

MEETING
STATE OF CALIFORNIA
HORSE RACING BOARD

In the Matter of:)
)
Regular Meeting)
)

SANTA ANITA RACE TRACK PARK
BALDWIN TERRACE ROOM
285 WEST HUNTINGTON DRIVE
ARCADIA, CALIFORNIA

THURSDAY, SEPTEMBER 27, 2018

9:30 A.M.

Reported by:
Martha Nelson

APPEARANCES

COMMITTEE MEMBERS

Chuck Winner, Chair

Madeline Auerbach, Vice Chair

Jesse Choper, Commissioner

Fred Mass, Commissioner

Alex Solis, Commissioner

STAFF

Rick Baedeker, Executive Director

Jacqueline Wagner, Assistant Executive Director

John McDonough, Chief Counsel

Robert Brodnick, Staff Counsel

Mike Marten, Associate Analyst

Rick Arthur, Equine Medical Director

ALSO PRESENT

John Valenzuela, Pari-Mutuel Employees Guild, Local 280

Larry Swartzlander, California Authority of Racing Fairs

Greg Avioli, Thoroughbred Owners of California

Scott Daruty, Golden Gate Fields

James Morgan, Humboldt County Fair

Elizabeth Morey, Thoroughbred Owners of California

Becky Bartling, Sonoma County Fairgrounds

APPEARANCES

ALSO PRESENT

Rick English, Los Alamitos Quarter Horse Racing Association

Dino Perez, Pacific Quarter Horse Racing Association

Joe Harper, Del Mar Thoroughbred Club

David Jerkens, Del Mar Thoroughbred Club

Tom Robbins, Del Mar Thoroughbred Club

Craig Dato, Del Mar Thoroughbred Club

Josh Rubenstein, Del Mar Thoroughbred Club

Dave Payton, AmTote International

Jack Liebau, Los Alamitos Race Track

INDEX

PAGEAction Items:

- | | | |
|----|--|----|
| 1. | Approval of the minutes of August 23, 2018. | 2 |
| 2. | Executive Director's Report. | 3 |
| 3. | Public Comment: Communications, reports, requests for future actions of the Board. Note: Persons addressing the Board under this item will be restricted to three (3) minutes for their presentations. | 11 |
| 4. | Discussion and action by the Board regarding the distribution of race day charity proceeds of the Los Alamitos Quarter Horse Racing Association, from its 2017 race meeting, in the amount of \$24,394, to five beneficiaries. | 46 |
| 5. | Discussion and action by the Board regarding the distribution of race day charity proceeds of the Los Alamitos Racing Association, from its 2017 race meetings, in the amount of \$7,928, to four beneficiaries. | 47 |
| 6. | Discussion and action by the Board regarding an update from the Pacific Coast Quarter Horse Racing Association (PCQHRA) on the 14th Annual | 49 |

INDEX

PAGEAction Items:

Los Alamitos Equine Quarter Horse Yearling and Mixed Stock Sale and its request for authorization of the sale, pursuant to CHRB Rule 1807, Authorized Horse Sales.

- | | | |
|----|--|----|
| 7. | Discussion and action by the Board regarding the status of outstanding items from the Application for License to Conduct a Horse Racing Meeting of the Pacific Racing Association II (T) at Golden Gate Fields, commencing October 17, 2018 through December 9, 2018, inclusive, which was approved at the August 23, 2018 regular meeting of the Board, contingent upon the receipt of outstanding items. | -- |
| 8. | Discussion and action by the Board regarding the potential reallocation of 2018 Northern California race dates. | -- |
| 9. | Discussion and action by the Board on the Application to Conduct a Horse Racing Meeting of the Del Mar Thoroughbred Club (T) at Del Mar, commencing November 7, 2018 through December 4, 2018, inclusive. | 52 |

INDEX

PAGEAction Items:

- | | | |
|-----|---|----|
| 10. | Public hearing and action by the Board regarding the proposed amendment to CHRB Rule 1588, Horse Ineligible to Start in a Race, to provide that a horse that receives an intraarticular injection (glucocorticosteriod/cortisone) is ineligible to race for five (5) days (120 hours) after the treatment and the proposed addition of CHRB Rule 1842.1, Additional Report for Intra-Articular Treatments, to require veterinarians administering medication or treatment into an articular structure of a horse located within the inclosure to provide an intra-articular treatment record to the trainer who shall maintain the records for a period of one year, and make the records available to the examining veterinarian for the purpose of assisting with pre-race veterinary examinations and other examinations as required by the Board. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.) | 62 |
| 11. | Public hearing and action by the Board regarding the proposed amendment to CHRB Rule 1843.3, | 64 |

INDEX

PAGEAction Items:

Penalties for Medication Violations, to correct a discrepancy in the phenylbutazone levels noted in the category "C" penalty chart in Rule 1843.3.

(Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)

- | | | |
|-----|--|----|
| 12. | Public hearing and action by the Board regarding the proposed amendment to CHRB Rule 1632, Jockey Riding Fee, to adjust the jockey riding fee scale pursuant to Business and Professions Code section 19501. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.) | 65 |
| 13. | Public hearing and action by the Board regarding the proposed amendment to CHRB Rule 1865, Altering of Sex of Horse, to require that if the public is not notified of the true of sex of the horse prior to the opening of wagering, the stewards shall declare the horse from the race. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.) | 66 |

INDEX

PAGEAction Items:

- | | | |
|-----|--|----|
| 14. | Discussion and action by the Board regarding the proposed addition of CHRB Rule 1967.1 Posting of Final Odds, to require any association, advance wagering provider or other entity licensed by the Board to distribute the audiovisual signal of any California race, to post the final odds for a race on all displays within five seconds of the close of wagering. | 67 |
| 15. | Report from the Stabling and Vanning Committee. | 12 |
| 16. | Discussion and action by the Board regarding racing calendar proposals for southern and Northern California and the allocation of race dates. | 20 |
| 17. | 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 |
| | <p style="margin-left: 40px;">A. The Board may convene a Closed Session to confer with and receive advice from its</p> | |

INDEX

PAGEAction Items:

legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," and as authorized by Government Code section 11126(e).

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

C. The Board may convene a Closed Session for the purposes of considering personnel matters as authorized by Government Code section 11126(a).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

9:37 A.M.

ARCADIA, CALIFORNIA, THURSDAY, SEPTEMBER 27, 2018

CHAIRMAN WINNER: Ladies and gentlemen, this meeting of the California Horse Racing Board will please come to order. Please take your seats. This is the regular noticed meeting of the California Horse Racing Board on Thursday, September 27, 2018 at Santa Anita Park Race Track, 285 West Huntington Drive, Arcadia, California.

Present at today's meeting are Chairman Chuck Winner; Vice Chair Madeline Auerbach; Commissioner, Jesse Choper; and Commissioner Alex Solis.

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

In order to ensure all individuals have an opportunity to speak and the meeting proceeds in a timely manner, I will strictly enforce the three-minute time limit rule for each speaker. The three-minute time limit rule will be enforced during discussion of all matters as stated on the agenda, as well as during the public comment period.

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

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

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

22 Now let me get a quick update from Madeline.

23 (Colloquy between Chairman Winner and Vice Chair
24 Auerbach.)

25 CHAIRMAN WINNER: Let's begin with the approval of

1 the minutes from the August 23rd meeting. Are there any
2 additions, corrections or changes to the minutes?

3 COMMISSIONER CHOPER: Move.

4 CHAIRMAN WINNER: Commissioner Choper moves
5 approval.

6 VICE CHAIR AUERBACH: Second.

7 CHAIRMAN WINNER: Vice Chair Auerbach seconds.
8 Commissioner Solis?

9 COMMISSIONER SOLIS: Yes.

10 CHAIRMAN WINNER: Chairman votes yes.
11 Vice Chair?

12 VICE CHAIR AUERBACH: Yes.

13 CHAIRMAN WINNER: And --

14 COMMISSIONER CHOPER: Yes.

15 CHAIRMAN WINNER: -- Commissioner Choper votes
16 yes. The minutes are approved.

17 Let's go to the Executive Director's Report.

18 EXECUTIVE DIRECTOR BAEDEKER: Thank you, Mr.
19 Chairman. I had a little unfortunate incident this morning.
20 I was very proud of myself, got all my notes done before I
21 left the office, everything buttoned up and in order in my
22 briefcase, which was stolen out of my car last night. So as
23 a result, I've got to wing this.

24 CHAIRMAN WINNER: I have full confidence.

25 EXECUTIVE DIRECTOR BAEDEKER: If I had met the guy

1 that stole the briefcase, I would have said if you found
2 anything worthwhile, I'd split it with him, but --

3 (Laughter.)

4 VICE CHAIR AUERBACH: He got your laptop, too.

5 EXECUTIVE DIRECTOR BAEDEKER: Got the laptop, as
6 well, yeah. My wife said, "Well, at least you just didn't
7 leave it sitting in the parking lot," which would have been
8 appropriate. That's the kind of thing I do these days.

9 However, moving to things that I have been able to
10 download and recall from my report, about a month ago during
11 the Del Mar meet, I was contacted with a report that there
12 was a rumor going around the backstretch that a test from a
13 CHRБ-licensed facility had been sent to the Maddy Lab and
14 that the results were positive, but that the lab could not
15 identify the substance. Further, the lab was, quote,
16 "sitting on the results."

17 I checked with Dr. Arthur, who said that there was
18 no record of any of our tests coming back positive with some
19 unknown drug.

20 But three weeks later we learned that there was
21 such a test. However, it didn't come from the CHRБ.
22 Rather, it came from licensees. It had been sent
23 independently to the Maddy Lab, which reported back to the
24 individual that it was clenbuterol.

25 Now it's understandable that people would be

1 curious and want to find out if something nefarious was
2 going on, so it might have made sense to do that, but it
3 just wasn't the right way to handle it. Because even if
4 this test had revealed some kind of potent, super
5 performance-enhancing drug, there wouldn't have been
6 anything that the CHRB could have done about it because
7 there wasn't any chain of custody. Any complaint that might
8 have been filed would have been defeated at the outset
9 because there was no proof, other than hearsay, of where it
10 came from or who might have handled it.

11 Said another way, anyone could fill a vile full of
12 a prohibited substance, send it to the Maddy Lab, and claim
13 that it came from somebody else's barn.

14 And here's the important point and the reason that
15 I bring it up, if anyone sees anything suspicious, call a
16 CHRB investigator. You can get an investigator either
17 directly, or by contacting a safety steward, or by calling
18 the Board of Stewards. They will confiscate the material.

19 What happens when we have a situation like that
20 is, let's say the safety steward comes upon something that
21 he thinks is suspicious or knows is a violation, he
22 immediately gets CHRB licenses from anybody around it, he
23 takes pictures of the location, calls the investigator,
24 waits for the investigator to get there, and then it is done
25 kind of police procedurally, if you will. And from that

1 point, then if a complaint is filed, then a complaint can
2 hold up, whether it's before the Board of Stewards, a
3 hearing officer, or even in court.

4 So good to check all these things. We welcome
5 those kinds of calls, but let's make sure we do it
6 appropriately. And, you know, hopefully then we can take
7 action on something like that.

8 Speaking of tests, I do have some stats, that I
9 thought it would be worthwhile during my monthly report to
10 talk about the testing that we have done. And bear with me
11 for a second while I find it.

12 So this is -- these are stats for the month of
13 August, and I'll just read them to you. I think we take for
14 granted that people know how much testing is being done, how
15 much vigilance there is on the part of CHRB.

16 So during August, we conducted 149 out-of-
17 competition tests. We collected: 870 post-race paired
18 blood and urine tests; 105 post-race blood-only tests, those
19 are for claimed horses, all claimed horses are tested. We
20 collected: 48 samples from horses coming off -- having
21 worked, coming off the vet's list; 48 hair samples which are
22 usually collected as part of out-of-competition testing;
23 1,548 TCO2 tests, that's been going on for many years, as I
24 think everybody knows; and three other tests. So for the
25 month of August, that was 2,773 tests that were completed.

1 We also, last week, conducted out-of-competition
2 testing at San Luis Rey Downs. When we conduct out-of-
3 competition testing, we also perform barn searches. We
4 have, obviously, an official vet there to collect the
5 sample. In this case, we had two investigators. We had a
6 Supervising Steward, Kim Sawyer, who was acting as the
7 Safety Steward. Dr. Arthur was there. Did I miss anybody,
8 Doc? Dr. Pattio performed the tests.

9 EQUINE MEDICAL DIRECTOR ARTHUR: And two
10 investigators.

11 EXECUTIVE DIRECTOR BAEDEKER: Two investigators,
12 right. And we did 13 barn searches. And so we don't have
13 the results of those tests back yet, but this is a normal
14 procedure. We do at least three times as many out-of-
15 competition tests as any other state in the country. It's
16 an important one to us. It's an important process. And
17 folks should know that, as a matter of fact, it's not only
18 the tests themselves, I think we tested 33 horses while we
19 were down there, but also we perform a barn search. And if
20 we find -- usually the things that we find will be things
21 like medications that aren't properly labeled and so forth.
22 Occasionally, we find some kind of contraband.

