did not help our attendance or field
21 size. At the beginning of the new year, which was down
22 overall slightly for the meet, the loss of four Southern
23 California live cards hurt, as well. And our total export
24 wagering was down 12 percent. Comparatively, three Northern
25 California off-track sites that had been operating in 2016

1 were no longer operating this year. The network was -- it
2 cost the network over \$3 million in handle. Northern
3 California Off Track Wagering is actively looking for new
4 satellite locations to fill in the gap there.

5 Today, Joseph Rakowski from our Publicity and
6 Marketing Department is here to talk about some of the
7 initiatives that we have taken to boost our awareness in the
8 community and drive on-track attendance and handle, which
9 have increased this meet five percent and three percent,
10 respectively.

11 The application for the summer meet at Golden Gate
12 Fields is complete, with two fire inspection clearances from
13 both cities, Albany and Berkeley. And outstanding Worker's
14 Comp Insurance coverage which will renew annually on June
15 30th. And our \$100,000 surety bond will reset annually on
16 August 17th.

17 We respectfully request your approval of our
18 summer racing license. Thank you.

19 FIRST VICE CHAIR KRIKORIAN: Okay. Commissioners,
20 any questions?

21 COMMISSIONER SOLIS: I do. Regardless --

22 SECOND VICE CHAIR AUERBACH: I wanted to hear from
23 the new guy. You want to hear from him after you ask your
24 question?

25 COMMISSIONER SOLIS: Yeah. Go ahead.

1 SECOND VICE CHAIR AUERBACH: Let's hear from
2 the --

3 MR. RAINEY: Joseph Rakowski. Yeah.

4 SECOND VICE CHAIR AUERBACH: Joseph, please.

5 MR. RAKOWSKI: So I'm Joseph. I've been at Golden
6 Gate for about ten months now. We've increased. Just this
7 past meet, our attendance was up 5.6 percent overall, with
8 our Sundays seeing a 13 percent gross. Our on-track handle
9 was up three percent, as Cal said. We also suffered one of
10 the rainiest seasons.

11 I believe this has contributed to social media. I
12 think living in San Francisco and being in the tech bubble,
13 having Twitters, Instagrams, Facebooks, is a huge drive to
14 get younger generations out. I also believe we live in, I
15 think, kind of a data-filled center. So our wagering
16 (indiscernible) teaches people that you can look at more
17 than just a horses number and name for PP, something that's
18 really also helped converting new players. We have a
19 shuttle that picks up from North Berkeley BART that drives
20 the most popular streets in not only Albany but Berkeley.
21 It's now been wrapped in Golden Gate Fields' advertising.

22 We did our first commercials in Cantonese and
23 Mandarin on the Chinese -- the largest Chinese news station,
24 so that was a big driver for that day, as well.

25 COMMISSIONER CHOPER: Do you keep track of how

1 people -- whether patrons are coming across the bay or not,
2 and secondly, how they come over?

3 MR. RAKOWSKI: Yeah. I think demographically,
4 when we look at the metrics on Facebook, we can kind of see
5 that.

6 COMMISSIONER CHOPER: Uh-huh.

7 MR. RAKOWSKI: We draw mostly either from --

8 COMMISSIONER CHOPER: You can do that to determine
9 -- excuse me. You can do that to determine attendance at
10 the track?

11 MR. RAKOWSKI: Locations of patrons.

12 COMMISSIONER CHOPER: Okay. Go ahead.

13 MR. RAKOWSKI: Yeah. So I think tracking that is
14 kind of seeing who's coming to the track.

15 COMMISSIONER CHOPER: Yeah.

16 MR. RAKOWSKI: Our Dollar Days, obviously, are
17 younger generations. It's our college students. And we did
18 many things going out to the college, doing flyers, handing
19 out passes at all the kind of local businesses on Solano and
20 at the university, as ultimately --

21 COMMISSIONER CHOPER: Well, but I'm just curious
22 about the coming across the bay issue?

23 MR. RAKOWSKI: I think you can take the BART,
24 which is our --

25 COMMISSIONER CHOPER: I know. Do you know how

1 they come? That's what I'm asking.

2 MR. RAKOWSKI: We --

3 COMMISSIONER CHOPER: I know you pick them up at
4 the BART station.

5 MR. RAKOWSKI: We pick them up at the BART
6 station.

7 COMMISSIONER CHOPER: Uh-huh.

8 MR. RAKOWSKI: And that's the only public
9 transportation that you could take.

10 COMMISSIONER CHOPER: Yeah.

11 MR. RAKOWSKI: But we know we get --

12 COMMISSIONER CHOPER: But if I asked you -- excuse
13 me, I'll just -- maybe I'll make it if I asked you
14 specifically.

15 So do you know how many people come in person over
16 the bay? I don't care if it's San Francisco or whatever it
17 is. Do you know?

18 MR. RAKOWSKI: Do you know?

19 MR. RAINEY: We know that the BART provides about
20 10 to 15 percent of our attendance through the BART, and
21 then on to our shuttle, the free shuttle to Golden Gate
22 Fields.

23 COMMISSIONER RUANO: These are --

24 COMMISSIONER CHOPER: And I'm just curious as to,
25 you know, how much? It's not so much for Golden Gate, but

1 generally, how much transportation difficulties keep people
2 away from the track? I mean, you mentioned we live in the,
3 you know, Bay Area. You go across the bridge, you could
4 make a lot of money making bets on how long it would take to
5 get over which bridge at a time.

6 MR. RAINEY: Sometimes two hours.

7 EXECUTIVE DIRECTOR BAEDEKER: Take the over.

8 MR. RAINEY: Sometimes it's --

9 SECOND VICE CHAIR AUERBACH: Are you suggesting we
10 pick up the track and move it?

11 COMMISSIONER CHOPER: No. I'm just curious as to
12 -- maybe I'm just curious. I'll have to think a little
13 harder about exactly why.

14 SECOND VICE CHAIR AUERBACH: I wanted to ask you,
15 are these programs something that you've instituted since
16 you've been there? This seems like a significant bump. So
17 I'd like to obviously mine it, see if it can apply to other
18 tracks. If it's something specific that you've created, you
19 personally, your department, however you view that, what
20 have you learned that the rest of us are not doing?

21 MR. RAKOWSKI: I think reaching in social media, I
22 think there's a way that you can approach generations that
23 are my age, the new young players.

24 SECOND VICE CHAIR AUERBACH: So like 12?

25 MR. RAKOWSKI: Yeah. Thirteen last month. And I

1 think it's you're telling more of -- we're kind of seeing
2 that showing racing as there's also secondary things going
3 on at the track, and making an environment that's welcoming
4 for people that want to come out. Maybe they're not into
5 horse racing but they're into, you know, beer and wine
6 festivals, or they're into cigar bar, or they're into things
7 that kind of drive them to the track. And then, hopefully,
8 once they get there we can convert them. I see a lot of
9 people come to the track and they have a lot of questions of
10 like now how do I bet? And I think, you know, if I could
11 have 20 wager ambassadors teaching people to see and
12 converting people into players, you know, doing that kind of
13 stuff is great.

14 COMMISSIONER RUANO: Thank you.

15 COMMISSIONER CHOPER: I think the big trick is to
16 getting the people you can get to come over by inducements
17 of one sort or another, not simply to bet but to come back
18 at least. Because, I mean, we've talked before about, you
19 know, was the handle any bigger? Well, a couple of bucks.
20 But that doesn't mean there's not some benefit to it. The
21 challenge is to determine how you can take advantage of
22 those larger groups of people. I don't have the answer,
23 don't misunderstand me. I don't know if there is any. But
24 that's all. I don't know, or whatever.

25 FIRST VICE CHAIR KRIKORIAN: I have a question.

1 COMMISSIONER SOLIS: My question was going to --
2 is how these stalls handled all the rain, one? And the
3 other one, have we done anything more with the wall, that
4 you said you were going to make it higher? I'm talking
5 about the stalls next to the freeway. That was a concern of
6 mine.

7 MR. RAINEY: Yeah. Cal Rainey.

8 We have completed those stalls. The ones along
9 the freeway are solid along the back. There's no openings
10 to it. They're probably 12 to 14 feet high in the back of
11 the stall on the freeway side. They go as high as the
12 freeway barrier fence over there. So it actually makes a
13 nice shelter and it quiets down the whole area because it's
14 a barrier now to the freeway, where before it was just wide
15 open. So those stalls are pretty quiet. And the tack rooms
16 are insulated. So when you go in a tack room, you really
17 don't hear it at all.

18 COMMISSIONER SOLIS: So it's very safe then?

19 MR. RAINEY: I think so, yeah.

20 COMMISSIONER SOLIS: It's better than Trumps?

21 MR. RAINEY: Not the Trump Taj Mahal or anything.

22 But, no, they are nice stalls. They'll work.

23 SECOND VICE CHAIR AUERBACH: No. I think he was
24 referring to the wall.

25 COMMISSIONER SOLIS: The wall.

1 MR. RAINEY: Oh.

2 FIRST VICE CHAIR KRIKORIAN: I have a question for
3 you. In years' past when you've been racing a day and date
4 with Ferndale, there's been an agreement not to run lower-
5 level claiming races at Golden Gate. Is that in place for
6 this year or is this something different?

7 MR. MORRIS: Yeah. No. Joe Morris, Golden Gate.
8 We're still going by that, so we won't --

9 FIRST VICE CHAIR KRIKORIAN: You're still going to
10 honor that?

11 MR. MORRIS: -- \$5,000 will be the lowest we'll
12 write, so below that. And that's what we've done in the
13 past five years, six years, something like that, and we'll
14 continue with that.

15 FIRST VICE CHAIR KRIKORIAN: Okay. I wanted to
16 check.

17 MR. MORRIS: Yeah.

18 SECOND VICE CHAIR AUERBACH: Joe, I have a
19 question for you. I've heard a lot of chatter, and maybe
20 you can help us, about the condition of the turf course at
21 Golden Gate. Do you want to tell us what you know, what's
22 going on, how you're addressing either real or perceived
23 issues?

24 MR. MORRIS: Yeah. We -- what was the number of
25 races we ran, Cal?

1 MR. RAINEY: We ran close to 100. I think we had
2 actually about the same or a little more, maybe five or ten
3 more races on the turf than we did last year. We definitely
4 got a slower start on the turf because of all the rain. We
5 delayed it late into April, as opposed to the beginning of
6 April. But I think the turf track was safe the whole meet.

7 And we met with the jockeys a week before the end of the
8 meet, Darrell Haire, and we talked about the course and the
9 things that we could do, you know, keeping it lightly used,
10 not racing too many races on it towards the end. So I think
11 we managed it, and I think it was safe all the way to the
12 end.

13 MR. MORRIS: Other than rain, we didn't lose any
14 days on the turf this year, so it was good throughout.

15 SECOND VICE CHAIR AUERBACH: Okay.

16 MR. MORRIS: Yeah.

17 SECOND VICE CHAIR AUERBACH: Thank you.

18 FIRST VICE CHAIR KRIKORIAN: Okay. Commissioners,
19 any other questions or comments?

20 EXECUTIVE DIRECTOR BAEDEKER: Can I just add one
21 thing --

22 FIRST VICE CHAIR KRIKORIAN: Yes, of course.

23 EXECUTIVE DIRECTOR BAEDEKER: -- pertinent to what
24 Commissioner Choper was talking about?

25 I know you all know this, I don't know if the room

1 does, but just looking at year to date, in Southern
2 California there's been \$55 million handled at the
3 minisatellites, not the old brick-and-mortar satellites that
4 have been there forever, just the new ones that have been
5 put up over the last seven years or so. And that's 20
6 percent of total handle in California --

7 SECOND VICE CHAIR AUERBACH: Wow.

8 EXECUTIVE DIRECTOR BAEDEKER: -- and 30 percent of
9 all off-track betting. So those are just the
10 minisatellites. And I know you guys are on top of it,
11 working at it. It's a difficult thing. But, my gosh, I
12 don't think you can point to another area of growth for
13 racing in California that compares to the opportunity
14 provided by minisatellites.

15 FIRST VICE CHAIR KRIKORIAN: Yes. And that's a
16 good point. And that's something that we should have a
17 meeting on, on our next agenda.

18 EXECUTIVE DIRECTOR BAEDEKER: Another one?

19 FIRST VICE CHAIR KRIKORIAN: Yeah.

20 SECOND VICE CHAIR AUERBACH: Well, no. I
21 think --

22 FIRST VICE CHAIR KRIKORIAN: Why not?

23 SECOND VICE CHAIR AUERBACH: -- when we're talking
24 about it, and I spoke to Jackie earlier on this, I think it
25 would be a very good idea to, when we're talking about

1 having groups come explain to us how they work, maybe at our
2 next meeting, that would be where, Jackie, hello, where we
3 might want to start with an explanation of how they
4 function, what they do, and we can talk about the potential
5 there. I'd like to see us do that. Okay? Thank you.

6 FIRST VICE CHAIR KRIKORIAN: Okay. Do we have a
7 motion for approval?

8 COMMISSIONER SOLIS: Actually --

9 FIRST VICE CHAIR KRIKORIAN: Oh, sorry.

10 COMMISSIONER SOLIS: Sorry. Do we still have the
11 rest of the application, I don't know, what they
12 were -- they haven't submitted?

13 SECOND VICE CHAIR AUERBACH: What's that?

14 FIRST VICE CHAIR KRIKORIAN: Oh, I thought
15 that -- I thought everything had been submitted.

16 MR. RAINEY: Yeah. Cal Rainey --

17 MR. MORRIS: Yeah. Ours is complete.

18 MR. RAINEY: -- at Golden Gate.

19 It is complete, with the exception of the surety
20 bond, which renews on August 17th --

21 FIRST VICE CHAIR KRIKORIAN: Automatically.

22 SECOND VICE CHAIR AUERBACH: Automatically.

23 MR. RAINEY: -- and the Worker's Comp which renews
24 on June 30th. Everything is there.

25 EXECUTIVE DIRECTOR BAEDEKER: And the Board didn't

1 have to bump your application from one month to the next, so
2 apparently it can be done; yes?