23 So our folks are busy. I thought it was important
24 to make everybody aware of that. And I'll just update those
25 tests monthly as we go forward.

1 In terms of the handle, the financials for the
2 month, let me make sure I've got this right, that's year to
3 date, August, we had one additional day of racing and one
4 additional night of racing. Total handle for the month
5 during the day was up 11.7 percent, at night up 12.6
6 percent, everything in, up 11.77 percent. Year to date the
7 numbers are daytime up 7.7, nighttime up just under 4, and
8 everything, 7.36 percent to the good.

9 Also, we've got some end-of-meet reports for you.

10 The Sonoma County Fair meet, now this year Sonoma
11 had 8 days versus 11 days last year, so we look at the
12 averages when we have a difference in days. Average daily
13 handle was up one-and-a-half percent at Sonoma. They had a
14 nice lift in average on-track wagering, which was up just
15 under 12 percent. And average out-of-state on Sonoma was up
16 18.3 percent. And then average starters per event was up
17 just slightly, 6.5 to 6.6.

18 For Humboldt, they had the same number of days
19 this year versus last year, but they had one week un-
20 overlapped versus last year. So as a result, their handle
21 went from an average of 6.46, \$647,000 last year to \$1.467
22 million this year, so that was a lift of 126 percent, given
23 the lack of any overlap in the first week. Let's see, their
24 average on-track wagering was up 20.4 percent. Everything
25 was up, the interstate wagering network, and they also

1 benefitted from, I think, that un-overlapped week was the
2 week of the Pacific Classic, so there was a good healthy
3 audience there. Their average starters per event dropped
4 from 5.6 to 5.4. There were some Worker's Comp
5 complications for the meet which caused some of the horses
6 to be ineligible.

7 The Del Mar meet, I think everybody was aware that
8 it was a very successful meet. Everything in, the same
9 number of days this year versus last, the average handle per
10 day was up 6.7 percent. Betting on live racing versus the
11 imports and exports was up 8.23 percent. A good healthy
12 meet all along. And significantly, average starters per
13 event, which was solid last year at 8.58 percent, was 8.94
14 percent this year. So a good successful meet at Del Mar.

15 And that's my -- oh, finally, I wanted to say I
16 think you probably saw a press release that Dr. Stanley is
17 leaving the Maddy Lab at U.C. Davis and moving to the
18 University of Kentucky. And I think it's natural for all of
19 us to say, wow, we're really losing a great person, somebody
20 who is really responsible for developing that lab into,
21 arguably, the finest equine testing lab, not only in the
22 country but, also, as you've heard us say, it's one of the
23 few that's accredited worldwide.

24 So we can look at, you know, the future and say,
25 shoot, we're not going to have Dr. Stanley around. I think

1 it's more appropriate to consider how lucky we've been to
2 have him working at the lab all of these years. He has been
3 so helpful for the Horse Racing Board, such a calming
4 influence for the Horse Racing Board. You have such
5 confidence in our testing program when you see it. But then
6 when you talk to him about it, and I think all of us would
7 agree, we owe him quite a debt of gratitude for all that
8 good work. And he's such a good guy. He's got family back
9 there, and I can't help but be happy for him.

10 That's my report, Mr. Chairman.

11 CHAIRMAN WINNER: Thank you very much, Rick.

12 Sorry about your briefcase.

13 If anybody sent any emails to the Executive
14 Director that they wish they hadn't sent, since somebody's
15 running around with those emails --

16 EXECUTIVE DIRECTOR BAEDEKER: All the emails I get
17 are positive and well meant, so --

18 CHAIRMAN WINNER: Let me, for the record, make
19 note that Commissioner Mass is here, so he is now present.

20 Let me also say that we are going to move, at the
21 request of some stakeholders, we're going to move items 15
22 and 16 on the agenda up to follow the public comment period,
23 which is item 3.

24 I also want to take this opportunity to thank Dr.
25 Stanley for everything that he's done for California racing

1 and for racing in general, and to wish all the best in
2 Kentucky in his new job. As Rick said, he's a fabulous
3 person and has done an enormous amount for California horse
4 racing.

5 I also want to congratulate all of you for the
6 success. Given the numbers that Executive Director cited,
7 everyone deserves congratulations for the work that's been
8 done and the way that California racing is constantly on the
9 improve, both in terms of raw numbers, in terms of
10 financials, as well as in terms of reducing the number of
11 injuries and catastrophic injuries.

12 With that, let's go to the public comment period.
13 I have one card. If there are others who want to speak,
14 please see Mr. Marten and fill out a card.

15 John Valenzuela. Good morning, John.

16 MR. VALENZUELA: Good morning, ladies and
17 gentlemen, Executive Director, Chairman, Commissioners, and
18 the gallery. I represent Pari-Mutual Employees Guild. My
19 name is John Valenzuela and I'm President of the Union.

20 Gladly, to report that Local 280 has come to a
21 tentative agreement with Golden Gate Fields and Santa Anita.
22 The tentative agreement was presented to the membership, and
23 the membership ratified the contract -- the agreement. So I
24 just wanted --

25 CHAIRMAN WINNER: Thank you.

1 MR. VALENZUELA: -- to bring that to your
2 attention.

3 CHAIRMAN WINNER: And congratulations to all.

4 MR. VALENZUELA: All right. Thank you.

5 CHAIRMAN WINNER: Well done. And well done for
6 your hard work.

7 VICE CHAIR AUERBACH: What's the length of that
8 agreement, John?

9 MR. VALENZUELA: The one with Golden Gate and
10 Santa Anita will be a two-year agreement, so it will be
11 expiring June or July of '20 --

12 VICE CHAIR AUERBACH: Thank you.

13 MR. VALENZUELA: -- 2020.

14 CHAIRMAN WINNER: Thank you. Okay.

15 EXECUTIVE DIRECTOR BAEDEKER: Are the other
16 agreements the same term?

17 MR. VALENZUELA: No, sir. It turns out that
18 because the -- there was no federation, everybody wanted to
19 have their own agreement. But with the satellites,
20 NCOTWINC/SCOTWINC, that was a 14-month agreement that
21 expires September 24th of 2019. Okay.

22 CHAIRMAN WINNER: Thank you, John. Thank you to
23 the Stronach Group, and it's good news that we're moving
24 ahead.

25 Let's go on to the report from the Stabling and

1 Vanning Committee, Vice Chair Auerbach.

2 VICE CHAIR AUERBACH: Commissioner Mass and I
3 convened the Stabling and Vanning Committee here yesterday
4 to discuss the stabling situation this summer, this coming
5 summer, 2019, in Northern California. Everyone seems to
6 agree that the arrangement worked out last year with Golden
7 Gate remaining open all summer is the best way to go in the
8 north. I'm glad that that's really finally come off the
9 table and all the parties agree with that.

10 However, CAREF Representatives Larry Swartzlander
11 voiced objections to some of the financial aspects of that
12 arrangement. He was fine with the part where trainers pay
13 stall rent for their -- if their horses don't make the
14 required number of starts on the circuit.

15 His objections focused on the two percent of the
16 handle that Golden Gate received for keeping its stable area
17 open during the entire fair season. He said Golden Gate
18 received this money, even during the Ferndale and Fresno
19 meets when they have very few, if any, horses vanned from
20 Golden Gate to those meets. As he said, there are several
21 hundred of the horses stabled at Golden Gate that did not
22 start at all.

23 I called to Larry's attention that all of the
24 meets are interdependent in terms of stabling some horses
25 that will race elsewhere, that we must view all of the race

1 meets as one circuit and not count noses. Horses are
2 constantly in flux. I reminded him that the horses that
3 raced at the fairs last summer were stabled on someone
4 else's dime in the months leading up to the fair season.
5 It's a give and take situation.

6 Although we did not specifically discuss the dates
7 at the meeting, because that's the responsibility of the
8 Race Dates Committee, not the Stabling and Vanning
9 Committee, we did segue into a discussion of Ferndale dates
10 as part of the stabling discussion. Scott Daruty with the
11 Stronach Group, Liz Morey speaking on behalf of the TOC
12 offered compensation to Ferndale in exchange for Golden Gate
13 running two overlapped weeks. I won't get into the details
14 of what they offered at the meeting because it is my
15 understanding that they all met afterwards and worked out a
16 different deal.

17 I am very pleased to tell you that there is a
18 deal. And rather than my going into it and getting it
19 messed up, I'd like to call the parties up and have them
20 tell us what they did and how they handled it. So if they
21 would please come forward, I would appreciate it.

22 CHAIRMAN WINNER: Thank you.

23 VICE CHAIR AUERBACH: I just have one quick
24 question for Greg Avioli. Was the guy guilty or not?

25 MR. AVIOLI: We still don't know the answer to

1 that.

2 VICE CHAIR AUERBACH: Oh, man.

3 MR. DARUTY: Scott Daruty on behalf of Golden Gate
4 Fields. I'll jump in and go first, if that's okay.

5 The agreement that we reached, we being CARF and
6 Golden Gate Fields with the TOC's agreement, and by the way,
7 I also spoke with the CTT, and I know Alan is here so he can
8 speak for himself, but he's onboard, as well, is a race
9 dates and stabling package. The race dates, now I'm trying
10 to figure out how best to describe it, but it's a calendar
11 that I circulated to Executive Director Baedeker at the end
12 of the day yesterday. That calendar has one modification
13 that's necessary. It shows Humboldt running the race days
14 of October 23, 24, 25 -- I said October, I apologize, August
15 23, 24, 25, and then the next weekend, which is August 30,
16 31st and September 1st. Those two weeks of racing at
17 Humboldt need to be shifted forward one week so that
18 Humboldt would run, basically, 16, 17, 18, and the 23rd,
19 24th, 25th.

20 CHAIRMAN WINNER: This is the second email you
21 sent yesterday --

22 MR. DARUTY: Correct.

23 CHAIRMAN WINNER: -- that corrected the first
24 email --

25 MR. DARUTY: Correct.

1 CHAIRMAN WINNER: -- with these changing dates --

2 MR. DARUTY: Correct.

3 CHAIRMAN WINNER: -- correct?

4 MR. DARUTY: Yes.

5 CHAIRMAN WINNER: Thank you.

6 MR. DARUTY: So with that somewhat difficult to
7 follow explanation, that is the agreement on race dates.

8 I have to point out in fairness to the Solano
9 County Fair, whose representative is here and can speak for
10 herself, she --

11 MR. SWARTZLANDER: Sonoma.

12 MR. DARUTY: -- sorry, yeah, the Sonoma County
13 Fair, I'm sorry.

14 CHAIRMAN WINNER: You want to take a moment?

15 MR. DARUTY: Yeah. I'm having a rough, rough day
16 today.

17 I believe their representative might still come to
18 you and not be in agreement, but all the other racing
19 fairs --

20 CHAIRMAN WINNER: What about Humboldt?

21 COMMISSIONER MASS: Ferndale, he said. How about
22 Humboldt?

23 MR. SWARTZLANDER: Excuse me. Larry Swartzlander,
24 CARF.

25 James Morgan would like to speak on behalf of

1 Humboldt. I have discussed the deal that we made with Scott
2 with all our fair managers. The majority are in favor of
3 it, and I will stand here today and say we've accepted it,
4 and still go on record that in our endeavors for 2020, we
5 still want to get Humboldt un-overlapped. That's our goal.

6 CHAIRMAN WINNER: Okay.

7 MR. DARUTY: Okay.

8 CHAIRMAN WINNER: Thank you.

9 MR. DARUTY: So that's where we stand on the race
10 dates.

11 On the stabling, Golden Gate Fields has agreed to
12 be open for stabling next summer. We have worked with Larry
13 and the CARF team to come up with a payment for summer
14 stabling that will not reimburse all of our costs of staying
15 open but will reimburse much of our cost. And we've
16 accepted the number they've offered, and so we have that
17 resolved.

18 I also spoke with Becky from Sonoma earlier this
19 morning and extended to her a further discount off the
20 number that we had most recently quoted as being willing to
21 accept. Because we took less from CARF, I thought it was
22 fair and appropriate to make a further concession to Sonoma.

23 So I think the stabling is pretty well resolved.
24 And I think that's summarizes the deal.

25 Oh, I guess, sorry, there's one last piece, and

1 that's the TOC has agreed to move some purse money, and I'll
2 let Greg speak to that.

3 MR. AVIOLI: Sure. Greg Avioli, TOC.

4 I just want to say at the outset, I very much
5 appreciate Larry and Scott doing the hard work to get this
6 deal done.