3 MR. RAINEY: Yes.

4 SECOND VICE CHAIR AUERBACH: Thank you.

5 FIRST VICE CHAIR KRIKORIAN: Yes.

6 MR. RAINEY: You're welcome.

7 SECOND VICE CHAIR AUERBACH: We appreciate it.

8 You do, too; right?

9 MR. RAINEY: Yes.

10 FIRST VICE CHAIR KRIKORIAN: Okay. So do we have
11 a motion?

12 SECOND VICE CHAIR AUERBACH: So moved.

13 FIRST VICE CHAIR KRIKORIAN: Okay. Seconded?

14 COMMISSIONER CHOPER: Yeah.

15 FIRST VICE CHAIR KRIKORIAN: Okay. So, excuse me,
16 Commissioner Solis, yes or no?

17 COMMISSIONER SOLIS: Yes.

18 FIRST VICE CHAIR KRIKORIAN: Commissioner
19 Auerbach?

20 SECOND VICE CHAIR AUERBACH: Yes.

21 FIRST VICE CHAIR KRIKORIAN: Yes.

22 COMMISSIONER CHOPER: Yes.

23 COMMISSIONER RUANO: Yes.

24 FIRST VICE CHAIR KRIKORIAN: Okay. It passes
25 unanimously.

1 Good luck.

2 MR. RAINEY: Thank you.

3 FIRST VICE CHAIR KRIKORIAN: Thank you very much.

4 MR. RAKOWSKI: Thank you.

5 (Colloquy between Commissioners)

6 FIRST VICE CHAIR KRIKORIAN: We're thinking that
7 perhaps we'll call together items 9 through 13 and have
8 everyone come to the podium, if that's okay.

9 EXECUTIVE DIRECTOR BAEDEKER: Maybe a single
10 representative from each.

11 SECOND VICE CHAIR AUERBACH: Unless somebody's
12 uncomfortable with somebody else.

13 FIRST VICE CHAIR KRIKORIAN: What is it, like 9,
14 10, 11, 12 and then --

15 SECOND VICE CHAIR AUERBACH: That's good.

16 FIRST VICE CHAIR KRIKORIAN: This is the gang of
17 five.

18 SECOND VICE CHAIR AUERBACH: No. This is a gang
19 of 13.

20 FIRST VICE CHAIR KRIKORIAN: Okay. Good morning.
21 Who would like to start?

22 SECOND VICE CHAIR AUERBACH: Let Tony start, since
23 he's the first one on the agenda.

24 FIRST VICE CHAIR KRIKORIAN: Should I first
25 announce what this is?

1 These are applications, all for approval to
2 Conduct Advance Deposit Wagering of, well, for all the
3 different entities that are here for out-of-state multi-
4 jurisdictional wagering for a period of up to two years,
5 correct?

6 EXECUTIVE DIRECTOR BAEDEKER: Do you want me to
7 set the stage with the financial stuff?

8 FIRST VICE CHAIR KRIKORIAN: Please.

9 SECOND VICE CHAIR AUERBACH: I was going to say
10 that.

11 FIRST VICE CHAIR KRIKORIAN: Yes.

12 EXECUTIVE DIRECTOR BAEDEKER: Okay.

13 SECOND VICE CHAIR AUERBACH: We need to talk about
14 that. And before you get into that, what I was going to
15 mention before you get into it was normally this was --
16 usually it's done by now. And we had a delay this year
17 because of the geolocation situation, which I believe, and I
18 need to be corrected if I'm wrong, which I believe has been
19 addressed by everybody and fixed. So that I no longer, as I
20 understand it, an issue with any of the folks that are here
21 with us today.

22 So that made us give a very short window to --
23 that was one of the items that gave us a short window to the
24 ADWs, and that's why they're back with us today, seeking, as
25 they've asked for, I believe a two-year contract. And then

1 I will turn it over to Executive Director Baedeker to
2 further discuss this.

3 SECOND VICE CHAIR AUERBACH: Thank you, Madam Vice
4 Chair.

5 The history here, as everybody knows, the recent
6 history is that there's been focus by the Board on the
7 financials of the ADWs in California, understanding that the
8 formula that was put in place when the legislation was
9 passed preceded many of the new forms of wagering that we're
10 all familiar with and that we've talked about over and over
11 again, it was talked about today, simply stated, ADW bets
12 that are being made on track.

13 So the Board had a desire to receive P&Ls from
14 each of the ADW companies, which has been done.
15 Unfortunately, Staff has no way of verifying the accuracy of
16 the P&Ls without an audit. But we lack the resources to
17 perform such onsite work. Our pari-mutuel auditors, and
18 Francisco is here, are sufficiently busy reconciling other
19 daily data, that they cannot visit each of the entities to
20 look at the books.

21 In addition, Staff has reviewed the statutory
22 authority of the Board in this matter. And we believe that
23 CHRB has the clear right to require an audit of financial
24 data or any other records within the ADW business that has
25 been licensed by it.

1 As a result, we recommend that the ADW License
2 Renewal Application, the application going forward, be
3 amended to require the following, not limited to this but
4 including these things: an audited financial report for the
5 most recently completed reporting period, calendar or fiscal
6 year, including a profit and loss statement with revenues
7 and expenses calculated according to market share in
8 California; second, a monthly reporting of address changes
9 for California ADW customers; third, a quarterly reporting
10 of accounts that have been dormant for six months or longer.
11 And there may be other things that Staff recommends to the
12 Board.

13 In order to change the application, which you all
14 are painfully familiar with, the document will need to
15 follow the same procedures as changing a regulation. So
16 we're going to have to draft some proposed changes, submit
17 them to the Board. If they move it forward, 45-day public
18 comment. You know the process. So that process will likely
19 take between six and nine months for the Board to complete.

20 What that means is if the Board moves forward in this
21 direction, the next time that you come before the Board to
22 renew your license, you will have been required to submit
23 those things as part of your license application.

24 So Staff has recommended to the Board today that
25 they look at parallel paths here. One is before them on the

1 agenda, and that is your application for relicensing. The
2 other is the suggestion by Staff that we begin to move to
3 revamp, if you will, the ADW license application. And this
4 would reply to renewals. Obviously, an ADW company coming
5 before the Board for the first time wouldn't have any
6 California history.

7 FIRST VICE CHAIR KRIKORIAN: Commissioner Choper?

8 COMMISSIONER CHOPER: I'm sure you thought
9 this -- it was stated, but to understand, but when you say
10 an auditor, I think we ought to say a certified audit
11 financial report.

12 EXECUTIVE DIRECTOR BAEDEKER: Yes. And thank you,
13 Commissioner, because that's an important point. What we
14 want to point out is that Staff is recommending that those
15 details don't need to be determined as part of your
16 consideration today, in consideration of the applications
17 before you, that that will be the next
18 step -- or the first step, if you will, on that parallel
19 path where Staff will bring to you all a list of
20 particulars, recommended changes for the applications going
21 forward, including what you just mentioned, and give you the
22 opportunity to add or subtract from the list they give you.

23 COMMISSIONER CHOPER: But that's not just from any
24 accountant that happens to come in and say that he and she
25 went over the whole thing and it looked okay. It's got to a

1 certified public accountant.

2 SECOND VICE CHAIR AUERBACH: I think, Jesse, I
3 think what we're driving at is that we'll take the time to
4 put in the language that we want.

5 COMMISSIONER CHOPER: Yeah. That's fine.

6 SECOND VICE CHAIR AUERBACH: And we're just
7 basically letting the ADWs know that this has really nothing
8 to do with today, other than determining the length of the
9 license, but this what we'll be working on. And it will go
10 to public comment and you'll be able to discuss it, you
11 know, in public comment period and try to get this so that
12 it works well for all of us, so we don't have to do this
13 again.

14 This is, as I see, this is kind of a situation
15 where the Board, and I'm going to say previous to any of us
16 being here, really did not put into play steps that were
17 user friendly so that we could really understand what was
18 going on, and I think that that's all this is. This is not
19 -- this in no way is a negative comment about the ADWs who
20 are our partners. But this is us taking what should be our
21 financial responsibility and making sure we understand where
22 we are. I think that's a fair statement, so --

23 FIRST VICE CHAIR KRIKORIAN: Well, I would
24 say --

25 SECOND VICE CHAIR AUERBACH: -- that's the way I

1 look at it.

2 FIRST VICE CHAIR KRIKORIAN: Yeah. But with
3 respect to what's being discussed now, I think that the
4 Board needs the opportunity to have further discussions as
5 to what these rules and requirements will be. Because, one,
6 we don't want them to be punitive.

7 SECOND VICE CHAIR AUERBACH: Right.

8 FIRST VICE CHAIR KRIKORIAN: But, you know, but we
9 want them to be, you know, consistent. We want to make sure
10 that the information we're getting is the information that's
11 helpful to us. So we need to work on that before we come
12 back and, you know, present it to you.

13 SECOND VICE CHAIR AUERBACH: Which is why we're
14 not making any changes today. We're just setting the table.

15 FIRST VICE CHAIR KRIKORIAN: Yeah.

16 SECOND VICE CHAIR AUERBACH: This is for the last
17 supper.

18 SECOND VICE CHAIR AUERBACH: So I think we're
19 talking now about approving one year, right, license --

20 SECOND VICE CHAIR AUERBACH: I --

21 FIRST VICE CHAIR KRIKORIAN: -- as opposed to two?

22 EXECUTIVE DIRECTOR BAEDEKER: Yeah. Uh-huh.

23 SECOND VICE CHAIR AUERBACH: Yeah. I was thinking
24 --

25 FIRST VICE CHAIR KRIKORIAN: And then --

1 SECOND VICE CHAIR AUERBACH: -- more like maybe
2 doing a 15-month license, because I know how we operate. We
3 think we're going to get something done in a year and we
4 don't. And I don't want to have to bring everybody back to
5 do this if we've not allowed ourselves enough time to have
6 everything straight, so that the ADWs have all the
7 information and we have it.

8 FIRST VICE CHAIR KRIKORIAN: Well --

9 SECOND VICE CHAIR AUERBACH: I don't know if a
10 year is enough time for us, quite frankly.

11 EXECUTIVE DIRECTOR BAEDEKER: Also, and it
12 probably should be pointed out that it's one thing for us to
13 go through our process. And if at the end of that process
14 we have determined that there needs to be a certified audit
15 of their financials, then they're going to need time --

16 SECOND VICE CHAIR AUERBACH: They're going to need
17 time, too.

18 EXECUTIVE DIRECTOR BAEDEKER: -- to do that before
19 applying for relicensing to the Board. So --

20 FIRST VICE CHAIR KRIKORIAN: Right.

21 EXECUTIVE DIRECTOR BAEDEKER: -- I take the point
22 that maybe 15 months might not even be quite enough.

23 SECOND VICE CHAIR AUERBACH: Yeah. You might need
24 to --

25 EXECUTIVE DIRECTOR BAEDEKER: Maybe 18.

1 SECOND VICE CHAIR AUERBACH: Yeah. Really.
2 Honestly. Because just having served as long as I have and
3 seeing how long it took us to get third-party Lasix through
4 the Office of Administrative Law before any of us had rules
5 and regulations that applied, you know, I think a year is
6 too short. I think we've got to -- you know, I said 15.
7 Maybe we need 18 months, which is almost the full license.
8 And I'm not trying to obfuscate or delay it, but I am trying
9 to make it so that it's sensible for them and for us,
10 knowing how difficult it is for us to get anything through.

11 COMMISSIONER CHOPER: Yeah. That's fair enough.

12 FIRST VICE CHAIR KRIKORIAN: Well, maybe --

13 SECOND VICE CHAIR AUERBACH: That's my thought.

14 FIRST VICE CHAIR KRIKORIAN: Maybe we could ask
15 the Executive Director, since he's more hands-on with these
16 issues, as to comment as to whether -- what the time frame
17 is you need to get this done? Because I'd like to see it
18 done as soon as possible. I know it's going to take time,
19 but we don't want to be going out a couple years here.

20 EXECUTIVE DIRECTOR BAEDEKER: These might be
21 famous last words, but I honestly don't believe it will take
22 nearly as long as something like third-party Lasix because -
23 -

24 COMMISSIONER CHOPER: Good.

25 EXECUTIVE DIRECTOR BAEDEKER: -- I think the list

1 of proposed items to be included in the revised application
2 will not be lengthy. And I do believe that the Board,
3 probably in one open meeting with members
4 of -- with the stakeholders here, can determine what those
5 changes should be, and we can start to move it quickly.
6 And, also, I believe that the rather
7 difficult -- that's not the right word -- cumbersome process
8 that we go through with OAL, which is an important one, we
9 complain about it but we're really -- you know, we're making
10 rules and regulations here which are going to affect your
11 businesses and potentially affect the racing industry. So
12 it's a careful process and it needs to be, and we get that.

13 But having said all of that, and understanding
14 that they're going to need to do what's required in the
15 revised applications, I personally believe 18 months, as
16 Vice Chair Auerbach stated, might be more appropriate. And
17 really, if you think about it, 18 months, in addition to the
18 first two license grants, the first one was a month, I
19 think, and then the next one was six months, so that's over
20 two years in total.

21 FIRST VICE CHAIR KRIKORIAN: So you want to leave
22 it at two years; is that your recommendation?

23 EXECUTIVE DIRECTOR BAEDEKER: I'd recommend 18
24 months.

25 FIRST VICE CHAIR KRIKORIAN: Eighteen months?

1 Okay.

2 COMMISSIONER CHOPER: I'm just curious if you
3 folks have any thoughts about this? You're the ones that
4 become responsible for doing this. And if you think it
5 would take shorter or longer --

6 MR. ALLEVATO: Tony Allevato, President at NYRA
7 Bets.

8 As being the newcomer in this market, we launched
9 nationally with our ADW. We had only been in New York prior
10 to last year, so we've gone through this process in multiple
11 states. And it's really unusual for us, if you look at the
12 history so far, we were licensed in October. We agreed to
13 do a very short license, just to get us on the same calendar
14 as the other ADWs, which we thought was fair. Then we were
15 issued a new license, I believe in November, that went
16 through February. We were issued a license in February that
17 goes now until today.

18 So if we're talking about just doing it for the
19 year, that would be a new license that would come up in
20 November. So we would have had five licenses in a span of
21 about 12 months in this state.

22 SECOND VICE CHAIR AUERBACH: You're very lucky.

23 MR. ALLEVATO: So --

24 EXECUTIVE DIRECTOR BAEDEKER: But we are talking
25 about more than a year.

1 MR. ALLEVATO: Yeah. So I think that we would
2 request that we have the two-year total license that is in
3 the regs, is what our position would be from NYRA Bets. And
4 that would allow us to give us the time to do what you're
5 asking.

6 EXECUTIVE DIRECTOR BAEDEKER: For today, grant a
7 two-year license?

8 MR. ALLEVATO: Yes, that's where we are.

9 FIRST VICE CHAIR KRIKORIAN: Anyone else who'd
10 like to speak to these issues?

11 MR. VANCE: Yes. Carter Vance from Churchill
12 Downs.

13 Our understanding, at least originally, was
14 that -- from earlier this year that we were granted this
15 license in order to do the geolocation. And then the --
16 then it would fall to the regulation, which does say two
17 years. It does say, you know, licenses shall be issued for
18 two years. So we thought it was kind of a contingency just
19 for that period, and then it was going to go through the end
20 of 2018. So that's kind of where we -- I guess our
21 expectation for the meeting today.