7 We -- our major concern through all of this on
8 behalf of the California TOC members was keeping Golden Gate
9 open throughout the summer as a training facility, very
10 similar to the exercise we went through this year. And as a
11 way of kind of bridging the financial gap, what the TOC
12 Board approved last week is that we will take \$200,000 from
13 the TOC's Purse Fund at Golden Gate, essentially on behalf
14 of the Golden Gate horsemen, and we will contribute that to
15 the CARF Consolidated Purse Fund to help offset the costs of
16 stabling throughout the summer. And the rationale for that,
17 well, which I think is clear, is the Golden Gate horsemen
18 clearly are benefitting from having this property stay open.

19 And we are also currently in an underpayment
20 situation at Golden Gate, so we have some extra money, so
21 that's what we've done. And we're so happy that this is
22 going to be resolved as a stabling and dates combination. I
23 think we've all learned in the last four years, when we can
24 do that, it makes our life a lot easier in the coming six
25 months.

1 So thank you.

2 CHAIRMAN WINNER: Let me, if I may, first of all
3 thank the participants. This is what we ask every year, we
4 ask Northern California to do something similar to Southern
5 California in trying to work out the dates agreements and
6 the stabling agreements amongst themselves, so that it
7 doesn't have to be done by regulators. It's far better if
8 the stakeholders do it themselves. And I know the hard work
9 that you went through and appreciate it very much. And I
10 know, to some degree the role that the TOC and Mr. Avioli
11 played in this, because he was keeping us informed, which we
12 appreciate. And I appreciate very much all of the
13 participants. And I know everybody had to sacrifice and
14 everybody did in order to make this come together.

15 So on behalf of the Board, and I think racing in
16 general, we really appreciate your hard efforts and the work
17 that you've done here. And I know there are some folks who
18 are going to want to testify on the next item who may have
19 some disagreement with the -- with what has been agreed to
20 by the various parties that are here in front of us.

21 But again, just the fact that you did reach this
22 agreement amongst yourselves, and with the help of the
23 Committee and Vice Chair Auerbach and Commissioner Mass, we
24 really appreciate it.

25 Is there anything else on this item? Commissioner

1 Mass?

2 COMMISSIONER MASS: None from me.

3 CHAIRMAN WINNER: Okay. Thank you very much.

4 MR. DARUTY: Thank you.

5 CHAIRMAN WINNER: We'll move on then to the next
6 item, which is item 16, discussion and action by the Board
7 regarding racing calendar proposals for Southern and
8 Northern California and the allocation of race dates.

9 And because we did not agenda the item for the
10 last Board meeting, the August Board meeting, we never did
11 vote on the race dates for Southern California for the Cal
12 Expo harness meet, or for the Southern California race
13 meets, even though we had agreed on the direction that we
14 wanted to go. And the Committee made a recommendation to
15 the Board with respect to those dates. So what I'm going to
16 do is I'm going to read the language from what occurred at
17 the Race Dates Committee meeting and thereafter.

18 "The Race Dates Committee met August 22nd, 2018 at the
19 Del Mar Thoroughbred Club. Following a brief
20 discussion, the Committee endorsed the allocated dates
21 recommended of all stakeholders in Southern California
22 for a 2019 calendar that mirrors the 2018 thoroughbred
23 calendar, beginning December 26th, 2018 at Santa Anita
24 Park through June 25th, 2019. The racing circuit
25 continues to Los Alamitos Race Course from June 26th

1 through July 16th, 2019, followed by DMTC, Del Mar
2 Thoroughbred Club, from July 17th through September
3 3rd, 2019. Los Alamitos from September 4th through
4 September 24th, 2019, Santa Anita from September 25th
5 through November 5th, 2019, Del Mar Thoroughbred Club
6 from November 6th through December 3rd, 2019, and
7 finally, Los Alamitos from December 4th through
8 December 17th, 2019. The actual dates for each race
9 meeting will fall within these allocated dates and will
10 be determined at the time the Board approves the
11 license application.

12 "The Committee also supported the allocated race dates
13 request from the Los Alamitos Quarter Horse Racing
14 Association for quarter horse racing at Los Alamitos
15 from December 26th, 2018 through December 17th, 2019,
16 and the request from Watch and Wager for harness racing
17 at Cal Expo from December 26th, 2018 through May 7,
18 2019 and October 27th, 2019 through December 23rd,
19 2019, meet dates to be determined."

20 Northern California stakeholders remain divided.

21 And, of course, that has changed now and we have the update
22 at today's meeting.

23 So with that, I think it would be appropriate for
24 a motion to approve the Southern California race dates as
25 recommended by the Committee. The Committee consisted of

1 myself and Commissioner Mass.

2 EXECUTIVE DIRECTOR BAEDEKER: As well as the
3 nightttime.

4 CHAIRMAN WINNER: Well, let's do one at a time --

5 EXECUTIVE DIRECTOR BAEDEKER: Okay.

6 CHAIRMAN WINNER: -- shall we?

7 EXECUTIVE DIRECTOR BAEDEKER: Um-hmm.

8 CHAIRMAN WINNER: Okay. So let's -- is there a
9 motion or is there discussion on the Southern California
10 race dates?

11 COMMISSIONER MASS: No, but I'll make a motion to
12 support it at the appropriate time.

13 CHAIRMAN WINNER: Commissioner Mass moves. I
14 second.

15 Commissioner Choper?

16 COMMISSIONER CHOPER: Yes.

17 CHAIRMAN WINNER: Vice Chair Auerbach?

18 VICE CHAIR AUERBACH: Yes.

19 CHAIRMAN WINNER: Chairman votes yes.

20 Commissioner Solis?

21 COMMISSIONER SOLIS: Yes.

22 CHAIRMAN WINNER: Commissioner Mass?

23 COMMISSIONER MASS: Yes.

24 CHAIRMAN WINNER: The motion carries unanimously.

25 All right, let's -- now, is there a motion on the

1 Los Alamitos thoroughbred meet as described?

2 COMMISSIONER MASS: Yes.

3 CHAIRMAN WINNER: Commissioner Mass.

4 COMMISSIONER MASS: Move to approve.

5 CHAIRMAN WINNER: Commissioner Mass moves.

6 EXECUTIVE DIRECTOR BAEDEKER: Mr. Chairman, I

7 think you already approved the thoroughbred dates for Los

8 Alamitos that's in the first paragraph. The second

9 paragraph is the Los Alamitos nighttime dates.

10 CHAIRMAN WINNER: I'm sorry. Nighttime.

11 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

12 CHAIRMAN WINNER: I apologize. The nighttime, Los

13 Alamitos nighttime quarter horse meet.

14 COMMISSIONER MASS: So moved.

15 EXECUTIVE DIRECTOR BAEDEKER: And Watch and Wager.

16 CHAIRMAN WINNER: I'll do that next.

17 EXECUTIVE DIRECTOR BAEDEKER: Okay.

18 CHAIRMAN WINNER: Okay. Commissioner Mass moves.

19 VICE CHAIR AUERBACH: Second.

20 CHAIRMAN WINNER: Commissioner Auerbach seconds.

21 Commissioner Choper?

22 COMMISSIONER CHOPER: Yes.

23 CHAIRMAN WINNER: Vice Chair Auerbach?

24 VICE CHAIR AUERBACH: Yes.

25 CHAIRMAN WINNER: The Chairman votes yes.

1 Commissioner Solis?

2 COMMISSIONER SOLIS: Yes.

3 CHAIRMAN WINNER: Commissioner Mass?

4 COMMISSIONER MASS: Yes.

5 CHAIRMAN WINNER: That carries unanimously.

6 Now, Watch and Wager harness meet at Cal Expo.

7 COMMISSIONER CHOPER: Move.

8 CHAIRMAN WINNER: Commissioner Choper moves.

9 VICE CHAIR AUERBACH: Second.

10 CHAIRMAN WINNER: Vice Chair Auerbach seconds.

11 Commissioner Choper?

12 COMMISSIONER CHOPER: Yes.

13 CHAIRMAN WINNER: Vice Chair Auerbach?

14 VICE CHAIR AUERBACH: Yes.

15 CHAIRMAN WINNER: The Chairman votes yes.

16 Commissioner Solis?

17 COMMISSIONER SOLIS: Yes.

18 CHAIRMAN WINNER: Commissioner Mass?

19 COMMISSIONER MASS: Yes

20 CHAIRMAN WINNER: That passes unanimously.

21 All right, now we move -- did I catch all of them?

22 EXECUTIVE DIRECTOR BAEDEKER: You did.

23 CHAIRMAN WINNER: Okay. So we now move to

24 Northern California. And I have a card from Jim Morgan.

25 We've heard from the three participants who spoke a moment

1 ago, TOC, Golden Gate and CARF. Jim Morgan is speaking,
2 representing Humboldt County Fair.

3 EXECUTIVE DIRECTOR BAEDEKER: Mr. Chairman, before
4 Jim comments, can I just draw the Commissioners' attention
5 to the calendar that we just --

6 CHAIRMAN WINNER: Please.

7 EXECUTIVE DIRECTOR BAEDEKER: -- passed out. And
8 I believe that the only controversial items are in the month
9 of August. If you look at August, the purple there, and
10 this is the proposal that was submitted yesterday by Golden
11 Gate Fields, the purple there is relative to Santa Rosa.
12 And then the following three weeks in green, you'll see that
13 there, in the second and third weeks, there are bolded,
14 underlined dates. Those indicate overlap dates with Golden
15 Gate and Humboldt. That's incorrect. And those bolded
16 underlined dates should actually begin with the first week,
17 starting with the 16th and going through the 25th. Did I
18 say that correctly?

19 All right, so, that's just a focus on, I think,
20 what the discussion will be about.

21 CHAIRMAN WINNER: Jim?

22 MR. MORGAN: Thank you. First of all, let me
23 start by thanking the Board for the privilege of allowing
24 Humboldt this year to have a week without overlap. The
25 community was excited. We brought in more horses than we

1 had before. We had 283 horses on the grounds. We energized
2 new owners. Many people became owners for the first time
3 and continue to support the industry as they go down.
4 Attendance was up. We set a record single-day attendance.
5 We had more races. And our handle was through the roof. We
6 were over 20 percent, as Rick stated, on on-track handle.
7 Our ADW was up 110 percent. Our off-track was up 674
8 percent. Our overall handle was up 125.

9 And I know from Rick's prior comments that racing
10 revenues in August was up 11.7 percent, I believe you said,
11 in contrast to 7 percent for the rest of the year, or total.

12 So the racing industry was not punished or hurt because
13 Humboldt got a week without overlap.

14 More importantly, for the people of Humboldt and
15 the sustaining of that fair, we generated \$218,000 in
16 commissions, which goes to our overhead costs. We also
17 generated \$267,000 in purse money. Last year we had a
18 \$60,000 overpayment. This year we had a \$267,000
19 underpayment. What happened to that money? It went to
20 replenish the CARF Consolidated Purse Fund which was upside
21 down by an analogous number. And so we have contributed to
22 the other four members of the racing fairs and we have
23 contributed to the industry in that regard.

24 We were challenged to show that our community
25 wants to keep racing in Humboldt, and I think we've answered

1 that call. We've made improvements. We re-roofed all the
2 barns. We put hardware in most of them, new hardware. We
3 did an inner rail last year. And for the second year in a
4 row we had no breakdowns on our improved track with all the
5 investments we've made the last few years.

6 It's unfortunate -- first of all, I applaud the
7 fact that the industry participants have reached an
8 agreement. That's always a good thing. I think it's
9 unfortunate that the agenda for yesterday was Stabling and
10 Vanning. It originally was Dates. I made a plane
11 reservation but I canceled it because it was Stabling and
12 Vanning. I didn't know dates would be discussed and agreed
13 upon. And I think it's important before we finalize the
14 decision because Humboldt is the most impacted venue of all,
15 based upon this agreement.

16 I get it, that -- and we all get it, that the
17 industry makes more when Golden Gate races in overlap with
18 Humboldt, just like the industry would make more if Santa
19 Anita raced in overlap with Los Alamitos. The horse
20 population doesn't necessarily support that. And if we keep
21 that precedent, if we make that dangerous precedent, then
22 only Golden Gate Fields, Santa Anita and Del Mar would be
23 left. And although that may ultimately happen, I think it's
24 a disservice to communities, such as Humboldt and the other
25 fair communities, that are serviced from Fresno north to the

1 Northern California border by having a live race meet.

2 The reality is, that you cannot avoid, is that all
3 race meets need host status like I need oxygen. It is the
4 lifeblood of each and every horse meet. To cut it off is to
5 put your foot on the air hose of sustaining revenue.

6 This week -- or last week, they were bulldozing
7 the grandstand at the Vallejo-Solano County Track.

8 Stockton, where the California champion Lava Man made his
9 first start, is now a car racing track.

10 Humboldt wants to survive, but to that you have to
11 compel other participants to make sure that we make up that
12 \$218,000 in commission. If, as have been suggested, the
13 industry makes a half-a-million dollars more a week when
14 Golden Gate runs in overlap with Humboldt, then \$218,000 of
15 that half-million dollars plus \$250,000 in purse money ought
16 to be allocated for Humboldt's contribution, which is what
17 we've shown.

18 The people of Humboldt County were asked to
19 increase revenue, increase attendance, and they did all
20 those things. It's going to be hard for me to go back to
21 them and say thank you for increasing everything, thank you
22 for fulfilling the promises we made to the CHRB Board, and
23 now we're going to be overlapped and with no access to host
24 status.

25 I would suggest to you, in conclusion, there's

1 three ways to make this right. One happened this year.
2 You can't say that racing in August was adversely affected
3 by Humboldt. Everything was up, and we had sustaining
4 revenues. Based on the agreement I heard earlier today, it
5 looks like that's not going to happen in 2018.

6 The second way is to share the profits the
7 industry makes from host status and revenues. We've been
8 down that road before. Golden Gate Fields does not have to
9 and they don't want to, and the CHRB Board cannot compel
10 them.

11 The third, and the only option we're left with, is
12 the industry needs to provide Humboldt County with
13 compensation for its commissions and purses. How much
14 should that be? Exactly what we earned this year. We
15 earned it this year. We should get it this year, this year
16 coming up, based upon the increased profits to the industry.

17 So any deal before it's finalized, and I regret
18 that the agenda for yesterday's meeting was a deterrent to
19 showing up and talking about dates, but any finalization
20 ought to include compensation for Humboldt for the
21 commissions and the purse money they had today.

22 Humboldt has met the challenges you put before
23 them. We've been part of the industry for 123 years. We've
24 supported live racing.

25 When Vallejo closed down, the people could go to

1 Pleasanton, 20 miles away. When Stockton closed down, the
2 people could go to Sacramento, 20 miles away. The people of
3 the Northern California region have no other place to go.

4 We ask for and, I would hope, deserve your
5 support.

6 CHAIRMAN WINNER: Thank you, Jim.

7 The only -- I want to make one comment, and I may
8 be wrong about this. I just --

9 MR. MORGAN: Yeah.

10 CHAIRMAN WINNER: And I can be corrected, but --
11 and I apologize that you were misinformed about -- or
12 misunderstood about the meeting yesterday and your plane
13 schedule, but my recollection is, and again, the minutes may
14 show it, my recollection is that at the last Board meeting,
15 Jim, when we talked about Northern California race dates, it
16 was indicated that stabling and race dates could not be
17 decoupled. And therefore, we referred the matter to the
18 Stabling Committee meeting that took place yesterday, and
19 that was all part of the discussion of stabling and race
20 dates.

21 That's my recollection. Again, I could be
22 corrected if I'm wrong about that.

23 MR. MORGAN: Thank you. Thank you for that
24 clarification. I know initially, yesterday's meeting was
25 calendared as a Race Dates' meeting, and that's when I made

1 the plane reservation. Then I saw it change to a Stabling
2 and Vanning. I didn't see the Race Dates mentioned in
3 there. But whatever happened yesterday happened, but we'd
4 like to be protected going forward.

5 CHAIRMAN WINNER: Thank you.

6 VICE CHAIR AUERBACH: Can I say something please?

7 CHAIRMAN WINNER: Yes, please.

8 VICE CHAIR AUERBACH: Just so you know, you were
9 more than adequately represented by Larry. I mean, I think
10 he, not to take away from your presentation today, Larry
11 more than amply -- you could not have done better if you
12 would have been here and stood on your head and did all
13 kinds of things. It is not that your point of view was not
14 well presented, it was. And the reality that we face is a
15 little different.

16 One of the things that I struggled with yesterday
17 in the meeting -- and let me be clear on what drives my
18 attitude -- one of the things that concerned me a lot was
19 when we talk about Golden Gate Fields, we're talking about
20 people who are in the business of racing. That is their
21 business. They don't have fairs going on. They don't have
22 all other things like that. They are a racing concern.

23 One of the items that disturbed me was the notion
24 that it was the responsibility of Golden Gate Fields to
25 provide ongoing support to keep the fairs whole. And I'll

1 tell you why. Because the fairs are an adjunct to racing,
2 not vice versa. Our job is to protect racing in the state.
3 And while we love the fair and want to see them do well,
4 want to see them be part of the community, it is not our job
5 to have a situation where we direct Golden Gate or any
6 other, or Del Mar or anybody to put money into the fair
7 circuit.

8 And I just want to make it clear that that notion
9 that, oh, my gosh, look how much money Golden Gate made and,
10 therefore, you're not treating us fairly is not, in my view,
11 a proper way to do it. Golden Gate is a concern whose
12 business is racing.

13 And the fairs are also -- you take racing
14 seriously. We appreciate that and understand that. But to
15 make determinations based first on what's good for the fairs
16 is not necessarily good for racing. Just my point of view.

17 MR. MORGAN: Well, thank you so much for
18 clarifying your point of view. The people that patronize
19 Humboldt in the racing business, of course it's only two
20 weeks a year, but those people depend on it, and they're
21 serious folks. It was a tragedy that need not be discussed
22 here that there was some mistaken presumptions regarding
23 Worker's Comp Insurance that cost us 35 entries. That moved
24 our average starter down to 6.5.

25 But I appreciate, Ms. Auerbach, that the business

1 of racing is important. But the mission of this Board is to
2 bring racing to all of California, and that includes the
3 northern region, it includes Fresno, it includes Santa Rosa,
4 it includes the places that aren't otherwise serviced. And
5 I know there's tradeoffs there, but it's good for racing to
6 bring the venues, live-racing venues to all corners.

7 I mean, the Coburns, who bred California Chrome,
8 their first racehorse, raced at Ferndale. We have lots of
9 owners that start there and support racing. We have an
10 Eclipse Award-winning owner that goes there every year. And
11 I just hope the Board appreciates the importance of
12 preserving Ferndale and that it's earned that spot with 123
13 years.

14 And that the agreement that was forged -- and I
15 appreciate your comments about Larry. I have no problem
16 with Larry's representation, CARF's representation. What I
17 didn't hear is what's going to happen to the \$218,000 in
18 commissions that we need to sustain our meet when we have to
19 race without overlap? And Golden Gate Fields, in the
20 business of racing, has made a business decision not to
21 share any of that with us. They're not going to share it
22 with us, so what do we do?

23 VICE CHAIR AUERBACH: Well, but they also made a
24 business decision to help you, the TOC did and Golden Gate
25 did, in terms of the not charging you for stabling. I mean,

1 everybody pitched in and helped. And you know what? We
2 come to a point when we're in business, whether we're in the
3 racing business or any other business, where we have to be
4 able to survive running our business in a business fashion
5 where we cannot get outside help.

6 And I would encourage Humboldt to keep going and
7 keep asking, but to understand that we have an overall
8 concern. Do we love the fairs? Absolutely. Why wouldn't
9 we? But they have to be self-sustaining. And I think
10 that's where we may disagree on how to get it done, but
11 we're grateful that the fairs exist.

12 Now, I know that when Steve Beneto was on the
13 Board and he was Chair of your Board, he only got you one
14 week of un-overlapped. And I want to submit to you that we
15 also got you one week un-overlapped. So we do try to make
16 it happen. Can we do it on an ongoing basis? No. And did
17 we make it clear that we weren't precedent-setting, we were
18 doing it last year?

19 MR. MORGAN: Yes.

20 VICE CHAIR AUERBACH: So we're trying very hard to
21 balance everybody's concerns. We know how vital it is to
22 the fairs that Golden Gate be healthy, because without a
23 healthy Golden Gate, we don't have a fair circuit. I know
24 you disagree with me and you're entitled to your opinion.
25 But in my opinion, if Golden Gate isn't healthy in there,

1 the fairs are going to be hurt worse than anybody.

2 MR. MORGAN: Please don't misconstrue, we like
3 Golden Gate. We're happy for Golden Gate. We want them to
4 thrive. A lot of our horses come from Golden Gate. We had
5 a record number this year. But --

6 VICE CHAIR AUERBACH: That's not what I heard
7 yesterday.

8 MR. MORGAN: But we had 283 horses on the grounds.
9 The year before, we had 190. We had some problems with the
10 insurance, which created some scratches.

11 VICE CHAIR AUERBACH: See, I didn't even hear that
12 yesterday. That's interesting.

13 EXECUTIVE DIRECTOR BAEDEKER: I think the point
14 was made yesterday that no horses shipped from Golden Gate
15 during the meet, but there were horses that came up prior to
16 the meet and stabled there during the meet, and then went
17 back to Golden Gate.

18 VICE CHAIR AUERBACH: Got it. Thank you.

19 MR. MORGAN: Thank you. And I've known a couple
20 of those horses. They went from Santa Rosa to Ferndale.
21 They didn't ship from Golden Gate. That's why the shipping
22 money with --

23 VICE CHAIR AUERBACH: Got it.

24 MR. MORGAN: -- Ferndale is a little bit skewed.

25 VICE CHAIR AUERBACH: Got it. Okay.

1 MR. MORGAN: But Golden Gate gets to race 11
2 months a year, and they should. All we ask for is a week.
3 Or, if we're not going to get the week, we ask for the
4 equivalent revenue.

5 CHAIRMAN WINNER: Commissioner Mass?

6 COMMISSIONER MASS: Well, I thank you for your
7 time. And I can tell you as a Board Member and serving
8 under Auerbach at Stabling and Vanning, this is an imperfect
9 situation. I think the only possible way we could solve
10 this is if someone entertained a motion that we extended the
11 year from 52 weeks to 58 weeks --

12 (Laughter.)

13 COMMISSIONER MASS: -- but I'm not sure I could
14 get a second for that. And I don't want to dismiss it. I
15 want to --

16 MR. MORGAN: Would any of those be un-overlapped?

17 (Laughter.)

18 COMMISSIONER MASS: Potentially, if you can get
19 that -- if you get a second for me.

20 But I don't -- I want to reinforce something that
21 Commissioner Auerbach said, which was, you know, this was a
22 circumstance yesterday in which everybody accepted three-
23 quarters of a loaf. And, you know, given the nature of the
24 summer racing, the nature of Golden Gate and the respective
25 fairs, it is virtually impossible every year for this Board

1 to have a perfect resolution that everyone is going to be
2 happy with.

3 And we all recognize that there is some sacrifice
4 on your part. I don't want to dismiss the, you know, I
5 think magnanimous offers that were made by your
6 representative with CARF, as well as Golden Gate, as well as
7 the TOC. And so, you know, there -- every year, I'm sure
8 this is going to come up and there's going to be different
9 circumstances, different circumstances in the things that
10 are presented to us. But, you know, it was a reasonably
11 elegant solution in which everyone got as much as the loaf
12 as could have been expected.

13 So I want to be sure, with your absence yesterday,
14 you at least understood that that was the result that was
15 presented to us.

16 MR. MORGAN: No, I appreciate that. And I got
17 that from the spirit of what was said. And three-quarters
18 of the loaf is always a good solution to this conundrum.
19 The problem is, without host status, we don't get a crumb
20 off that loaf, and that's the problem. Now, you've said
21 we're going to get some kind of compensation. I don't know
22 the nature and extent of that. I know we have a \$218,000
23 hole in our budget right now because of the soon-to-be-
24 approved racing schedule. And, you know, and I appreciate
25 how tough and problematic it is, and we're a part of the

1 problem because we're small.

2 CHAIRMAN WINNER: Commissioner Choper?

3 COMMISSIONER CHOPER: This has nothing whatever to
4 do with the substance of the conversation. But I just want
5 to say for the record that my understanding is that Mr.
6 Morgan does all of this without a nickel's worth of
7 compensation.

8 MR. MORGAN: That's true.

9 COMMISSIONER CHOPER: And that's true, is it not?

10 MR. MORGAN: It's true.

11 COMMISSIONER CHOPER: And I want to -- I think
12 you're -- I think you are -- you are worth your weight in
13 gold --

14 MR. MORGAN: Thank you.

15 COMMISSIONER CHOPER: -- to your client there.

16 MR. MORGAN: Thank you.

17 CHAIRMAN WINNER: I did not know that. I'm glad
18 you pointed that out.

19 MR. MORGAN: Yeah.

20 CHAIRMAN WINNER: And, Jim, from the -- from
21 racing, thank you. Because as long as I've been on the
22 Board, at least as I recall, you've been at every major
23 meeting that effected Humboldt and you've served them
24 extremely well. And we really appreciate what you're doing.

25 MR. MORGAN: Thank you so much, Chairman, and

1 please help us survive. Thanks.

2 CHAIRMAN WINNER: Thank you.

3 Anyone else on this measure? Yes?

4 Becky, I need a card.

5 MS. BARTLING: Oh, I'm sorry.

6 CHAIRMAN WINNER: And, Liz, do you have a card
7 also? Okay. So, Liz, why don't you identify yourself and
8 your organization, and Jackie will bring me the card.