22 EXECUTIVE DIRECTOR BAEDEKER: Just to clarify, I
23 don't think it requires that there be a two-year license.
24 The license is up to two years. The Board has the
25 discretion, as it has exercised as just described, to grant

1 a license shorter than two years but not more than.

2 FIRST VICE CHAIR KRIKORIAN: So --

3 MR. VANCE: Okay. I thought 2071(b) (phonetic)
4 had shall be two years, but maybe it's been changed.

5 EXECUTIVE DIRECTOR BAEDEKER: No, it hasn't been
6 changed, so maybe I misunderstood, but --

7 MR. VANCE: Okay.

8 EXECUTIVE DIRECTOR BAEDEKER: -- the Board did it
9 anyhow.

10 FIRST VICE CHAIR KRIKORIAN: So what we're voting
11 on today is --

12 EXECUTIVE DIRECTOR BAEDEKER: Really, you're
13 talking about the length.

14 FIRST VICE CHAIR KRIKORIAN: -- is only the
15 length.

16 COMMISSIONER CHOPER: I thought it was the length
17 to do this first, to complete this first round.

18 FIRST VICE CHAIR KRIKORIAN: Well, we'd be
19 approving the applications, and for a period of time.

20 COMMISSIONER CHOPER: Well, we've got to do it for
21 more because they expire tomorrow or today, I don't know
22 which one.

23 EXECUTIVE DIRECTOR BAEDEKER: Right. So there
24 really are two separate --

25 COMMISSIONER CHOPER: Yes.

1 EXECUTIVE DIRECTOR BAEDEKER: -- issues that we're
2 talking about. One is the applications that are before you
3 --

4 FIRST VICE CHAIR KRIKORIAN: Right.

5 EXECUTIVE DIRECTOR BAEDEKER: -- whether or not
6 you're going to grant licenses based on those applications,
7 and for what length. End of that first topic.

8 The second one is one that you'll start to deal
9 with yes month --

10 COMMISSIONER CHOPER: Yes.

11 EXECUTIVE DIRECTOR BAEDEKER: -- when we bring all
12 of this financial -- all of these financial changes or
13 changes for the application before you.

14 COMMISSIONER CHOPER: Yes. My concern is the
15 first one, because we're asking that they come in. I think
16 the only, and I may be wrong, the only issue that is
17 somewhat different is to have a certified audit --

18 SECOND VICE CHAIR AUERBACH: No.

19 COMMISSIONER CHOPER: -- done.

20 SECOND VICE CHAIR AUERBACH: It's not the only
21 issue, Jesse. It's --

22 COMMISSIONER CHOPER: That's new?

23 SECOND VICE CHAIR AUERBACH: It's that we're going
24 to require, according to what --

25 FIRST VICE CHAIR KRIKORIAN: We're not doing

1 anything today.

2 SECOND VICE CHAIR AUERBACH: -- Executive Director
3 said, we're going to be requiring more reporting and on a
4 different schedule. It's not one simple thing. It's we're
5 going to try to set the table so we don't have to do this
6 again, so it's not just one thing.

7 COMMISSIONER CHOPER: Well, I do understand that.
8 But what I do think is that if we have these ADWs operating
9 without -- and we're going to have to do it, without having
10 audited financial statements from them, that we're sort of
11 at risk during the entire time.

12 SECOND VICE CHAIR AUERBACH: But it's all -- but
13 this is no change. We've been doing --

14 COMMISSIONER CHOPER: Well, I understand.

15 SECOND VICE CHAIR AUERBACH: -- for years.

16 COMMISSIONER CHOPER: But that's why we're trying
17 to change it now.

18 SECOND VICE CHAIR AUERBACH: Exactly.

19 FIRST VICE CHAIR KRIKORIAN: We can't change it
20 today. We have to go through a process and make changes.

21 COMMISSIONER CHOPER: I understand. No, I don't
22 mean we change it today.

23 FIRST VICE CHAIR KRIKORIAN: Right.

24 COMMISSIONER CHOPER: What I'm saying is I think
25 we ought to get the change for the first go-around as

1 quickly as we can.

2 FIRST VICE CHAIR KRIKORIAN: Right.

3 COMMISSIONER CHOPER: And then after that, we can
4 do it for two years, that's fine. I don't have any
5 objection to that. I'm just trying to cure the
6 problem --

7 FIRST VICE CHAIR KRIKORIAN: Yes.

8 COMMISSIONER CHOPER: -- and cure it as quickly as
9 possible.

10 That's why I asked, how long would it take
11 you -- well, we've been back and forth on how long it would
12 take you to get ready to have audited financial reports, all
13 right, in addition to everything else? Everything else,
14 you've sort of -- you had it in already. I mean, most of
15 this stuff is just a little updating. But the audited
16 financial report is a different sort of category. I just
17 wonder, how long would it take to get those?

18 FIRST VICE CHAIR KRIKORIAN: Well, they're already
19 providing financials; correct?

20 EXECUTIVE DIRECTOR BAEDEKER: They provide
21 financials but they're not --

22 COMMISSIONER CHOPER: Not audited.

23 EXECUTIVE DIRECTOR BAEDEKER: -- certified
24 audited.

25 COMMISSIONER CHOPER: They're not audited.

1 FIRST VICE CHAIR KRIKORIAN: They provided
2 financials and they're not --

3 COMMISSIONER CHOPER: Yeah.

4 FIRST VICE CHAIR KRIKORIAN: -- what we'd like to
5 see.

6 COMMISSIONER CHOPER: I guess some were
7 audited --

8 FIRST VICE CHAIR KRIKORIAN: So what we need --

9 COMMISSIONER CHOPER: -- and some were not
10 audited.

11 FIRST VICE CHAIR KRIKORIAN: So what we want to do
12 is create what the rules would be and regulations would be
13 moving forward. As soon as those are in place, then they
14 would be required to comply with the new regulations. We
15 have to go through that process. And the discussion right
16 now is it's going to take 18 to 24 months. And these folks
17 would like to have 24 months, versus what they had
18 requested. And Executive Director Baedeker is saying it
19 would take 18 months. So the Board needs to decide if we
20 want to move forward with the approvals today for 18 or 24
21 months?

22 COMMISSIONER CHOPER: I mean, I think I've said
23 what I wanted to say, and that is I'd have it as a short a
24 time possible that is consistent with the what the ADWs can
25 do in good faith to produce audited financial reports and

1 get the rest of the stuff in. Now, if they can do it in
2 less than 18 months --

3 SECOND VICE CHAIR AUERBACH: You know, quite
4 honestly, Jesse, I think that they, if they had to, could do
5 it as rapidly as necessary. I don't doubt their ability to
6 get it done. I doubt our ability to get it done. And I'm
7 being really candid. I know that our stuff moves more
8 slowly.

9 COMMISSIONER CHOPER: Yes.

10 SECOND VICE CHAIR AUERBACH: And I want to be
11 realistic in whatever we do.

12 COMMISSIONER CHOPER: But our stuff only starts
13 until they get it done, so they're the first step. Our
14 system is after the first step is completed.