9 MS. MOREY: Thanks, Jackie.

10 CHAIRMAN WINNER: And then, Becky, you'll come
11 follow Liz?

12 MS. BARTLING: Yes. I'll follow right after that.
13 I think Mike's got my card. Yeah.

14 CHAIRMAN WINNER: Okay. Liz?

15 MS. MOREY: Elizabeth Morey, TOC. I just wanted
16 to briefly clarify a couple of points that were just brought
17 up.

18 There are actually several statutory distributions
19 for host money to Ferndale when they run overlapped with
20 Golden Gate Fields. They receive a percentage of import ADW
21 handle. They also receive an import race card. They
22 receive revenue from that for all the OTBs in Northern
23 California. And they also get an additional 0.75 percent on
24 every dollar handled on import races which comes from 50-50
25 purses and commissions. That goes directly to the Humboldt

1 County Fair. That was \$60,000 last year.

2 So I just wanted to clarify that there are several
3 sources of statutory revenue sharing, in addition to money
4 that the TOC has pledged to support Humboldt County Fair
5 with overlapped racing next year.

6 Thank you.

7 CHAIRMAN WINNER: Thank you.

8 Any questions for Liz? Thank you.

9 Becky?

10 MS. BARTLING: Thank you. Becky Bartling, CEO,
11 Sonoma County Fairgrounds.

12 So the proposal that we sent in, it mimics what we
13 did in '16 and '17, which was two weeks that we had during
14 the fair, and then a bonus week afterwards. And we'd like
15 you to consider giving us those weeks again. We looked at
16 our net revenues with racing in 2017 was 22 percent.
17 Because we have a lot of fixed costs, as you know, this year
18 it went down to ten percent.

19 So I understand that, you know, there's a lot of
20 dynamics and everybody's trying to jockey, no pun intended,
21 to financially help their organization. But we do feel that
22 that additional week does help the industry, it also helps
23 us, and it's a positive win. And essentially, it just moves
24 the dates, what we're talking about with Humboldt and Golden
25 Gate, forward a week.

1 CHAIRMAN WINNER: Thank you. This year you had
2 two weeks.

3 MS. BARTLING: Two weeks.

4 CHAIRMAN WINNER: We offered three, as I recall;
5 correct?

6 MS. BARTLING: Yes. And if I can just sort of
7 remind everybody, and it was we had requested that we have
8 the last week in July and the first two weeks in August.
9 And that eliminated one week at Cal Expo. You gave that to
10 us.

11 CHAIRMAN WINNER: Right.

12 MS. BARTLING: Our intent was to work with an
13 independent carnival operator, not so much an operator but
14 an individual who has run Del Mar's carnival for, gosh, at
15 least 20 years. He was going to put together an independent
16 midway (phonetic) for us.

17 Subsequent to your giving us the dates that we had
18 requested, we had a meeting with the Board where Rich Byrum,
19 who represents Butler Amusements, came and spoke to the
20 board, gave a very compelling argument about safety and
21 security. I am not confident that that -- you know, all of
22 his fears were correct, however, the Board felt that they
23 wanted to go with Butler, which essentially gave us just the
24 two weeks.

25 Now the challenge has been, because we did get

1 bounced around previous, since after 2010 or whenever it was
2 that Cal Expo -- or State Fair moved their dates, we had an
3 operator that was with us for three weeks. During that
4 timeframe, they got frustrated because they kept bounding
5 around, and they had to ask other fairs to move their dates.
6 They bid on another fair which took them out of the mix,
7 essentially giving us just the ability to have two weeks
8 with the fairs.

9 So last year, after that happened, you all became
10 aware. It was a quick turnaround between the time my Board
11 decided to stay with Butler. And the decision was made to
12 give that week back to Cal Expo and not -- and you had
13 already given a week to Humboldt un-overlapped to move them
14 forward.

15 So that's kind of the historical --

16 CHAIRMAN WINNER: Thank you.

17 MS. BARTLING: -- aspect of that.

18 CHAIRMAN WINNER: Thank you for clarifying that.

19 Questions for Becky?

20 COMMISSIONER MASS: Just out of curiosity, does
21 anything else go on that un-overlapped week, something other
22 than racing?

23 MS. BARTLING: We do. We do special promotions.
24 We did -- we do a beer festival. We do -- Sunday, we do
25 like the \$1.00 hot dog, \$1.00 beer day.

1 COMMISSIONER MASS: During that week where you
2 don't always already have a fair?

3 MS. BARTLING: Correct. So we do special
4 promotions.

5 COMMISSIONER MASS: Okay. Thank you.

6 CHAIRMAN WINNER: Anything else?

7 Thank you.

8 MS. BARTLING: Thank you.

9 CHAIRMAN WINNER: Madeline, maybe you want to stay
10 because we'll probably vote on this now.

11 VICE CHAIR AUERBACH: (Off mike.) I'm going to
12 vote yes.

13 CHAIRMAN WINNER: Okay.

14 VICE CHAIR AUERBACH: I'm giving you proxy.

15 EXECUTIVE DIRECTOR BAEDEKER: Well, there's hasn't
16 been a motion made yet, so --

17 CHAIRMAN WINNER: Yeah. Is there a motion to
18 accept the calendar as suggested by the Committee?

19 COMMISSIONER MASS: So moved.

20 CHAIRMAN WINNER: Did you want to say something
21 or --

22 COMMISSIONER CHOPER: No.

23 CHAIRMAN WINNER: Okay. It's been moved by
24 Commissioner Mass, seconded by Commissioner Solis, to accept
25 the Committee's recommendation on Northern California race

1 dates and stabling. Is there discussion?

2 Commissioner Choper?

3 COMMISSIONER CHOPER: Yes

4 CHAIRMAN WINNER: Commissioner Auerbach voted yes.

5 The Chairman votes yes.

6 Commissioner Solis?

7 COMMISSIONER SOLIS: Yes.

8 CHAIRMAN WINNER: And Commissioner Mass?

9 COMMISSIONER MASS: Yes.

10 CHAIRMAN WINNER: Thank you very much.

11 I'm sorry?

12 ASSISTANT EXECUTIVE DIRECTOR WAGNER: Jackie

13 Wagner, CHRB Staff. Read the dates.

14 CHAIRMAN WINNER: Oh, read the dates? Okay. Do
15 you want to do that? Do you have that?

16 EXECUTIVE DIRECTOR BAEDEKER: Yeah. So these are
17 the dates relative to the motion that was just made and
18 approved by the Board.

19 Golden Gate, December 26th, 2018 through June 9 --
20 and by the way, usually we make the point that allocation of
21 race dates begin on the Wednesday before opening day and
22 continue through the Tuesday following closing day. The
23 dates I'm going to read are really relative more to actual
24 race days, okay?

25 Golden Gate, December 26th, 2018 through June 9th,

1 2019.

2 Pleasanton, June 13 through July 7.

3 Cal Expo, July 12 through July 28.

4 Santa Rosa, August 1st through August 11th.

5 Golden Gate late summer or fall meet, August 15th
6 through September 29.

7 Ferndale, August 16th through August 25th.

8 Fresno, October 4th through October 14th.

9 Golden Gate fall/winter, October 17th through
10 December 14th.

11 CHAIRMAN WINNER: Thank you.

12 Larry?

13 MR. SWARTZLANDER: The Fresno dates --

14 CHAIRMAN WINNER: Can you come up? Can you come
15 up to the mike please?

16 MR. SWARTZLANDER: Larry Swartzlander for CARF.

17 The Fresno dates should be October 3rd, they start
18 on a Thursday, and conclude on October 13th.

19 EXECUTIVE DIRECTOR BAEDEKER: And I think that, in
20 case there are -- sometimes we get requests for changes as
21 the year goes along. So as I said before I read the race
22 dates that are proposed, the calendar actually includes
23 beginning Wednesday through --

24 MR. SWARTZLANDER: Yeah.

25 EXECUTIVE DIRECTOR BAEDEKER: -- the following

1 Tuesday.

2 MR. SWARTZLANDER: All right.

3 EXECUTIVE DIRECTOR BAEDEKER: And as you know,
4 every race meet, the race dates are for planning purposes
5 and -- but they become enforceable once the race meet
6 application is approved by the Board. So there is
7 flexibility to change dates within --

8 MR. SWARTZLANDER: All right. Thank you.

9 EXECUTIVE DIRECTOR BAEDEKER: -- the calendar.

10 CHAIRMAN WINNER: Thank you.

11 All right, let's move along to item number four,
12 discussion and action by the Board regarding the
13 distribution of race date charity proceeds of the Los
14 Alamitos Quarter Horse Racing Association from its 2017 race
15 meeting in the amount of \$24,394 to five beneficiaries.

16 MR. ENGLISH: Rick English, representing Los
17 Alamitos Quarter Horse Racing Association.

18 As you described, we have an application -- we
19 have a proposal in front of you to distribute the proceeds
20 of our charity days. All the distributions go to horse-
21 related charitable organizations and we request your
22 approval.

23 I'd be happy to answer any questions or comments
24 you might have.

25 CHAIRMAN WINNER: Thank you, Rick.

1 Are you on the list?

2 VICE CHAIR AUERBACH: Yeah. Yeah.

3 CHAIRMAN WINNER: Okay. So Vice Chair Auerbach
4 will not be voting on this. She recuses herself because --

5 VICE CHAIR AUERBACH: I have to.

6 CHAIRMAN WINNER: -- her organization receives
7 funds from this one and item number five.

8 Is there a motion to approve?

9 COMMISSIONER MASS: Move.

10 CHAIRMAN WINNER: Commissioner Mass moves.

11 COMMISSIONER SOLIS: Second.

12 CHAIRMAN WINNER: Commissioner Solis seconds.

13 Commissioner Mass, how do you vote?

14 COMMISSIONER MASS: Yes.

15 CHAIRMAN WINNER: Commissioner Solis?

16 COMMISSIONER SOLIS: Yes.

17 CHAIRMAN WINNER: Chairman votes yes.

18 Commissioner Choper?

19 COMMISSIONER CHOPER: Yes.

20 CHAIRMAN WINNER: The matter carries four to
21 nothing.

22 MR. ENGLISH: Thank you.

23 CHAIRMAN WINNER: Item number five, discussion and
24 action by the Board regarding the distribution of race-day
25 charity proceeds of the Los Alamitos Racing Association from

1 its 2017 race meetings in the amount of \$7,928 to four
2 beneficiaries.

3 Is there a motion?

4 COMMISSIONER MASS: Move.

5 CHAIRMAN WINNER: Commissioner Mass moves.

6 COMMISSIONER CHOPER: Second.

7 CHAIRMAN WINNER: Commissioner Choper seconds.

8 Commissioner Mass, how do you vote?

9 COMMISSIONER MASS: Yes.

10 CHAIRMAN WINNER: Commissioner Solis?

11 COMMISSIONER SOLIS: Yes.

12 CHAIRMAN WINNER: Chairman votes yes.

13 Commissioner Choper --

14 COMMISSIONER CHOPER: Yes.

15 CHAIRMAN WINNER: -- votes yes.

16 Thank you, Rick.

17 MR. ENGLISH: Thank you very much.

18 CHAIRMAN WINNER: Thank you.

19 Moving on then to item number seven, discussion
20 and action by the Board regarding the status of outstanding
21 items from the Application for License to Conduct --

22 EXECUTIVE DIRECTOR BAEDEKER: It's six.

23 CHAIRMAN WINNER: Pardon me?

24 EXECUTIVE DIRECTOR BAEDEKER: You've got to do
25 number six.

1 CHAIRMAN WINNER: Item number six, sorry about
2 that, discussion and action by the Board regarding an
3 update from the Pacific Coast Quarter Horse Racing
4 Association on the 14th Annual Los Alamitos Equine Quarter
5 Horse Yearling and Mixed Stock Sale and its request for
6 authorization of the sale, pursuant to CHRB
7 Rule 1807, Authorized Horse Sales.

8 MR. PEREZ: Good morning.

9 CHAIRMAN WINNER: Good morning.

10 MR. PEREZ: Dino Perez with Pacific Coast Quarter
11 Horse Racing Association. We manage the Los Alamitos Equine
12 Sale for Dr. Allred and his partners. And it's going to be
13 on the 6th and 7th this year. We've got a little over 300
14 consignments, 90 percent of those are yearlings, and the
15 other 30 make up mares. So we're here for your approval.

16 Do you have any questions or comments?

17 EXECUTIVE DIRECTOR BAEDEKER: Commissioners, I
18 might point out that we began the process a couple of years
19 ago of having the sales operators come to the Board formally
20 and give their plans, really, for any upcoming sale, or even
21 for the entire year. And I don't know that we've said it
22 publicly, but because these sales are conducted inside our
23 inclosures, we do, per our judgment, perform out-of-
24 competition tests on horses that are subject to sale. And
25 so we think that it's an appropriate process to have the

1 sale operator come before you all and answer any questions
2 you might have.

3 VICE CHAIR AUERBACH: Actually, I do have a couple
4 questions.

5 CHAIRMAN WINNER: And is there an action that we
6 have to approve this?

7 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

8 VICE CHAIR AUERBACH: Yeah.

9 CHAIRMAN WINNER: Okay.

10 VICE CHAIR AUERBACH: I want to ask a couple
11 questions.

12 CHAIRMAN WINNER: Go ahead, yes.

13 VICE CHAIR AUERBACH: Yeah.

14 CHAIRMAN WINNER: Vice Chair Auerbach?

15 VICE CHAIR AUERBACH: This is a mixed sale; right?

16 MR. PEREZ: Correct.

17 VICE CHAIR AUERBACH: Okay. And how many horses
18 are you going to present this year?

19 MR. PEREZ: Three hundred and thirty-three, we
20 catalogued.

21 VICE CHAIR AUERBACH: What's the trend been? And
22 do you do this once a year and it --

23 MR. PEREZ: Yes.

24 VICE CHAIR AUERBACH: What has the trend been?

25 Did you have more, less? I'm trying to figure out which way

1 quarter horse racing is going.

2 MR. PEREZ: Yeah, it's mostly a yearling sale with
3 yearling and mares, very few mixed stock, very few racing-
4 age horses, usually four or five.

5 VICE CHAIR AUERBACH: Is this like normally do you
6 have about 300 horses in this sale?

7 MR. PEREZ: Yes. We've had about 300, a little
8 over 300 for the last three years. Back when it started,
9 when Scoop Vessels was alive, it was a lot more. We were
10 doing 600, 700.

11 VICE CHAIR AUERBACH: Well, what about the last
12 five years? Has this been fairly steady?

13 MR. PEREZ: Yes.

14 VICE CHAIR AUERBACH: Have you leveled out --

15 MR. PEREZ: Yeah.

16 VICE CHAIR AUERBACH: -- like thoroughbreds have
17 or --

18 MR. PEREZ: Yes.

19 VICE CHAIR AUERBACH: Okay. Thank you.

20 MR. PEREZ: Right around 300.

21 VICE CHAIR AUERBACH: I was just interested in
22 that. Thank you.

23 CHAIRMAN WINNER: Any other questions? Is there a
24 motion?

25 VICE CHAIR AUERBACH: So moved.

1 CHAIRMAN WINNER: Vice Chair Auerbach moves.
2 COMMISSIONER CHOPER: Second.
3 CHAIRMAN WINNER: Commissioner Choper seconds.
4 Commissioner Mass?
5 COMMISSIONER MASS: Yes.
6 CHAIRMAN WINNER: Commissioner Solis?
7 COMMISSIONER SOLIS: Yes.
8 CHAIRMAN WINNER: The Chairman votes yes.
9 Vice Chair Auerbach?
10 VICE CHAIR AUERBACH: Yes.
11 CHAIRMAN WINNER: Commissioner Choper?
12 COMMISSIONER CHOPER: Yes.
13 CHAIRMAN WINNER: The motion carries unanimously.
14 MR. PEREZ: Thank you.
15 CHAIRMAN WINNER: Thank you very much.
16 Items seven and eight are off the agenda.
17 We move then to item number nine, discussion and
18 action by the Board on the Application to Conduct a Horse
19 Racing Meeting of the Del Mar Thoroughbred Club at Del Mar,
20 commencing November 7th, 2018 through December 4th, 2018,
21 inclusive.
22 Gentlemen?
23 MR. HARPER: Good morning.
24 MR. JERKENS: Good morning.
25 MR. HARPER: Joe Harper, CEO of Del Mar.

1 I think I'm just here to briefly touch on the
2 summer meet, and the other guys will take you through the
3 fall. But I wanted to thank Rick for hitting the
4 highlights. I thought it was a very successful summer meet
5 to handle. It was terrific. It was up. Field sizes were
6 once again increased and we've very happy with Ship and Win
7 and a few things like that. And Tommy and David are doing a
8 great job to -- at the entry booth, so that was terrific.

9 I also want to thank the California Horse Racing
10 Board for its support in keeping horses healthy. Your
11 support of our enhanced safety protocols and things like
12 that has gone a long way. You know, we have less horses
13 stabled there in the past couple of years, which, I assume,
14 has led to safer morning workouts. We've done some things
15 there about leaving the track, when it opens back up after
16 renovations, just to workers for the first few minutes, and
17 that's really helped.

18 The track surfaces have been terrific, both the
19 dirt and turf. And thanks to Dennis Moore and Leif
20 Dickinson for doing an amazing job.

21 I'd also think that one of the other things we've
22 done is we've scrutinized the entry booth a little bit
23 better. And looking at some of these horses that are
24 showing up, when you see these horses that haven't run for
25 quite a while and a little suspect, so we've eliminated a

1 lot of that.

2 But I also want to thank the horsemen, really. I
3 think this was a telling year, very safe, but it was, I
4 think, in large part to the horsemen themselves for being a
5 little more cautious, just about the horses and what they're
6 entering. I think everybody has a better understanding on
7 the backstretch of the damage that these horses' injuries
8 and fatalities have on our business. And I would like to
9 thank a lot of those trainers that made the right decisions
10 this summer.

11 That being said, the guys will run through this
12 for me.

13 CHAIRMAN WINNER: Let me, before that, thank you
14 and Del Mar for all that you've done to improve the safety
15 of the horses and the riders. It's been really incredible
16 and we're all -- everybody in racing is appreciative for
17 what you have done.

18 MR. HARPER: Thanks, Chuck.

19 MR. JERKENS: David Jerkens, Del Mar.

20 It's a 16-day meet and we're going to present 14
21 stakes, 9 of which are graded. So we're emphasizing our
22 stakes' program and turf racing. That's our plan this fall.
23 We've already received lots of interest since our schedule
24 was released, so we're optimistic going into the fall meet.

25 Once again, our successful Ship and Win Program,

1 which is designed to attract out-of-state horses. Seventy
2 percent of those horses are from local California owners
3 that acquire horses throughout the country to run at Del
4 Mar. We've enhanced the program this fall from last fall
5 where there will be a \$2,000 bonus attached to that horse's
6 first start, plus a 30 percent purse bonus. So it's a
7 program that helps with our recruiting and helps inspire our
8 local owners to get out, acquire horses and get them to run
9 at Del Mar.

10 With that, I'll pass it to Tommy to go over other
11 racing topics.

12 MR. ROBBINS: Thank you. Tom Robbins.

13 Just echoing some of Joe's comments or following
14 Joe's comments on the safety issue, I do want to mention
15 Dennis Moore and Leif Dickinson for managing our dirt track
16 and our turf course. They do great work. And we've got a
17 wonderful trend going and we want to continue that trend,
18 along with, as Joe mentioned, some of the other CHRB
19 initiatives that we have done.

20 A few other things. As David mentioned, overnight
21 purses, based on the strong numbers that we had for the
22 summer meet, we're planning on increases overnights about a
23 blended rate of about approximately five percent. So good
24 news with that.

25 Horses are going to start arriving on November

1 3rd. That will be the first day we'll let horses in,
2 Saturday, November 3rd, with the track open on the 4th. It
3 gives Dennis and his crew, Dennis Moore and his crew an
4 opportunity to get the track ready following the
5 International Horse Show that takes place during the month
6 of October at the fairgrounds.

7 We're expecting -- again, we have a little bit of
8 a history of, since we opened in 2014, probably another 350
9 to 400 horses on our property. And we're going to continue
10 with the program that we've started with year-one, which is
11 paying \$100 for each trainer -- for a trainer for each start
12 that they make, recognizing that this can be used to offset
13 some of the labor costs that they have with their help,
14 shipping away from home, and also continuing to pay the
15 grooms' food and drink voucher for each start that they
16 have.

17 One of the things we're doing this year, we will
18 be operating the kitchen, so to speak, out of the backside,
19 which will be at Surfside, which it's been traditionally for
20 the fall meet, out of the backside, which is located on the
21 south end of the seven-furlong chute where most of the
22 horses are stabled. But we do have horses and population
23 back by the backside racing office, as well. And we're
24 going to have this year, for the first time, the rec hall to
25 also make it easier for people to -- that are -- the

1 community on the backside to buy food and beverages out of
2 the rec hall.

3 So that's really about it. We don't -- I don't
4 have a lot more. If you don't have any other questions,
5 racing questions for David or me, happy to pass it along to
6 Josh or --

7 MR. RUBENSTEIN: Let's do marketing first.

8 I'm sorry, Craig.

9 MR. DATO: All right. From -- as David mentioned,
10 this is a very quick 16-day meet. From an attendance
11 standpoint, much higher percentage of locals than you see in
12 the summer. And it's definitely not the summer meet, but we
13 implement a lot of the same strategies that you've seen in
14 the summer, everything, multiple promotions every week,
15 everything from a College Day and a Country Day and a Reggae
16 Festival, a Wine Festival, Craft Beer Day, Family Fun Run,
17 and a special Thanksgiving meal on Thanksgiving Day, and our
18 Big Fall Handicapping Contest.

19 We also will continue to do some of the food and
20 beverage discounts that worked for us so well in the summer,
21 namely the 30 for 20, where horsemen and our Diamond Club
22 members give us \$20.00 and we give them \$30.00 worth of food
23 and beverage scrip to use anywhere, every popular every day.
24 And we'll be implementing again our Free and Easy Sundays,
25 where people are able to get \$5.00 pints of beer and \$5.00

1 tri-tip sliders. So that's been very popular, as well.

2 On the advertising front, we continue to shift
3 money out of kind of the traditional media places, such as
4 print, especially a little bit of TV, and shift those
5 dollars into digital and social media, which allows us to be
6 much more effective from a targeting standpoint and much
7 more efficient from a spending standpoint.

8 Last year at this time, you know, we were going
9 into a Breeders' Cup meet on opening weekend and we had a
10 lot of excitement from that. We don't have that this year.

11 However, you know, we're riding the momentum of a great
12 summer meet. And due to that, we think that the fall racing
13 festival coming up here in November is going to be very
14 solid.

15 So any questions, I'd be happy to answer. If not,
16 we'll go to Josh.

17 CHAIRMAN WINNER: Josh?

18 MR. RUBENSTEIN: Yeah. Apologies. Josh
19 Rubenstein. I'm late. I was outside chatting with Mr.
20 Ritvo and lost track of time.

21 Our License Application in front of you is a 16-
22 day race meet from November 9th through December 2nd.
23 Opening week will run Friday, November 9th through Monday,
24 Veterans Day. The rest of the meet will be the typical
25 Thursday through Sunday. First post 12:30 p.m. every day,

1 except for Thanksgiving will be 11:00 a.m.

2 As was the case for our summer meet, we will have
3 two new wagers, a Late Pick 5 and an early Pick 4. They
4 were both very successful, about \$25 million in incremental
5 handle for the summer meet. Our Pick 6 remains the same as
6 it has been, a \$2.00, with 75 percent of the pool going to
7 six of six winners, 15 percent going into a jackpot.
8 However, we are aware of the Stronach Group's Rainbow 6 this
9 fall, and we'll keep a close eye on that and make a decision
10 moving forward on the Pick 6 in the summer.

11 As the guys have said, we're very optimistic,
12 bullish on the fall meet. Last year, even if you -- we
13 hosted Breeders' Cup, but if you strip out Breeders' Cup,
14 handle was still up seven percent. Average field size was
15 eight-and-a-half runners per race. So we feel the fall meet
16 is really, you know, found its own little niche in the
17 racing calendar and we're excited for November.

18 CHAIRMAN WINNER: Thank you. Thank you all.

19 Any questions? Commissioner Mass?

20 COMMISSIONER MASS: A couple. First, I just want
21 to -- I have one question and one complement.

22 One of the things that you guys do great, like
23 they do at Clocker's Corner here, is your Daybreak at Del
24 Mar. I had the opportunity to go several times this year,
25 and it's a terrific introduction to racing you do during the

1 summer. And I see a lot of growing families and kids, and I
2 just think it's terrific, you know, as they do here.

3 The other question I have to ask is I noticed, in
4 reading the materials, you've thrown poor Bing Crosby
5 overboard. You know, as somebody of who had the pleasure of
6 knowing Bob Hope many years ago, I figured at least I'd give
7 you a little shout out about that and ask you to explain
8 where that is and what your thinking is.

9 MR. DATO: So Bing Crosby will -- and Hollywood
10 will always be a big part of Del Mar. And you'll see, the
11 races are named in this meet after Hollywood icons, the
12 names of restaurants and buildings, the Jimmy Durante Turf
13 Course, photos everywhere. I mean, it's our history and
14 you're going to continue to see plenty of that.

15 However, for the fall meet especially, we really
16 want to emphasize racing. We are the premiere signal in the
17 fall. There's no Saratoga. It's all about Del Mar. And in
18 only 16 days, we're running 14 stakes. And on the heels of
19 a Breeders' Cup that was so successful, we're trying to
20 attract some of the out-of-state stables when, again, there
21 is no Saratoga. So as far as our branding and what we're
22 calling ourselves, we thought the Del Mar Fall Racing
23 Festival really addressed all those blanks.