15 So if I asked you, how long would it take you to
16 put together this --

17 MR. ALLEVATO: I would say that the first step is
18 not on us. The first step would be for the regs to be
19 changed, so it's not on us.

20 SECOND VICE CHAIR AUERBACH: Of course. It's up
21 to us, Jesse. And I really do feel that, as long as we're
22 discussing it with them, I think it's a matter of us giving
23 them a reasonable time, not only for them to come to terms
24 with it, but for our processes to be able to be complete.
25 That's what my concern has been. Because I think when

1 you're dealing with these numbers and things, they can get
2 it done. They're private businesses and we're not.

3 COMMISSIONER CHOPER: Okay.

4 SECOND VICE CHAIR AUERBACH: So they can always
5 respond, but it's up to us to do something that's reasonable
6 for our staff and our processes so that we're ready to make
7 them our partners in doing it the right way. That's the way
8 I view it. I'm just looking at it a different way.

9 And I would like to suggest at this point that I'm
10 just going to go ahead and say that we approve all the
11 licenses for an 18-month period, pending however we want to
12 verbalize this. Because I think --

13 EXECUTIVE DIRECTOR BAEDEKER: You don't need to do
14 more than that.

15 SECOND VICE CHAIR AUERBACH: Okay.

16 COMMISSIONER RUANO: I have a quick question
17 before you put a motion on the floor.

18 Could you give us a status update on the
19 outstanding items? I believe all of you have some,
20 including the labor agreement.

21 SECOND VICE CHAIR AUERBACH: They do. Oh, there's
22 no --

23 MR. ALLEVATO: So the only outstanding item that,
24 I believe, we have from NYRA Bets standpoint is labor.
25 We've been in communication with John Valenzuela and the

1 labor group and talking to them, and trying to work in good
2 faith. Our lawyer, Nicole, is here. She can elaborate, if
3 you need more information on that.

4 FIRST VICE CHAIR KRIKORIAN: And that said, I do
5 have a request for John Valenzuela, who would like to
6 address this item; right? Introduce yourself, please.

7 MR. VALENZUELA: Yes. John Valenzuela, President
8 of Local 280.

9 At this time all our labor agreements are
10 outstanding with all the ADW companies. The only ADW
11 company that actually has a license, I think is for another
12 year, would be b Spot. I think that's Game Play Network.
13 All the other ADW companies does not -- we are not -- do not
14 have a license -- or labor agreement with them.

15 Back in January there was a conditional approval
16 for six months, all the way until today, in July [sic]. In
17 our previous letters, we demanded that we get into a
18 contract with all the ADW companies.

19 What Local 280 is focusing on is creating jobs. We
20 brought it to the Board here that we were looking for eight
21 jobs, full-time jobs, that would funded by the ADW
22 companies.

23 In short, following that, we had a meeting with
24 the TOC and Del Mar up in Sacramento with some lobbyists,
25 and there was talk of creating jobs. But what has happened

1 since then was -- I think it was in March, that's when we
2 had the meeting. Just shortly after March, must be before May,
3 three members of Local 280 had filed a lawsuit against the
4 employer for not being compliant with the meal break period.

5 And since that has happened, I was sent a message that
6 there would be no talks of creating jobs while that lawsuit
7 is pending.

8 Basically, they're holding it over our head. And
9 actually, the lawsuit with the meal break period really has
10 nothing to do with us trying to create jobs for Local 280.
11 I just wanted to make that clear.

12 Even after that particular situation, Local 280
13 had an event here at Santa Anita. It was on April 15th,
14 where Local 280 -- the TOC, Local 280 and the SEIU had
15 invited legislators to come to Santa Anita and see what
16 Local 280 members do as far as labor. We gave them a tour
17 of the money room, and basically gave them an explanation of
18 exactly what we do, and then try to help them learn how to
19 bet, as far as horse racing. A lot of legislators and the
20 SEIU really enjoyed the guidance and they had a great time.

21 Just so you know, there is a few legislative
22 bills, spot bills, that are on the -- at legislation right
23 now, and they're moving forward.

24 So Local 280, the SEIU is very supportive of the
25 racing industry at this time. We really want to make -- to

1 go forward. But again, we are looking to create jobs to
2 benefit -- not only to assist this industry, but to benefit
3 Local 280 members.

4 At this time, I really haven't had much discussion
5 with many of the ADW companies. I do -- I can tell you that
6 NYRA did reach out to us. And we're willing to sit down and
7 discuss a few issues, and we had a few talks. And we plan
8 on discussing, continuing discussing going forward.

9 I was approached today, also, by other ADWs that
10 want to open -- keep the discussion about creating jobs for
11 Local 280 and going forward. But I also had other ADW
12 companies that really have no intention of creating any
13 jobs. Basically, they said that their business is online,
14 so they weren't -- had really no intentions. I haven't
15 talked to -- one, TVG, I haven't had any conversation since,
16 I think, January. But the TOC was -- kind of stepped in and
17 tried to create those jobs, as we spoke before. But at this
18 time, there is no talks of any jobs being created.

19 FIRST VICE CHAIR KRIKORIAN: Okay. Well, at this
20 point in time, we would encourage you to continue to have
21 your discussions and hopefully, you know, things will get
22 resolved.

23 MR. VALENZUELA: I understand that you're talking
24 about the time frame of a license. You know, right now I
25 would have to oppose a two-year license. I would not be

1 opposed to a three- to six-month license at this time, so
2 that we can continue our talks, maybe, to put more emphasis
3 on getting this done. Being if it's lengthy, there's a good
4 chance nothing will get done.

5 FIRST VICE CHAIR KRIKORIAN: Okay. Thank you.

6 Does anybody have any questions for John? Okay.

7 Thank you.

8 MR. VALENZUELA: Thank you.

9 FIRST VICE CHAIR KRIKORIAN: Yes, you can speak.

10 MR. AVIOLI: Good afternoon. Greg Avioli with the
11 TOC. I just want to comment a little bit about what John
12 just said.

13 We believe that SEIU and Labor is not a good but a
14 great legislative partner. They were tremendously important
15 to us last year in Sacramento. And for any substantive bill
16 going forward, they're going to be tremendously important
17 again. We have tried to broker this eight-job agriculture,
18 which would essentially be some version of an on-track
19 concierge who are assisting players opening up ADW accounts.

20 We did get very close with a lot of the people around this
21 table agreeing in principle, and the racetracks. And as
22 John pointed out, it got sidetracked by an unexpected
23 lawsuit that was brought on behalf of some SEIU members
24 against the racetracks, which temporarily, at least, made
25 them less interested in negotiating a deal. I wouldn't give

1 up on that deal, and we're not giving up on that deal. And
2 we hope we can get something done coming up when we're all
3 together for a while at Del Mar.

4 FIRST VICE CHAIR KRIKORIAN: Okay. Thank you.

5 MR. AVIOLI: Okay.

6 FIRST VICE CHAIR KRIKORIAN: Okay.

7 MR. VALENZUELA: I just wanted to add that -- this
8 is John Valenzuela of Local 280, President.

9 I just wanted to add that I went down to Del Mar
10 Fair. And there's a display there that is really nice.
11 There's a huge display with a horse and jockey, basically
12 symbolizing American Pharaoh with Espinoza on top. The
13 display is actually three to four sides, and it shows the
14 huge history of Del Mar racing. It even has a glass casing
15 where the original lease that began 22nd Ag and the Del Mar
16 Racing Industry. And then just on the side of this so-
17 called display, which I thought was very nice, and it was to
18 address all the foot traffic that was at the fair, there's a
19 kiosk. There was a Local 280 member there doing the sign-
20 ups promoting and trying to get people to, you know, get
21 prepared for the next Del Mar meet.