24 So again, love Bing. Bing's not going anywhere.
25 We'll still play the song twice a day, as well as the Sing

1 with Bing in the Winner's Circle. But we really want to
2 emphasize our strong racing in the fall.

3 COMMISSIONER MASS: Thank you.

4 CHAIRMAN WINNER: Thank you.

5 Any other questions?

6 COMMISSIONER SOLIS: Yes.

7 CHAIRMAN WINNER: Please, Commissioner Solis.

8 COMMISSIONER SOLIS: To you have any labor
9 agreement with the Local 280 that's signed?

10 MR. RUBENSTEIN: So we have an agreement that has
11 been ratified by the Local 280 membership. It has not been
12 signed. We're still working, just on some cleanup language,
13 and that's not just Del Mar, it's SCOTWINC, it's NCOTWINC,
14 it's Los Alamitos. So hopefully the agreement will be
15 signed here in the next couple weeks.

16 CHAIRMAN WINNER: Thank you. And we have agreed
17 to proceed, recognizing that all sides had agreed that there
18 is an agreement and that you're just working out some of the
19 language. But thank you for asking that question.

20 Is there a motion?

21 VICE CHAIR AUERBACH: So moved.

22 CHAIRMAN WINNER: Vice Chair Auerbach moves.

23 COMMISSIONER CHOPER: Second.

24 CHAIRMAN WINNER: Commissioner Choper seconds.

25 Commissioner Mass?

1 COMMISSIONER MASS: Yes.

2 CHAIRMAN WINNER: Commissioner Solis

3 COMMISSIONER SOLIS: Yes.

4 CHAIRMAN WINNER: The Chairman votes yes.

5 VICE CHAIR AUERBACH: Yes.

6 CHAIRMAN WINNER: Vice Chair Auerbach votes yes.

7 COMMISSIONER CHOPER: Yes.

8 CHAIRMAN WINNER: Commissioner Choper votes yes.

9 Have a wonderful meet, gentlemen, and thank you.

10 MR. RUBENSTEIN: Thank you.

11 CHAIRMAN WINNER: Moving on then to item number

12 ten, public hearing and action by the Board regarding the

13 proposed amendment to CHRB Rule 1588, Horse Ineligibility

14 [sic] to Start in a Race, to provide that a horse that a

15 horse that receives an intra-articular injection

16 (glucocorticosteriod/cortisone) is ineligible to race for

17 five days, 120 hours, after the treatment and the proposed

18 addition of CHRB Rule 1842.1, Additional Report for Intra-

19 Articular Treatments, to require veterinarians

20 administering medication or treatment into an articular

21 structure of a horse located within the inclosure to provide

22 an intra-articular treatment record to the trainer who shall

23 maintain the records for a period of one year, and make the

24 records available to the examining veterinarian for the

25 purpose of assisting with pre-race

1 veterinary examinations and other examinations as
2 required by the Board. This concludes the
3 45-day public comment period. The Board may adopt the
4 proposal as presented.

5 Jackie, can you just report if there were any
6 public comments?

7 MR. BRODNIK: There are no public comments.

8 CHAIRMAN WINNER: Thank you, Rob.

9 There are no public comments. Who's going to
10 begin?

11 Dr. Arthur?

12 EQUINE MEDICAL DIRECTOR ARTHUR: I have no
13 comment. Dr. Arthur, Equine Medical Director. I'm just
14 here to answer questions, if there are any further questions
15 at this point.

16 CHAIRMAN WINNER: Rob?

17 MR. BRODNIK: Yes. Item number ten is prepared to
18 be adopted if the Board so chooses.

19 CHAIRMAN WINNER: Is there -- are there any
20 questions? Is there a motion?

21 COMMISSIONER MASS: Move approval.

22 CHAIRMAN WINNER: Commissioner Mass moves.

23 COMMISSIONER SOLIS: Second.

24 CHAIRMAN WINNER: Commissioner Solis seconds.

25 Commissioner Mass, how do you vote?

1 COMMISSIONER MASS: Yes.

2 CHAIRMAN WINNER: Commissioner Solis?

3 COMMISSIONER SOLIS: Yes.

4 CHAIRMAN WINNER: Chairman votes yes.

5 COMMISSIONER CHOPER: Yes.

6 CHAIRMAN WINNER: Commissioner Choper votes yes.

7 It passes by a four-to-nothing vote.

8 Thank you.

9 MR. BRODNIK: Great.

10 CHAIRMAN WINNER: Moving on to item number 11,
11 Public hearing and action by the Board regarding the
12 proposed amendment to CHRB Rule 1843.3, Penalties for
13 Medication Violations, to correct a discrepancy in the
14 phenylbutazone levels noted in the category C penalty chart
15 in Rule 1843.3. This concludes the 45-day public comment
16 period. The Board may adopt.

17 There have been no comments on this one. Any
18 discussion?

19 MR. BRODNIK: No discussion by Staff.

20 CHAIRMAN WINNER: No discussion. Is there a
21 motion?

22 COMMISSIONER SOLIS: Move.

23 CHAIRMAN WINNER: Commissioner Solis moves.

24 COMMISSIONER MASS: Second.

25 CHAIRMAN WINNER: Commissioner Mass seconds.

1 Commissioner Choper?
2 COMMISSIONER CHOPER: Yes.
3 CHAIRMAN WINNER: Chairman votes yes.
4 Commissioner Solis?
5 COMMISSIONER SOLIS: Yes.
6 CHAIRMAN WINNER: And Commissioner Mass?
7 COMMISSIONER MASS: Yes.
8 CHAIRMAN WINNER: This motion carries.
9 Thank you very much.
10 Item number 12, public hearing and action by the
11 Board regarding the proposed to CHRB Rule 1632, Jockey
12 Riding Fee, to adjust the jockey riding fee scale pursuant
13 to Business and Professions Code section 19501. This
14 concludes the 45-day public comment period. The Board may
15 adopt the proposal as presented.
16 Have there been any public comment?
17 MR. BRODNIK: No.
18 CHAIRMAN WINNER: No.
19 MR. BRODNIK: No public comment.
20 CHAIRMAN WINNER: No public comment. Is there a
21 motion?
22 CHAIRMAN WINNER: Commissioner Solis?
23 COMMISSIONER SOLIS: Yes.
24 CHAIRMAN WINNER: Vote -- moves --
25 COMMISSIONER MASS: Move.

1 CHAIRMAN WINNER: -- moves the motion.
2 COMMISSIONER MASS: Second.
3 CHAIRMAN WINNER: Commissioner Mass seconds.
4 Commissioner Choper?
5 COMMISSIONER CHOPER: Yes.
6 CHAIRMAN WINNER: Chairman votes yes.
7 Commissioner Solis?
8 COMMISSIONER SOLIS: Yes.
9 CHAIRMAN WINNER: And Commissioner Mass?
10 COMMISSIONER MASS: Yes.
11 CHAIRMAN WINNER: The motion carries four to
12 nothing.
13 Thank you.
14 Item number 13, Public hearing and action by the
15 Board regarding the proposed amendment to CHRB Rule 1865,
16 Altering of Sex of Horse, to require that if the public is
17
18 not notified of the true of sex of the horse prior to the
19 opening of wagering, the stewards shall declare the horse
20 from the race. This concludes the 45-day public comment
21 period.
22 There have been no public comments. Is there a
23 motion?
24 COMMISSIONER CHOPER: Yes.
25 CHAIRMAN WINNER: Commissioner Choper moves.

1 COMMISSIONER SOLIS: Second.

2 CHAIRMAN WINNER: Commissioner Solis seconds.

3 Commissioner Mass?

4 COMMISSIONER MASS: Yes.

5 CHAIRMAN WINNER: Commissioner Solis?

6 COMMISSIONER SOLIS: Yes.

7 CHAIRMAN WINNER: Chairman votes yes.

8 COMMISSIONER CHOPER: Commissioner Choper?

9 COMMISSIONER CHOPER: Yes.

10 CHAIRMAN WINNER: That item carries by a four-to-
11 nothing vote.

12 Item number 14, discussion and action by the Board
13 regarding the proposed addition of CHRB Rule 1967.1 Posting
14 of Final Odds, to require any association, advance
15 wagering provider or the entity licensed by the Board to
16 distribute the audiovisual signal of any California race, to
17 post the final odds for a race on all displays within five
18 seconds of the close of wagering.

19 We do have one -- we have John -- of David Payton
20 from AmTote.

21 MR. PAYTON: Hi there. Thank you. Dave Payton
22 with AmTote International.

23 I'd like to make the suggestion that the wording
24 of this be changed. We finally have some good news on this
25 topic with trying to make sure that we get the odds to keep

1 from shifting after the horses have left the gate.

2 The last few months, we've been working diligently
3 on trying to find a way to find the optimum time for this.
4 And we've done some testing so that we've now changed the
5 way that we do, I'll just explain just briefly, the way that
6 we do the -- the odds display updates are based on cycles in
7 the system. And we had it set -- we have it set for 30 to
8 60 seconds, up until we get to three minutes to post. And
9 then at three minutes to post, we speed up that time. And
10 we had sped it up to about 20 seconds and we saw a bit of a
11 difference, but we still saw some major changes in odds, as
12 we've seen here in California.

13 And over the last few months we've done some
14 testing, both with NYRA and the Maryland Jockey Club. And
15 we changed that at three minutes to post, we've changed it
16 to go to ten seconds so that we've been doing updates with
17 all of the odds that are coming in at a ten-second interval
18 up until post time, and that's made a tremendous difference.

19 NYRA at Saratoga saw the -- essentially, didn't see any
20 major changes in the odds at the -- after the race went off
21 because of this. There's still the possibility that the --
22 that ten seconds may not be the -- well, it won't be the
23 answer to the fact that there's always going to be a lot of
24 money coming in close to the bell; right? That's always
25 going to be the case.

1 But changing it to ten seconds, we see -- we
2 have -- I don't have any hard data yet, but it seems to have
3 smoothed out the process. With the large money that's
4 coming in, the ten-second increments have smoothed out the
5 changes of the odds, so you don't see a major impact.

6 COMMISSIONER CHOPER: Could you repeat that,
7 please, one more time --

8 MR. PAYTON: Oh, sure.

9 COMMISSIONER CHOPER: -- the last sentence?

10 MR. PAYTON: So the -- as the --

11 COMMISSIONER CHOPER: That they are not changing
12 in the last ten seconds?

13 MR. PAYTON: Well, the odds will continually
14 change as we get --

15 COMMISSIONER CHOPER: I understand.

16 MR. PAYTON: -- more money in the pool. So when
17 we get closer to post time the big money that's coming in --

18 COMMISSIONER CHOPER: Yes.

19 MR. PAYTON: -- is coming in at certain
20 increments. And if all of that big money doesn't come in at
21 the same time, then it will smooth out. So the odds will
22 actually flatten out better, then you'll have a big jump.
23 If you wait 20 seconds, then everybody's big money comes in
24 at once. But when we can shorten that time, we've been able
25 to see the odds have been on a smoother scale. Again, I

1 don't have any hard data on that. We've just started
2 testing this in the last few weeks.

3 COMMISSIONER CHOPER: Well, I congratulate you
4 for, you know --

5 MR. PAYTON: This is the first time that we've
6 been able to say that we're getting better.

7 COMMISSIONER CHOPER: -- doing the best you can.
8 And no one is going to be happy in the end, and no matter if
9 they do it after the --

10 MR. PAYTON: Right.

11 COMMISSIONER CHOPER: Of course.

12 MR. PAYTON: So we're still dealing with
13 technology. We have our tote system here, our host system.
14 We deal with all the guest systems that we have to send
15 information to. We deal with some very old display systems
16 that can't keep up. So we think that going faster than ten
17 seconds might be a problem with those devices not being able
18 to work properly.

19 So we think that the ten-second number is the
20 right number at this point.

21 We've actually -- one more piece. After stop
22 betting, we do one more update on the odds before the final
23 odd, and we do that. Right now we do it at ten seconds. At
24 the other tracks, we've actually set that number to seven
25 seconds here at Santa Anita, and to see what's going to

1 happen. And we think we're going to be successful with
2 that. We still have to wait for the final odds for all the
3 money to come in. So five seconds after the bell won't be
4 practical because we have to wait for double hops and
5 whatnot. There's technology out there that slows us down
6 from actually getting the final-final. But that money has
7 been proven to be a very, very small amount of handle, so
8 the odds won't change from any dramatic way that we've seen
9 to date.

10 So for this language, we would suggest that a ten-
11 second number would be appropriate for the intermediate
12 cycles at three minutes to post, but I wouldn't put a hard
13 number on the actual final, the five seconds on the final
14 just wouldn't work.

15 COMMISSIONER SOLIS: How it works in other
16 countries? Just curious.

17 MR. PAYTON: In other countries?

18 COMMISSIONER SOLIS: Yes. Like France? Do you
19 have any idea?

20 MR. PAYTON: There are different tote systems. I
21 could tell you about AmTote's systems. We'd be operating
22 the same way as I've described. But a lot of the
23 international sites don't deal with the computer-automated
24 betting that we do here in the U.S. and some of the networks
25 that we have that make such dramatic pool increases at the

1 closing bell, so --

2 COMMISSIONER SOLIS: All right. Thank you.

3 CHAIRMAN WINNER: Commissioner Mass?

4 COMMISSIONER MASS: Just a question. So how would
5 you treat a robotic wagerer that's trying to plan as close
6 as possible to the ultimate post? Do you have your own
7 internal cutoffs of when that won't be accepted?

8 MR. PAYTON: They close -- well, they stop betting
9 at the same time that everybody else does. They have the
10 opportunity to be able to get in money. And that was where
11 I was saying that those particular wagerers are the ones
12 that are putting a lot of money in at the last seconds.

13 COMMISSIONER MASS: Right. So will you wait for
14 somebody that's holding off on a million-dollar bet?

15 MR. PAYTON: No. We wouldn't. We wouldn't wait
16 for any of them. They get the final at the same time. Just
17 before the final, they're going to be able to put in their
18 money. The thing about the -- a shorter window with us
19 updating is all of those automated wagerers, they won't see
20 the same thing at the same time. So when they see -- when
21 somebody sees some value, they'll probably hop on it real
22 quick, but they may see it sooner than somebody else.

23 COMMISSIONER MASS: Are they pre-negotiating with
24 you what that looks like or is it just --

25 MR. PAYTON: No.

1 COMMISSIONER MASS: -- it's just done robotically?
2 They'll press -- someone presses a button when they're
3 watching --

4 MR. PAYTON: They're --

5 COMMISSIONER MASS: -- and when the algorithm sees
6 a certain spread they're --

7 MR. PAYTON: Yeah. They're a wagering source,
8 just like anybody else, just like people walking to the
9 window.

10 CHAIRMAN WINNER: Rick, did you want to comment?

11 EXECUTIVE DIRECTOR BAEDEKER: Yeah.

12 Commissioners, just to retrace the steps here, first of all,
13 Dave, I've known Dave for many, many years, and he does good
14 work. And he's a hard-working guy. And I appreciate, Dave,
15 your comments.

16 But also, as you know, this problem dates back to
17 2004 or '05. So while I know there's being significant
18 attention paid to the problem at this particular time, the
19 goal in bringing this to the Board was to start it through
20 the process in the hopes that by the time it came back from
21 45 days, what's before you today is the suggestion to send
22 it out for 45 days. Obviously, any comments in addition to
23 what you've made today can be submitted.

24 In a meeting that we had with the stakeholders
25 before Del Mar closed, or shortly thereafter, the

1 stakeholders are pretty confident that, as a matter of fact,
2 they're going to make very significant progress.

3 But the big issue to me, now being an old-timer in
4 the sport, is we still see it, even though it doesn't happen
5 as frequently as it used to. We hear from some people, and
6 I worry about those that we don't hear from, that draw the
7 same conclusion as was reached when we researched out
8 customers are Hollywood Park. And they saw what they saw.
9 And the odds changed at that time as the horses were going
10 around the far turn. And the conclusion, 65 percent of the
11 customers believed-believed that there was wagering taking
12 place after the race had started.

13 So that's the key integrity issue that we're
14 really talking about here. And you can explain all the
15 double hops in the world to the customers, and they saw what
16 they saw.

17 So that's kind of the foundation of premise for
18 bringing this to the Board. The time for --

19 COMMISSIONER CHOPER: (Off mike.)

20 (Indiscernible.)

21 EXECUTIVE DIRECTOR BAEDEKER: Well, it seems -- we
22 don't usually hear from people whose odds actually went up
23 as a result --

24 COMMISSIONER CHOPER: Sure.

25 EXECUTIVE DIRECTOR BAEDEKER: -- of robotic

1 betting.

2 COMMISSIONER CHOPER: Right.

3 EXECUTIVE DIRECTOR BAEDEKER: But there's an
4 additional technology problem here, and that is that once
5 the final odds -- once the data is received from the tote,
6 it has to be translated for the television graphics. And
7 that's where the vast majority of people are seeing the
8 final odds. And so you might bet the delay down as close as
9 you can get it, but unless that other delay is also fixed,
10 we're still going to have the problem.

11 So where we left the private meeting was we wanted
12 to put this on the agenda again with the suggestion that it
13 go out for 45 days to get public comment in. And as I think
14 everybody in the room knows, that 45-day public comment
15 period really amounts to, from start to finish, probably
16 four or five months by the time we get through all the
17 bureaucratic hoops.

18 So the notion was that, if as a matter of fact at
19 that time, when it comes back from 45 days, if the industry
20 steps forward and says, you know, we got this buttoned up
21 about as good as it's ever going to be the Board is
22 satisfied, even if it's not at five seconds, then the Board
23 doesn't have to adopt the rule.

24 Stated another way, I think we felt it was a good
25 idea to keep the flame turned high.

1 CHAIRMAN WINNER: Thank you. And having attended
2 the meeting that Rick is speaking about, I can tell you that
3 everybody recognizes the problem, at least everybody in the
4 room recognized the problem. And a lot of people had some
5 very interesting suggestions and good suggestions. And we
6 are all trying to solve a problem that everybody recognizes
7 is there.

8 Okay, Dave, thank you. I don't know that there
9 are any other questions for you.

10 MR. PAYTON: Okay. I will just add that we'll
11 make the change to the ten-second increment here at Santa
12 Anita. So in a month, for the next Board meeting, we'll
13 have more information for you.

14 CHAIRMAN WINNER: Thank you.

15 MR. PAYTON: Thank you.

16 CHAIRMAN WINNER: Greg Avioli. Liz Morey is going
17 to speak on behalf of Greg.

18 MS. MOREY: Thank you. Elizabeth Morey, TOC.

19 We appreciate having had the opportunity to
20 discuss this with Rick and CHRB Staff in advance of this
21 rule coming before the Board today. We've offered some
22 other solutions, we can discuss later, as necessary, but we
23 do not support the adoption of this rule because the
24 technology is not available to meet its target, and we
25 believe it could have a serious impact on handle. We look

1 forward to continuing to work through this issue and offer
2 other alternative suggestions.

3 Thank you.

4 CHAIRMAN WINNER: Thank you. Jack Liebau. Hi
5 Jack.

6 MR. LIEBAU: Jack Liebau from Los Alamitos.

7 In looking at the rule, I just don't understand
8 what happens if it's six seconds or seven seconds or
9 whatever and I think you ought to discuss that now. I mean,
10 what, is there penalty? Is the track responsible for the
11 odds that are showing at five seconds, or what's supposed to
12 happen?

13 EXECUTIVE DIRECTOR BAEDEKER: The notion is that
14 rather than the Board dictate the technological solution to
15 the problem, that as a matter of fact, that the rule contain
16 this timeframe. There are ways to meet the timeframe, such
17 as betting stops with first nose into the gate. Now I
18 know --

19 MR. LIEBAU: That --

20 EXECUTIVE DIRECTOR BAEDEKER: -- that everybody
21 panics about that because of the robotic players. I don't
22 get it, personally, because currently, say at Gulfstream,
23 you know, they circle them and circle them and take all this
24 time, and the robotic players are backing up from the time
25 that they anticipate that betting will close and waiting as

1 long as they can and then making their bet. If, as a matter
2 of fact, the problem hadn't been solved -- by the way,
3 this -- keep in mind, this is proposed, right --

4 MR. LIEBAU: Right.

5 EXECUTIVE DIRECTOR BAEDEKER: -- just a 45-day
6 comment thing. But if the problem hadn't been solved and
7 say you went to the first nose in, then one suggestion is to
8 have a countdown clock, that there's 30 seconds left or
9 whatever it was, and then the big players could get their
10 bets in on time. In that event, there's no doubt that all
11 of the odds would be posted probably as the horses broke, or
12 maybe even before they broke.

13 So the notion on the part of Staff was simply to
14 provide the timeframe and leave it to the stakeholders to
15 figure out how to get it done.

16 MR. LIEBAU: I remember, though, about -- I don't
17 know whether it was 10 years ago or 15 years ago, this very
18 subject of stopping betting was discussed before this Board.

19 EXECUTIVE DIRECTOR BAEDEKER: I discussed it. I
20 brought it forward on behalf of Churchill Downs and
21 Hollywood Park and --

22 MR. LIEBAU: And as you well remember, at that
23 time, we had entries, dual entries or same owners, same
24 trainers. And people came up with all sorts of things that
25 can happen after that first nose goes in the gate that turns

1 out to be detrimental to the betting public.

2 So I mean, I understand all of that and I
3 understand the problem. I'm just speaking to the rule
4 itself as to what happens if the five seconds turns out to
5 be six seconds, seven seconds or ten seconds and --

6 EXECUTIVE DIRECTOR BAEDEKER: I urge the Board --
7 I understand what you're saying, if it's physically
8 impossible, say.

9 MR. LIEBAU: No, but what's the penalty? That's
10 what I'm asking.

11 EXECUTIVE DIRECTOR BAEDEKER: Well, it would be a
12 complaint filed against the association.

13 So I understand what you're saying. And as a
14 matter of fact, and let's say that we go through the 45-day
15 period and we put it on the agenda again and the effected
16 parties stand up and say it is physically not possible to
17 meet the requirement of this rule, we can get it done within
18 X, then this Board would take all of that into
19 consideration. And if at that time it wanted to change any
20 of the language, it could send it back out for
21 reconsideration.

22 MR. LIEBAU: Okay. Thank you.

23 COMMISSIONER MASS: Mr. Chairman, I just would
24 like to complement Mr. Baedeker for raising this. And I
25 know it's been a big issue of yours. It, frankly, has been

1 a big issue of mine, and you and I have talked about that.
2 And I invite anybody to go to Striders or one of our other
3 licensed facilities around the state and be there when this
4 happens. And you're exactly right, what people believe is
5 the race is fixed. And I don't know if we have a
6 technological solution to that, but I applaud you for at
7 least putting this out there aspirationally (phonetic) to
8 see if we can come up with some solution that bridges the
9 technological divide, but also the integrity question that I
10 think, you know, we can all recognize exists.

11 CHAIRMAN WINNER: I'm not sure, Commissioner Mass,
12 as much that people feel the race is fixed as they feel, at
13 least some people feel, that others have an advantage over
14 what they have. So the average voting public -- the average
15 betting public feels that some people have a certain
16 advantage over what they have and that they're betting after
17 the race starts. I'm not -- I don't think that means that
18 they think the race is fixed necessarily, but they think
19 that some people have an advantage over themselves.

20 COMMISSIONER MASS: Yes.

21 CHAIRMAN WINNER: And that is what we're trying to
22 deal with, and I think that's what Rick and Staff is trying
23 to deal with.

24 COMMISSIONER MASS: And that's what I intended.
25 Thank you, Mr. Chairman.

1 CHAIRMAN WINNER: Yeah.

2 COMMISSIONER CHOPER: You got a lot of
3 consultants, but some psychologists too.

4 CHAIRMAN WINNER: Yeah. All right, are there any
5 other comments or questions. All right, there is the item.
6 Is there a motion to approve?

7 COMMISSIONER CHOPER: So moved.

8 CHAIRMAN WINNER: Commissioner Choper moves.

9 COMMISSIONER MASS: Second.

10 CHAIRMAN WINNER: Commissioner Mass seconds.
11 Commissioner Mass?

12 COMMISSIONER MASS: Yes.

13 CHAIRMAN WINNER: Commissioner Solis?

14 COMMISSIONER SOLIS: Yes.

15 CHAIRMAN WINNER: Chairman votes yes.

16 Vice Chair --

17 VICE CHAIR AUERBACH: Yes.

18 CHAIRMAN WINNER: -- votes yes.

19 And --

20 COMMISSIONER CHOPER: Yes.

21 CHAIRMAN WINNER: -- Commissioner Choper votes
22 yes. Thank --

23 MR. BRODNIK: And then that will go out for 45
24 days as --

25 CHAIRMAN WINNER: This is going out for 45 days.

1 All of these comments should be -- those who wish to comment
2 should submit their comments to Staff. And this item will
3 come up again after the 45-day period and all of the other,
4 as Rick calls it, bureaucratic hoops that have to be gone
5 through.

6 Okay, any other points from the Board? Is there a
7 motion to adjourn?

8 VICE CHAIR AUERBACH: So moved.

9 CHAIRMAN WINNER: Moved and seconded that the
10 meeting be adjourned. This meeting is adjourned. Thank you
11 all for attending.

12 (The meeting of the California Horse Racing Board
13 adjourned at 11:16 a.m.)
14
15
16
17
18
19
20
21
22
23
24
25

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 5th day of October, 2018.



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

October 5, 2018