22 So I really applaud -- 22nd Ag, actually, is the
23 one that's footing the bill for this. But that's the same
24 type of thing that we wanted to create is a kiosk that will
25 promote horse racing, whether it be at the fair or another

1 event, or maybe at the mall or something, because we do have
2 that in our contract of kiosk, and we would like to continue
3 that --

4 FIRST VICE CHAIR KRIKORIAN: Okay.

5 MR. VALENZUELA: -- for the betterment of horse
6 racing.

7 FIRST VICE CHAIR KRIKORIAN: John, thank you.

8 MR. VALENZUELA: All right. Thank you.

9 FIRST VICE CHAIR KRIKORIAN: Okay. So do we have
10 a motion?

11 COMMISSIONER RUANO: I have just a quick
12 questions.

13 SECOND VICE CHAIR AUERBACH: Arceli has one.

14 FIRST VICE CHAIR KRIKORIAN: Oh.

15 COMMISSIONER RUANO: Just a quick one. I mean, I
16 just wanted feedback from you regarding comments just made,
17 if any.

18 MR. VANCE: Carter Vance from Churchill Downs.

19 We've had a number of discussions with John and we
20 understand his concerns. You know, from our perspective, if
21 there's something that makes sense we can, you know, we can
22 continue to have those discussions. But it's a separate
23 issue from really what's required for the application, which
24 is the card neutrality (phonetic) agreement, and which we've
25 had, you know, for a number of years with Local 280. So

1 we've been trying to, you know, address and get that
2 agreement in place to check the box for what's needed here.

3 But a separate issue is the, you know, the jobs issue, so -
4 -

5 MR. CHABRIER: Gene Chabrier with XpressBet.

6 We also had several conversations with John. I
7 personally had them. And we submitted a draft to Local 280
8 that is within the letter of the law as written and how we
9 believe it was intended. So I haven't heard back from John
10 on whether or not, you know, his group will approve that or
11 not.

12 MS. FOLEY: Sorry. Nicole Foley, NYRA Bets.

13 I would just add to what Mr. Vance said, that
14 19604(d)(1)(C) states that,

15 "The agreement required shall not be conditioned by
16 either party upon the other party agreeing to matters
17 outside the requirements of subparagraph B."

18 And the requirements of subparagraph B are just a
19 card check (phonetic) and neutrality agreement. And we are
20 all willing to sign that card check and neutrality agreement
21 that has been signed for the last, our understanding is over
22 a decade. And we're willing to sign that agreement but the
23 labor union is not.

24 SECOND VICE CHAIR AUERBACH: Thank you.

25 FIRST VICE CHAIR KRIKORIAN: Thank you.

1 SECOND VICE CHAIR AUERBACH: Well, if it's okay, I
2 would like to move this forward with the -- oh, sorry.

3 MR. VALENZUELA: I'm sorry. I may respond to
4 that.

5 Yes, there is a neutrality agreement that's been
6 signed for quite a long time with the prior president. The
7 neutrality agreement was signed on good faith, believing
8 that the jobs would be coming to California. As you know
9 from our past letters and everything else, that those jobs
10 never materialized here in the State of California.
11 Everything was moved out to either Oregon, Maryland,
12 Pennsylvania, North Dakota.

13 The question is here, you know, the ADW companies,
14 and I'm not blaming everybody because there's a lot of
15 issues that have created our industry, where we're at today,
16 but in good faith they gave us the intent that, you know,
17 with our support at legislation to pass the ADWs that come
18 into California, that there would be jobs produced for us.
19 And that's the reason why the intent of having a labor
20 agreement, recognition agreement, was to create jobs in the
21 State of California. That is the intent. And how can you
22 have an agreement with labor if you're not providing jobs?
23 It's that simple. We don't have -- you want a labor
24 agreement? Provide the jobs. I mean, I'm not difficult to
25 deal with. The bottom line, I'm just looking for jobs.

1 So with that being said, I mean, you've heard my
2 story. I know there's a few of you that haven't heard the
3 whole story. But the letters that we wrote and the
4 representatives that have come forward, like Roger Licht
5 himself, who initiated the ADW licensing -- I mean ADW
6 coming to California. He also stated in his representation
7 at the meeting back in I think November that the intent was
8 to create jobs. So we're just asking the ADW companies to
9 do it in good faith.

10 Ten years has passed. I've lost a lot of members
11 in ten years. Two-thirds of my membership have been lost
12 because of loss of jobs, so --

13 FIRST VICE CHAIR KRIKORIAN: Okay. Thank you.
14 Thank you, John. We understand.

15 Do you have something to say? Oh, okay.

16 Commissioner Ruano, do you have any other
17 questions?

18 COMMISSIONER RUANO: No.

19 FIRST VICE CHAIR KRIKORIAN: No questions?

20 SECOND VICE CHAIR AUERBACH: I'm going to call the
21 question, George, with putting in an 18-month stipulation.
22 I think that's fair to us and fair to them.

23 FIRST VICE CHAIR KRIKORIAN: So what would be your
24 motion?

25 SECOND VICE CHAIR AUERBACH: The motion would

1 be -- you got I there --

2 EXECUTIVE DIRECTOR BAEDEKER: Items 9 through 13.

3 SECOND VICE CHAIR AUERBACH: -- for items 9
4 through 13, to grant the licenses --

5 EXECUTIVE DIRECTOR BAEDEKER: For 18 months.

6 SECOND VICE CHAIR AUERBACH: -- for an 18-month
7 period. And I don't know if we have to put in there, with
8 the stipulation that we devise formulas to address
9 accounting concerns going forward. Do you want language
10 like that?

11 FIRST VICE CHAIR KRIKORIAN: Is it necessary?

12 EXECUTIVE DIRECTOR BAEDEKER: I don't think you
13 need it.

14 SECOND VICE CHAIR AUERBACH: I don't know. Okay.

15 COMMISSIONER CHOPER: I'm not sure you need it,
16 yeah.

17 SECOND VICE CHAIR AUERBACH: So that's what I see,
18 an 18-month window should be plenty of time for everybody to
19 get their act together, most specifically us. And I think
20 they can respond as quickly as they need to.

21 FIRST VICE CHAIR KRIKORIAN: Is that okay?

22 Jackie, did you have --

23 MS. WAGNER: No, I'm good.

24 FIRST VICE CHAIR KRIKORIAN: Oh, you're with us?
25 Okay.

1 SECOND VICE CHAIR AUERBACH: Did I do it wrong?

2 MS. WAGNER: No.

3 FIRST VICE CHAIR KRIKORIAN: Okay. Can I have a
4 second on the motion?

5 COMMISSIONER SOLIS: Second.

6 FIRST VICE CHAIR KRIKORIAN: Okay. Commissioner
7 Solis seconds it.

8 Commissioner Ruano, how do you vote?

9 COMMISSIONER RUANO: Yes.

10 FIRST VICE CHAIR KRIKORIAN: Commissioner Choper?

11 COMMISSIONER CHOPER: Yes.

12 FIRST VICE CHAIR KRIKORIAN: Commissioner

13 Auerbach?

14 SECOND VICE CHAIR AUERBACH: Yes.

15 FIRST VICE CHAIR KRIKORIAN: Commissioner Solis?

16 COMMISSIONER SOLIS: Yes.

17 FIRST VICE CHAIR KRIKORIAN: Yes. So it passes
18 unanimously.

19 Good luck.

20 MR. ALLEVATO: Thank you.

21 FIRST VICE CHAIR KRIKORIAN: Thank you very much.

22 MR. AVIOLI: Thank you.

23 MR. VANCE: Thank you.

24 FIRST VICE CHAIR KRIKORIAN: We are now going to
25 what? We have one item left?

1 The last item on the agenda is discussion and
2 action by the Board of the -- on the approval of the Fiscal
3 Year 2017/18 Agreement providing funding support for the
4 Board.

5 Good morning.

6 MS. VOSS: Good morning.

7 MR. GONZALEZ: Good morning.

8 FIRST VICE CHAIR KRIKORIAN: And identify
9 yourselves, please.

10 MR. GONZALEZ: Francisco Gonzalez, CHRB Staff.

11 MS. VOSS: Wendy Voss, CHRB Staff.

12 FIRST VICE CHAIR KRIKORIAN: Okay. So --

13 EXECUTIVE DIRECTOR BAEDEKER: Francisco, you want
14 to take the Commissioners through --

15 FIRST VICE CHAIR KRIKORIAN: Yeah.

16 EXECUTIVE DIRECTOR BAEDEKER: -- this budgeting
17 process and how unique it is with the appropriation that's
18 made by the legislature, and then changes by the May revise
19 and the Department of Finance and so forth, just kind of set
20 the table for how this works?

21 MR. GONZALEZ: Sure. Before --

22 EXECUTIVE DIRECTOR BAEDEKER: Or, Wendy, too, jump
23 in.

24 MS. VOSS: Right. I certainly will.

25 MR. GONZALEZ: Before the current year, the way

1 the budget was displayed for budgeting purposes for state
2 departments --

3 EXECUTIVE DIRECTOR BAEDEKER: Speak louder.

4 FIRST VICE CHAIR KRIKORIAN: A little bit louder,
5 please.

6 MR. GONZALEZ: Okay.

7 FIRST VICE CHAIR KRIKORIAN: Sorry.

8 MR. GONZALEZ: Thank you. The budget used to
9 include, as part of the appropriation, a number of charges,
10 pro rata charges that the state is responsible for. Now the
11 way that the new budget is displayed, it doesn't -- it no
12 longer includes those pro rata charges. These pro rata
13 charges include administrative -- a fixed cost for
14 administrative services that each department has to pay back
15 now. The legislature believes now, since those are fixed
16 charges, those no longer be -- it will no longer be
17 necessary for those to be appropriated. So they looked a
18 little bit different this time around.

19 EXECUTIVE DIRECTOR BAEDEKER: So these charges,
20 basically, are assessments against each department in the
21 state issued by the state to cover all of those departments
22 and service that we use in the course of day-to-day
23 business; correct?

24 MR. GONZALEZ: That is correct. And this is --
25 basically, another way to say it is a fixed cost that each

1 department is given assist on a percentage basis.

2 EXECUTIVE DIRECTOR BAEDEKER: So it's not new,
3 it's just being accounted differently?

4 MR. GONZALEZ: That is correct.

5 MS. VOSS: It's being displayed differently.

6 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

7 MS. VOSS: Yeah.

8 FIRST VICE CHAIR KRIKORIAN: Okay.

9 MR. GONZALEZ: And one of those increases that
10 accounts for the majority of the budget increased from the
11 previous year to this current year, which is a pro rata rate
12 pay today in the State of California.

13 EXECUTIVE DIRECTOR BAEDEKER: Right. So the cost
14 of CHRB hasn't gone up, but the cost of these pro rata --

15 MS. VOSS: That's right.

16 EXECUTIVE DIRECTOR BAEDEKER: -- assessments have?

17 MR. GONZALEZ: That is correct.

18 MS. VOSS: Those fees are assessed each year. And
19 they can go up and down based on administrative cost to the
20 state. And CHRB has to pay their proportionate share of
21 that.

22 EXECUTIVE DIRECTOR BAEDEKER: And, Wendy, the
23 Horse Racing Board is what's called special funded.

24 MS. VOSS: That's right.

25 EXECUTIVE DIRECTOR BAEDEKER: So we're not funded

1 out of the general fund.

2 And then what's the process for getting the
3 stakeholders involved in the formula and understanding it
4 and approving it?

5 MS. VOSS: Right. Each year, usually hopefully in
6 May or June, before the state budget is approved, CHRB has
7 built their budget during the course of their fiscal year.
8 The Department of Finance has approved it, and we have a set
9 amount that we are -- we have to have two items in order to
10 expend; you just have the authority and the dollars. And so
11 we get the authority from the legislature and we get the
12 dollars, this time, from the formula, and so they have to
13 tie. And we have to present to the industry what the
14 legislature has approved for our budget each year.

15 And as Francisco was explaining, I believe it
16 started last fiscal year, and this year, as well, the
17 Governor decided that pro rata, even though it's an
18 expenditure that we will incur, you will not see it in our
19 Governor's budget display the same as you have in previous
20 years. But it's still an expenditure that we must incur.

21 So we are now before you today with the actual
22 formula, signed and approved by the industry, needing Board
23 approval to proceed for next fiscal year.

24 FIRST VICE CHAIR KRIKORIAN: So you've got all the
25 approvals prerequisite?

1 MS. VOSS: Yes. Yes.

2 FIRST VICE CHAIR KRIKORIAN: Okay.

3 SECOND VICE CHAIR AUERBACH: So if we don't
4 approve it, you guys are all out of work?

5 MS. VOSS: That's right.

6 COMMISSIONER SOLIS: So are you.

7 MS. VOSS: We'll come back to you again next
8 month. That's right, we can't pay you your \$100.

9 FIRST VICE CHAIR KRIKORIAN: Well, okay, any
10 comments or questions?

11 COMMISSIONER RUANO: Move to approve.

12 COMMISSIONER RUANO: Okay. Commissioner Ruano
13 moves to approve.

14 COMMISSIONER CHOPER: Second.

15 FIRST VICE CHAIR KRIKORIAN: Commissioner Choper
16 seconds it.

17 Commissioner Solis?

18 COMMISSIONER SOLIS: Yes.

19 FIRST VICE CHAIR KRIKORIAN: Commissioner
20 Auerbach?

21 SECOND VICE CHAIR AUERBACH: Yes.

22 FIRST VICE CHAIR KRIKORIAN: Commissioner Choper?

23 COMMISSIONER CHOPER: Yes.

24 FIRST VICE CHAIR KRIKORIAN: Commissioner Ruano?

25 COMMISSIONER RUANO: Yes.

1 FIRST VICE CHAIR KRIKORIAN: Okay. Yes. So it
2 passes unanimously, and I think we're done.

3 EXECUTIVE DIRECTOR BAEDEKER: We're done.

4 MS. VOSS: Thank you so much.

5 FIRST VICE CHAIR KRIKORIAN: Thank you very much.

6 MR. GONZALEZ: Thank you.

7 (The regular meeting of the California Horse Racing Board
8 adjourned at 11:12 a.m.)

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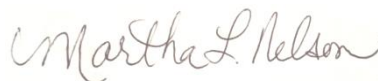
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CERTIFICATE OF REPORTER

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 28th day of June, 2017.



MARTHA L. NELSON, CERT**367

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

June 28, 2017